



## Disclosures

Organizational Chart

Formula Folios Part 2A of Form ADV

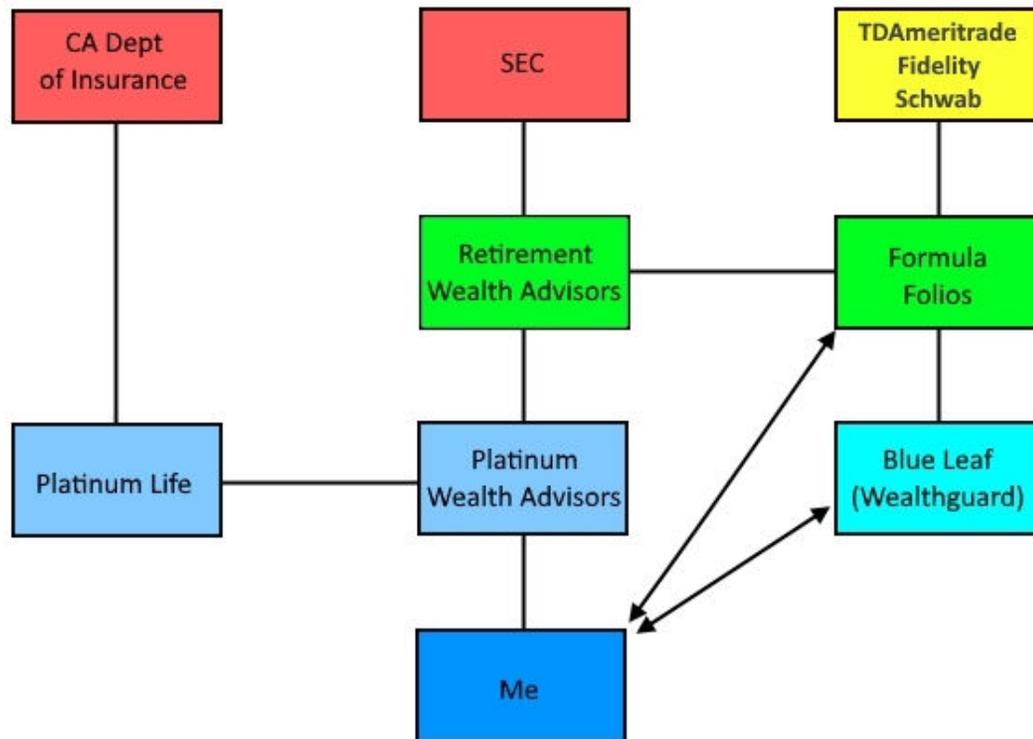
Formula Folios Brochure Supplement

Retirement Wealth Advisors Part 2A of Form ADV

Retirement Wealth Advisors Part 2b of Form ADV

Privacy Policy

# ORGANIZATIONAL CHART





# FIRM BROCHURE

## Part 2A of Form ADV

This brochure provides information about the qualifications and business practices of FormulaFolio Investments, LLC. If you have any questions about the contents of this Brochure, please contact us at 888-562-8880 or [compliance@formulafolioinvestments.com](mailto:compliance@formulafolioinvestments.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 securities authority.

Additional information about FormulaFolio Investments, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

FormulaFolio Investments, LLC is a registered investment adviser. Registration with the SEC does not imply a certain level of skill or training.

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Effective Date: 09/19/2019

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## **ITEM 2 - MATERIAL CHANGES**

### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

### **Material changes since the last update:**

Since the annual amendment filing on March 29, 2019, there have been no material changes.

### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at 888-562-8880 or by email at [support@formulafolios.com](mailto:support@formulafolios.com).

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## **ITEM 4 – ADVISORY BUSINESS**

FormulaFolio Investments, LLC ("FFI"), ("FormulaFolio Investments"), ("Adviser"), or ("Firm") provides investment management services to its clients. Registered with the SEC as an investment advisor since September 2011, the firm works with its clients to develop a plan that is customized to the clients' goals and investment objectives. Prior to engaging FFI to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with FFI setting forth the terms and conditions that FFI renders its services (collectively the "Agreement"). As of September 19, 2019, FFI has \$3,207,433,040.43 of discretionary assets under management for 23,718 accounts and \$230,371,571.89 of non-discretionary for 2,834 accounts. This Disclosure Brochure describes the business of FFI. Certain sections will also describe the activities of Supervised Persons. Supervised Personal are any of FFI's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees, or any other person who provides investment advice on FFI's behalf and is subject to FFI supervision or control.

### **Principal Owners**

Jason Wenk is a principal owner of FormulaFolio Investments, LLC. Jason Wenk's share of ownership is 34.0492%. There are no remaining ownership shares having greater than 25% interest in FormulaFolio Investments, LLC.

### **Investment Management Services**

Clients can engage FFI to manage all or a portion of their assets on a discretionary basis. As detailed in Item 8, FFI primarily allocates clients' investment management assets among different tactical asset allocation strategies. These may take the form of long-short, long- only or other strategies depending upon the client's investment objectives among other factors. The strategies are primarily comprised of individual equity securities, various mutual funds, or exchange traded funds ("ETFs"). The firm acts as the investment manager to these strategies. Individual clients cannot hire FFI to manage their assets directly. Other investment advisors hire FFI to invest their own clients' assets in one or more of FFI's strategies. In this scenario, the advisor will select the strategy for its client, and will hire FFI to manage the assets. Participants in the programs may pay a higher aggregate fee than if investment management and brokerage services are purchased separately.

A complete description of each program's terms and conditions (including fees) are contained in this brochure and the wrap brochure as it pertains to one of FFI's custodians.

For certain clients, FFI may provide its services pursuant to a sub-advisory relationship. The terms and conditions for these engagements are set forth in the agreement between the firm and the client. Sometimes, FFI also renders non-discretionary investment management services to clients relative to variable life/annuity products that they own, their individual employer-sponsored retirement plans, 529 plans, or other products that may not be held by the client's primary custodian. In so doing, FFI either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.

FFI tailors its advisory services to the individual needs of clients. The firm works with licensed advisers to consult with clients initially and on an ongoing basis to determine needs. FFI ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance based on the information provided.

Clients are advised to notify FFI if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon the firm's management services. Clients are able to impose reasonable restrictions or mandates on the management of their account if, in FFI's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

FFI may allocate or recommend that certain clients authorize the active discretionary management of a portion of their assets by or among certain independent investment managers or investment programs (the "Independent Manager(s)"), based upon the stated investment objectives of the client.

Prior to recommending an Independent Manager, the firm will conduct in its belief to have been an appropriate level of due diligence on the recommended Independent Manager. The due diligence review is to include ensuring the Independent Manager is registered or notice-filed within the client's jurisdiction. Factors which the firm will consider in recommending an Independent Manager include the client's stated investment objective, management style, performance, reputation, financial strength, reporting, pricing, and research.

The terms and conditions under which the client will engage the Independent Manager will be set forth in separate written agreements between the client and the firm, and the client and the designated Independent Manager. FFI will continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives, for which the firm will receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated Independent Manager (between 0.20% and 1.00%). The investment management fees charged by the designated Independent Manager, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, are exclusive of, and in addition to, the firm's ongoing investment advisory fee.

### **Affiliated Registered Funds**

FormulaFolios (FFI) serves as the investment advisor to the FormulaFolios US Equity Fund. The investment of the FormulaFolios US Equity Fund is long-term capital appreciation. FFI manages the FormulaFolios US Equity Fund portfolio assets based on the specific investment objectives and restrictions as outlined in the FormulaFolios US Equity Fund's prospectus and statement of additional information, rather than on the individual needs and objectives of the FormulaFolios US Equity Fund shareholders. Prior to investing, shareholders should consider whether the investment strategy of the FormulaFolios US Equity Fund meets their investment objectives and risk tolerance. For a complete description of the investment object and risks, please refer to the FormulaFolios US Equity Fund prospectus.

FFI also serves as the investment advisor to the FormulaFolios US Equity Portfolio. Shares of the FormulaFolios US Equity Portfolio are intended to be sold to certain separate accounts of the participating life insurance companies, as well as qualified pension and retirement plans and certain unregistered separate accounts. Shares will be held by the separate accounts or plans for the benefit of the purchaser or participant. The investment objective of the FormulaFolios US Equity Portfolio is the same as the FormulaFolios US Equity Fund seeking long-term capital appreciation. FFI manages the FormulaFolios US Equity Portfolio assets based on the specific investment objectives and restrictions as outlined in the FormulaFolios US Equity Portfolio prospectus and statement of additional information, rather than on the individual needs and objectives of the insurance carrier or policyholder. Please refer to the FormulaFolios US Equity Portfolio prospectus for a complete description of the investment objective and risks pertaining to the FormulaFolios US Equity Portfolio.

Both the FormulaFolios US Equity Fund and the FormulaFolios US Equity Portfolio are diversified series of the Northern Lights Fund Trust II, an Investment Company registered under the Investment Company Act of 1940.

FormulaFolios (FFI) serves as the investment advisor to the FormulaFolios Hedge Growth ETF, Income ETF, Smart Growth ETF, and Tactical Growth ETF. The FormulaFolios Hedged Growth ETF seeks to achieve its investment objective by investing primarily in domestic equity securities of any market capitalization and US Treasuries through other unaffiliated exchange traded funds. The FormulaFolios Income ETF seeks to achieve its investment objective by investing primarily in foreign and domestic fixed income securities through other exchange traded funds. The fixed income securities in which the fund will invest are US Treasuries, investment grade US bonds, high yield US bonds, US aggregate bond, and international government bonds of any maturity and duration. Complete descriptions of the investment objectives and risk can be found in the Funds' prospectuses or, if available, the summary prospectuses. In all cases, FFI's portfolio management operates in accordance with the investment guidelines outlines in the fund's governing documents.

FFI offers separately managed accounts and other investment fund products in addition to the funds above. Some of these offerings include portfolios of investments that are substantially identical to these funds, and could create certain conflicts of interest. FFI has policies and procedures to address conflicts of interest. These procedures, among other things, ensure that all trades allocated to advisory clients fulfill FFI's fiduciary duty to each client and otherwise allocate securities on a basis that is fair and nondiscriminatory. Such procedures are generally applied in numerous instances, including, among other things, block and bunched trades, cross transactions and private placements. In determining a fair allocation, FFI takes into account a number of factors, including, among other things, the Adviser's fiduciary duty to each client, any potential conflicts of interest, the size of the transaction, the relative size of a client's portfolio, cash available for investment, suitability, as well as each client's investment objectives.

### **Other**

FFI may provide signals to other third parties for money management with fees ranging from 50 bps to 75 bps.

### **Unified Managed Account Program(UMA):**

FFI also participates in a Unified Managed Account (UMA) program. In this case, the "sponsor" of the program Envestnet, has contracts directly with their clients to perform various types of investment management services. The UMA combines the investment expertise of asset managers, ETFs, and Mutual Funds into single portfolio services to their clients where FFI delivers "model" portfolios to Envestnet. As part of this UMA, the adviser typically obtains the necessary financial data from the client, assists the client in determining the suitability of the program, assists the client in setting an appropriate investment objective and assists the client in opening an account.

FFI generally applies the same investment philosophy and strategy for clients of UMA program as is done for FFI's other client's, depending upon any restrictions, limitations, or specific directions that the sponsor or their clients give to us. It is the sponsor that has client authority to purchase and sell securities on a discretionary or non-discretionary basis pursuant to the investment objective chosen by the client. For specific details regarding the managers, FFI recommends the clients review the individual companies ADV Part 2A brochure.

The Sponsor of the UMA program generally charges their clients an aggregated or "all inclusive" fee, and FFI receives a portion of those fees.

### **Serving as a Sub-Advisor to Independently Sponsored Advisory Programs**

FFI may from time to time participate as a sub-advisor under other firms' advisory programs. A client of the other firm selects a registered investment advisor from a list of approved advisors to provide investment management service. FFI receives a fee for account management services provided to clients of an outside firm as outlined in a sub-advisory agreement. This agreement may also outline items such as the advisory services to be provided, the responsibilities of FFI and the other firm, and the terms of engagement including, but not limited to, fees and termination. Responsibilities such as collecting the clients' investment objectives, determining the strategy best suited for the clients, and communication with the clients will be the responsibility of the outside firm. FFI has no responsibility to assess the value of services provided by the outside firm; therefore, the clients should evaluate whether such a program is suitable for their needs and objectives, and whether comparable or similar services are available at a lower cost elsewhere.

## **ITEM 5 FEES AND COMPENSATION**

### **Investment Management Wrap Fee**

FormulaFolio Investments provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed. The firm provides its investment management services and arranges for brokerage transactions through multiple custodian options. Participants utilizing FOLIOfn, do so under a single annualized fee wrap program. Participants in the programs may pay a higher aggregate fee than if investment management and brokerage services are purchased separately. A complete description of the program's terms and conditions (including fees) are contained in the program's wrap fee brochure.

### **ERISA Qualified Plans**

In accordance with Department of Labor regulations under Section 408(b)(2) of ERISA, we are required to provide certain information regarding our services and compensation to assist fiduciaries and plan sponsors of those retirement plans that are subject to the requirements of ERISA in assessing the reasonableness of their plan's contracts or arrangements with us, including the reasonableness of our compensation. This information (the services we provide as well as the fees) is provided to you at the outset of your relationship with us and is set forth in your advisory contract with us (including the fee table, other exhibits and, as applicable, this document, and then at least annually to the extent that there are changes.

### **ERISA Fiduciary Status**

Depending on the agreement between FFI and/or affiliate and the plan sponsor, pursuant to the agreed upon investment advisory contract we may either share fiduciary responsibility with the plan sponsor or we may be the investment manager specifically appointed to have full discretionary authority and control to make actual investment decisions in the plan.

FormulaFolio Investments, in its sole discretion, may negotiate to charge a lesser management fee 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, pre-existing client, account retention, pro bono activities, etc.).

## **Fee Schedules**

Fee schedule for FormulaFolio Custom Allocation Programs: Clients pay FormulaFolio Investments an annual management fee calculated in accordance with the fee schedules shown.

Annual management fees are billed monthly in-arrears based on the average daily balance of the managed account for the preceding calendar month with statements sent Quarterly. For partial months, fees are prorated for only the days in the preceding month when the account was managed.

WealthGuard™ is a tracking software used to monitor the performance/ growth of a clients' portfolio, and to predetermine the amount of downside the client(s) is/are willing to tolerate. It is NOT an actual stop-loss, and will NOT automatically sell the individual securities in the portfolio. WealthGuard™ offers the client multiple options: (1) Upon reaching the WealthGuard™ value, the client's account will be liquidated into cash, or (2) Upon reaching the WealthGuard™ value, the client's account is reinvested two allocations more conservatively (i.e. from MM100 to MM60), (3) Notification only to the client with no further action, unless directed by the client, or (4) Client may opt out of participation in WealthGuard™. By opting out of WealthGuard™, the client will not receive automatic WealthGuard™ notifications of market downturns. The cost of services remains the same if the client opts out of WealthGuard™. Should the client choose to liquidate the portfolio into cash, there is no guarantee the exact WealthGuard™ value will be captured, nor that the assets will be sold the very same day, but rather the notification will alert both the client/s and FFI that the portfolio needs to be sold and moved into a cash account at FFI's earliest opportunity.

WealthGuard™ is an optional monitoring tool. Some portfolios only offer the option of WealthGuard™ monitoring with client notification, as described in option 3 above.

WealthGuard™ is provided at no cost to the investor.

For all accounts non-discretionary, non-managed accounts (non-asset billed) there is an annual fee of \$50 for administrative services. For all managed accounts, there is an annual administrative fee of \$50. This fee applies on accounts that have balances of less than \$100,000 at the end of a billing cycle. This fee can be waived at the discretion of the firm.

Due to FormulaFolios acting as an investment advisor for both the account allocation, as well as the manager of some proprietary mutual funds and ETFs, when these proprietary mutual funds and ETFs are used substantially in accounts we are providing advisory fee discounts to ensure transparent and fair pricing to clients. When invested, your account will receive the following FFI management fee discount:

## Fee Schedules

The total advisory fee paid by Client equals the FFI platform fee detailed below, PLUS the representative fee. Platform fee is determined based on aggregate household value, account size at initial investment, and account allocation series and risk tolerance. WealthGuard™ is included at no cost to the investor.

### Transaction Based Pricing:

#### Multi-Manager Allocation Series

Transaction Based Pricing Schedule

(Custodians: Fidelity, TD Ameritrade, and Charles Schwab)

For accounts under \$100,000 when initially invested

AUM	First <\$100,000	Next \$100,000-\$249,999	Next \$250,000-\$499,999	Next \$500,000-\$999,999	Next >\$1,000,000
MM Income	0.55%	0.50%	0.45%	0.40%	0.35%
MM 20	0.55%	0.50%	0.45%	0.40%	0.35%
MM 40	0.65%	0.60%	0.55%	0.50%	0.45%
MM 60	0.65%	0.60%	0.55%	0.50%	0.45%
MM 80	0.65%	0.60%	0.55%	0.50%	0.45%
MM 100	0.65%	0.60%	0.55%	0.50%	0.45%

For accounts over \$100,000 when initially invested

AUM	FormulaFolios Mgmt. Fee
First <\$100,000	0.75%
Next \$100,000 - \$249,999	0.70%
Next \$250,000 - \$499,999	0.65%
Next \$500,000 - \$999,999	0.60%
Next >\$1,000,000	0.55%

#### FF Allocation Series

Transaction Based Pricing Schedule

(Custodians: Fidelity, TD Ameritrade, and Charles Schwab)

For accounts under \$100,000 when initially invested

AUM	FormulaFolios Mgmt. Fee
First <\$100,000	0.55%
Next \$100,000 - \$249,999	0.50%
Next \$250,000 - \$499,999	0.45%
Next \$500,000 - \$999,999	0.40%
Next >\$1,000,000	0.35%

For accounts over \$100,000 when initially invested

AUM	FormulaFolios Mgmt. Fee
First <\$100,000	0.65%
Next \$100,000 - \$249,999	0.60%
Next \$250,000 - \$499,999	0.55%
Next \$500,000 - \$999,999	0.50%
Next >\$1,000,000	0.45%

#### Core Satellite Allocation Series

Transaction Based Pricing Schedule

(Custodians: Fidelity, TD Ameritrade, and Charles Schwab)

For accounts under \$100,000 when initially invested

AUM	First <\$500,000	Next \$500,000-\$999,999	Next >\$1,000,000
CS Income	0.55%	0.50%	0.45%
CS 20	0.55%	0.50%	0.45%
CS 40	0.55%	0.50%	0.45%
CS 60	0.55%	0.50%	0.45%
CS 80	0.50%	0.45%	0.40%
CS 100	0.50%	0.45%	0.40%

For accounts over \$100,000 when initially invested

AUM	FormulaFolios Mgmt. Fee
First <\$500,000	0.55%
Next \$500,000 - \$1,000,000	0.50%
Next >\$1,000,000	0.45%

### Smart Passive Series

Transaction Based Pricing Schedule  
 (Custodians: Fidelity, TD Ameritrade, and Charles Schwab)  
 For accounts of any value when initially invested

AUM	First <\$500,000	Next \$500,000-\$999,999	Next >\$1,000,000
SP Income	0.30%	0.25%	0.20%
SP 20	0.35%	0.30%	0.25%
SP 40	0.35%	0.30%	0.25%
SP 60	0.35%	0.30%	0.25%
SP 80	0.35%	0.30%	0.25%
SP 100	0.40%	0.35%	0.30%

### Endeavor Series

Transaction Based Pricing Schedule  
 (Custodians: Fidelity, TD Ameritrade, and Charles Schwab)  
 For accounts of any value when initially invested

AUM	FormulaFolios Mgmt. Fee
All account values	\$25 per month

### Tactical Allocation Series

Transaction Based Pricing Schedule  
 (Custodians: Fidelity, TD Ameritrade, and Charles Schwab)  
 For accounts of any value when initially invested

AUM	FormulaFolios Mgmt. Fee
All account values	0.10%

### Asset Based Pricing:

#### Multi-Manager, Tactical, and FF Series

Asset Based Pricing Schedule  
 (Custodian: Folio Institutional)

AUM	FormulaFolios Mgmt. Fee
First <\$250,000	0.90%
Next \$250,001 - \$500,000	0.85%
Next \$500,001 - \$1,000,000	0.80%
Next \$1,000,001 - \$2,000,000	0.70%
Next >\$2,000,001	Please contact FormulaFolios

#### Core Satellite Allocation Series

Asset Based Pricing Schedule  
 (Custodian: Folio Institutional)

AUM	FormulaFolios Mgmt. Fee
First <\$500,000	0.70%
Next \$500,000 - \$1,000,000	0.65%
Next >\$1,000,001	0.60%

\*For FF and Tactical Allocations (allocations of proprietary only strategies) the above fee schedule is used but with 0.15% reductions for each account size level.

### Unified Managed Account Program

Amount Under Management	Platform Fees
All Account Values	0.50%

## **Mutual Fund and ETF Fees and Expenses in Addition to Our Investment Management Fees**

In addition to investing in individual securities, as described in Item 8 of this Brochure, our investment strategies include investing in various mutual funds, or exchange traded funds (“ETFs”), which typically charge their shareholders various advisory fees and expenses associated with the establishment and operation of the funds. These fees are in addition to our fees and will generally include a management fee, shareholder servicing, other fund expenses, and sometimes a distribution fee. If the fund also imposes sales charges, clients may pay an initial or deferred sales charge. These separate fees and expenses are disclosed in each fund’s current prospectus, which is available from the fund or your representative can provide it upon request.

Consequently, for any type of mutual fund or ETF investment, it is important for you to understand that you are directly and indirectly paying two levels of advisory fees and expenses: one layer of fees at the fund level and one layer of advisory fees and expenses to us. Generally, most funds may be purchased directly, without using our services and without incurring our advisory fees. Also, many mutual funds offer share classes that pay shareholder servicing fees (12b-1 fees) to brokerage firms and their registered representatives in consideration of their services to the fund’s shareholders. Additionally, mutual funds typically offer various share classes of the same fund that will have different levels of fees and expenses and depending on a variety of factors clients may be eligible to invest in them and pay lower fees.

### Use of Our Affiliated Mutual Funds and ETFs

When FormulaFolios invests assets in your account in shares of our affiliated mutual funds and ETFs, you are subject to those funds’ internal management fees and other expenses in addition to the annual management fee you pay us for advisory services. This additional compensation that we earn from the internal management fees on our proprietary funds creates a conflict of interest by incentivizing us to use our funds instead of unaffiliated mutual funds and ETFs. We seek to mitigate this conflict of interest by disclosing this additional compensation to you and providing advisory fee discounts, which together help ensure transparent and fair pricing to our clients. See the fee discount chart noted [below] [above]. Specific management fee and related expense information may be found in the prospectus and other offering documents as noted in the previous section.

We want clients to understand that our funds were created and added to various models in order to help offset transaction costs of investing in individual stocks, as well as to seek to achieve greater conformity with the desired target weights for each individual stock in a given model. FormulaFolios is committed to its obligation to ensure associated persons adhere to the Firm’s Code of Ethics and to ensure that the Firm and its associated persons fulfill their fiduciary duty to clients. Portfolio holdings are monitored to ensure they are consistent with the client’s objectives and representatives are not incented to direct client investments to models that have a higher percentage of assets in our proprietary funds.

### **Advisory Fees for Sub-Advisory Relationships**

Fees and payment arrangements are negotiable and will vary on a case by case basis.

FFI provides investment management services as a sub-advisor to certain accounts. An investor may engage an independent investment advisor ("primary adviser") which in turn engages FFI to provide portfolio management services to all or part of such investor's portfolio. In this situation, FFI will typically receive a fee charged as a percentage of assets sub advised by FFI, typically ranging from 0.25% to 0.80% of the assets sub-advised by FFI. Such fees are generally charged by directly debiting the end-investor's custodial accounts. Clients should contact their primary advisor for more information relating to the deduction of fees from their accounts. The specific manner of account fee debit and payment to primary advisor will be detailed in the sub-advisory agreement. End investors should refer to the primary advisor's disclosure documents for full information on the primary advisor's advisory services.

### **Fees Charged by Financial Institutions**

As further discussed in response to Item 12 (below), FormulaFolio Investments generally recommends that clients utilize the brokerage and clearing services of FOLIOfn Investments ("FOLIOfn"), TD Ameritrade ("TDA"), Fidelity, or Charles Schwab for investment management accounts. FormulaFolio Investments may only implement its investment management recommendations after the client has arranged for and furnished FormulaFolio Investments with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, FOLIOfn, TDA, Fidelity, Charles Schwab, any other broker-dealer recommended by FormulaFolio Investments, broker dealer directed by the client, trust companies, banks, etc. (collectively referred to herein as the "Financial Institutions").

While FOLIOfn utilizes a wrap fee, clients may incur certain charges imposed by the other custodians and other third parties such as charges imposed directly by a mutual fund or ETF in the account that are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), 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.

The firm's agreement with any Financial Institutions may authorize FormulaFolio Investments to debit the client's account for the amount FormulaFolio Investment's fee and to directly remit that management fee to FormulaFolio Investments. Any Financial Institutions recommended by FormulaFolio Investments have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to FormulaFolio Investments. Alternatively, clients may elect to have FormulaFolio Investments send an invoice for payment.

### **Fees for Management During Partial Quarters of Service**

For the initial period of investment management services, the fees are calculated on a pro rata basis.

The Agreement between FormulaFolio Investments and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. FormulaFolio Investment's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients can make additions to and withdrawals from their account at any time, subject to FormulaFolio Investment's right to terminate an account. Additions may be in cash or securities provided that FormulaFolio Investments reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. In addition, for ERISA accounts, mutual fund shares may

be deposited only if they are front-end load funds (including “front-end load—waived funds”) or no-load funds. Clients may withdraw account assets on notice to FormulaFolio Investments, subject to the usual and customary securities settlement procedures. However, the firm designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client’s investment objectives. FormulaFolio Investments may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) or tax ramifications.

The client’s fee will be adjusted only if the prorated fee is calculated to be more than \$25 after any assets are deposited or withdrawn from an account during a quarter.

## **ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

FormulaFolio Investments does not provide any services for performance based fees.

Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of the client.

- dollar amount of assets to be managed,
- related accounts,
- account composition,
- pre-existing client,
- account retention, and
- pro bono activities.

## **ITEM 7 - TYPES OF CLIENTS**

FormulaFolio Investments generally provides services to individuals and high net worth individuals. However, the firm also may provide advice to pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

Minimum Account Size:

As a condition for starting and maintaining a relationship, FormulaFolio Investments generally imposes a minimum account size of \$25,000. The firm, in its sole discretion, may accept clients with smaller portfolios based upon certain criteria including:

- anticipated future earning capacity,
- anticipated future additional assets,

FormulaFolio Investments only accepts clients with less than the minimum portfolio size if, in the sole opinion of FormulaFolio Investments, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client’s identified risk tolerance. The firm minimum is a per account minimum, not a per client minimum, meaning each client account is considered individually when calculating account size rather than the sum of all potential accounts for each client.

## **ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **Investment Strategies and Methods of Analysis**

Clients can engage FormulaFolio Investments to manage all or a portion of their assets on a discretionary basis. The firm primarily allocates clients' investment management assets among different tactical allocation strategies. Depending upon the client's investment objectives among other factors, strategies include various investments such as:

- long-term purchases,
- short-term purchases,
- trading,
- short sales,
- option purchases and writing (including covered options, uncovered options, or spreading strategies),
- exchange traded funds, and mutual funds.

The strategies are primarily comprised of various individual equity securities, mutual funds or ETFs. The firm acts as the investment manager to these strategies. Individual clients cannot hire FormulaFolio Investments to manage their assets directly. Other investment advisors hire FormulaFolio Investments to invest their own clients' assets in one or more of the strategies. In this scenario, the advisor will select the strategy for its client, and will hire FormulaFolio Investments to manage the assets.

Generally, the investment strategies are growth-oriented investment strategies designed for investors seeking to diversify their portfolios through a long-term allocation to tactical management. The strategies include equity-based programs, which on a daily basis, analyze a wide variety of individual equity securities, index mutual funds, international funds, and ETFs, that together broadly represent the global economy. Using technical analysis among other factors, the firm determines which individual equity securities, index mutual funds, industry sector or international funds, if any, look attractive to own. The decision essentially comes down to the fundamentals of each security analyzed, the recent trend of each individual fund, and the overall strength of the US economy.

Technical analysis involves, among other things, the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis often involves the use of charts to identify market patterns and trends that may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that FormulaFolio Investments will be able to accurately predict such a re-occurrence. The primary risk in fundamental analysis is that the balance sheet and income statement data used may change, in some cases abruptly. Additionally, securities deemed to meet the fundamental requirement for inclusion to portfolios may not result in positive performance for investors and therefore could result in loss of invested capital.

Primarily, the strategies seek capital appreciation through asset selection. FormulaFolio Investments will invest in the securities and funds ranked highest, as determined by its analysis. When the stock market is in a positive intermediate or long-term trend, the firm expects the strategies to be highly correlated to either the U.S. or international equity markets, as well as either the U.S. or international income markets. To manage risk exposure, the firm performs an overall equity market risk assessment. This assessment seeks to identify periods of high risk by studying economic data of the U.S. economy. Based on the results of the assessment, FormulaFolio Investments may move the strategies to broader based investments and further seek to limit risk by adjusting allocations to cash

on a daily basis. Depending upon the severity of the risk signals, the firm seeks out opportunities for growth through funds that could benefit from poor equity market conditions, such as bonds, commodities, or alternative funds.

## **Risks of Loss**

### *Individual Equities, Mutual Funds, and ETFs*

An investment in individual equities, a mutual fund, or ETF involves risk, including the loss of principal. Individual equity, Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholder's fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intra-day changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility that, among other factors, can lead to the mutual fund's shares trading at a premium or discount to NAV. Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more).

## **Market Risks**

The profitability of a portion of FormulaFolio Investments' recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that FormulaFolio Investments will be able to predict those price movements accurately.

## **Management Through Similarly Managed Accounts**

FormulaFolio Investments may manage portfolios by allocating portfolio assets among various individual equity securities, mutual funds, or ETFs on a discretionary basis using one or more of its proprietary investment strategies (collectively referred to as "investment strategy"). In doing so, FormulaFolio Investments buys, sells, exchanges or transfers shares of securities based upon the investment strategy.

FormulaFolio Investment's management using the investment strategy complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the investment strategy, with a safe harbor from the definition of an investment company.

The investment strategy may involve an above-average portfolio turnover that could negatively impact upon the net after tax gain experienced by an individual client. Securities in the investment strategy are usually exchanged or transferred without regard to a client's individual tax ramifications. Certain investment opportunities that become available to FormulaFolio Investment's clients may be limited. For example, various mutual funds or insurance companies limit the ability of FormulaFolio Investments to buy, sell, exchange or transfer securities consistent with its investment strategy. As further discussed in response to Item 12 (below, FormulaFolio Investments allocates investment opportunities among its clients on a fair and equitable basis.

### **Use of Margin**

To the extent that a client authorizes the use of margin, and margin is thereafter employed by FormulaFolio Investments in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to FormulaFolio Investments will be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin shall correspondingly increase the management fee payable to FormulaFolio Investments. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client. While the use of margin borrowing can substantially improve returns, such use can increase the adverse impact to a client's portfolio. Borrowings will usually be from securities brokers and dealers and will typically be secured by the client's securities or other assets. Under certain circumstances, such a broker-dealer may demand an increase in the collateral that secures the client's obligations and if the client were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the client's obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the client's borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the client's profitability.

### **General Risk of Loss**

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss. FFI uses the following software (WealthGuard™):

**WealthGuard™** is a tracking software used to monitor the performance/ growth of a clients' portfolio, and to predetermine the amount of downside the client is willing to tolerate. It is NOT an actual stop-loss, and will NOT automatically sell the individual securities in the portfolio. WealthGuard™ offers the client multiple options: (1) Upon reaching the WealthGuard™ value, the client's account will be liquidated into cash, or (2) Upon reaching the WealthGuard™ value, the client's account is reinvested two allocations more conservatively (i.e. from MM100 to MM60), (3) Notification only to the client with no further action, unless directed by the client, or (4) Client may opt out of participation in WealthGuard™. By opting out of WealthGuard™, the client will not receive automatic WealthGuard™ notifications of market downturns. The cost of services remains the same if the client opts out of WealthGuard™.

Should the client choose to liquidate the portfolio into cash, there is no guarantee the exact WealthGuard™ value will be captured, nor that the assets will be sold the very same day, but rather the notification will alert both the client(s) and FFI that the portfolio needs to be sold and moved into

## **ITEM 9 - DISCIPLINARY INFORMATION**

FormulaFolio Investments is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. FormulaFolio Investments does not have any required disclosures to this Item.

## **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

FormulaFolio Investments is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons.

FormulaFolio Investments actively recruits new investment adviser representatives in a number of ways. Many of the firm's investment adviser representatives have been, and continue to be, recruited through a strategic networking relationship with The Impact Partnership, LLC, Kennesaw, Georgia ("Impact"). Impact is an independent insurance marketing organization and is licensed as an insurance agency. Impact has appointments from a number of unaffiliated insurance companies to "wholesale" and distribute their insurance products to independent insurance agents. Impact works with and provides a variety of services to independent insurance agents to educate, train, market, strengthen, and grow their insurance practices. Impact also serves as a resource to independent insurance agents in processing insurance applications and in addressing unique or specialty insurance needs of their customers.

Pursuant to this strategic relationship, Impact introduces insurance agents to FormulaFolio Investments. At the time of the introduction, some of these insurance agents are registered as investment adviser representatives with other investment advisers. Following the introduction, there is no obligation for an introduced insurance agent to establish an investment adviser representative relationship with FormulaFolio Investments. Moreover, there is no obligation for any introduced insurance agent to refer or recommend the investment advisory services of FormulaFolio Investments to his or her customers. Impact has no contact with, makes no recommendations to, and does not market or solicit any person to become an investment advisory client of FormulaFolio Investments.

In consideration of Impact's recruiting, marketing, and practice support services, FormulaFolio Investments compensates Impact and its owner/principals based, in part, upon the recruited insurance agent's book of business; that is, as a measure of the volume of business the insurance agent produces and is reflective of the anticipated value of that recruit to the firm. Several of Impact's owners and principals are also owners and serve as principals of FormulaFolio Investments, and so benefit from the firm's recruiting new investment adviser representatives. The compensation received by Impact and its owners/ principals includes both cash and non-cash types of consideration. This compensation does not increase the cost of investment advisory services provided by FormulaFolio Investments to clients.

The compensation paid by FormulaFolio Investments to Impact and its owners/principals may create potential conflicts of interest. After becoming associated with FormulaFolio Investments, newly recruited individuals are incentivized to solicit and recommend that their existing customers and future prospects engage the investment advisory services of FormulaFolio Investments with whom they have then become registered.

**Affiliation disclosure with Altruist Financial, LLC, a firm that has a pending Broker Dealer application in process:**

FormulaFolio Investments, LLC is affiliated with Altruist Financial, LLC, a company currently in the application process to become a Broker Dealer due to the common ownership with Jason Wenk. Altruist Financial, LLC does not provide services to FormulaFolio Investments, LLC.

**Jason Wenk**

Jason Wenk is the Executive Director of Product Development, a strategic consultant, and member of FormulaFolio Investments, LLC. In addition to Mr. Wenk's duties for FormulaFolio Investments, LLC, he is also: (1 Shareholder of Retirement Wealth Advisors, Inc., an SEC Registered Investment Advisor; (2 a member of and partner in 521, LLC, a real estate development and management company; (3 a shareholder of Kasia Insurance Agency, Ltd., a Property and Casualty Insurance Agency. Mr. Wenk is not licensed as an insurance agent nor does he offer clients insurance services. His role in Kasia is strictly as an investor shareholder only; and (4 CEO/Shareholder of Altruist Corporation and Altruist Financial Services, LLC.

**Jason Crump**

Jason Crump is the Chief Executive Officer and a member of FormulaFolio Investments, LLC. In addition to Mr. Crump's duties for FormulaFolio Investments, LLC, he is also: (1 A shareholder and Chief Executive Officer of Retirement Wealth Advisors, Inc., an SEC Registered Investment Advisor; and (2 a licensed life insurance agent.

**Joel VanWoerkom**

Joel VanWoerkom is the President and a member of FormulaFolio Investments, LLC. In addition to Mr. VanWoerkom's duties for FormulaFolio Investments, LLC, he is also: (1 a shareholder and President of Retirement Wealth Advisors, Inc., an SEC Registered Investment Advisor; and (2 a licensed life insurance agent.

Stephen Odom, Steven Craig, Andrew Craig, Brandon George, Edward Nolan, Stephen A. Ashton, and Robert Michael Lester (Jr.) are members of FormulaFolio Investments, LLC and shareholders of Retirement Wealth Advisors, Inc. Their roles in these two firms are as investor members/shareholders only. Stephen Odom, Steven Craig, Andrew Craig, Brandon George, Edward Nolan, and Stephen A. Ashton are also owners/members of The Impact Partnership, LLC. an Insurance Marketing Organization (IMO) headquartered in Kennesaw, Georgia.

**ITEM 11 - CODE OF ETHICS**

FormulaFolio Investments and persons associated with FormulaFolio Investments ("Associated Persons" are permitted to buy or sell securities that it also recommends to clients consistent with FormulaFolio Investment's policies and procedures. FormulaFolio Investments has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics". In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act", its Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by FormulaFolio Investments or any of its associated persons. The Code of Ethics also requires Access Persons of FormulaFolio Investment's report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings. Unless specifically

permitted in FormulaFolio Investment's Code of Ethics, none of FormulaFolio Investment's Access Persons may buy or sell for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household) any security that is actively purchased or sold, or is considered for purchase or sale, on behalf of any of FormulaFolio Investment's clients. Access Persons are allowed to buy or sell such securities only after FFI has sold or purchased or chosen not to sell or purchase such securities.

These requirements are not applicable to:

- direct obligations of the Government of the United States
- money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements;
- shares issued by mutual funds or money market funds; and
- shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients can obtain FormulaFolio Investments' Code of Ethics by contacting the FFI Compliance Department.

FFI, its officers, directors, employees or other Access Persons may purchase the same or similar securities for the FormulaFolios US Equity Fund and the FormulaFolios US Equity Portfolio at the same time as it affects transactions for other clients. A conflict of interest could arrive should FFI or the persons listed above trade before other FFI clients. FFI has written policies and procedures to address this conflict of interest.

## **ITEM 12 - BROKERAGE PRACTICES**

As discussed above, in Item 5, FormulaFolio Investments generally recommends that clients utilize the brokerage and clearing services of TD Ameritrade Institutional, Fidelity Institutional Wealth Services, FOLIOfn, and Charles Schwab. Factors which FormulaFolio Investments considers in recommending these or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. TD Ameritrade Institutional, Fidelity Institutional Wealth Services, FOLIOfn and Charles Schwab enable FormulaFolio Investments to obtain many individual equity securities, no-load mutual funds, and ETFs without transaction charges and other no-load and load-waived funds at nominal transaction charges. The commissions or transaction fees charged by these firms may be higher or lower than those charged by other Financial Institutions.

The commissions paid by FormulaFolio Investment's clients comply with FormulaFolio Investment's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where the firm determines that the commissions are 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 Financial Institution's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. FormulaFolio Investments seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

The firm periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution. The client can request FormulaFolio Investments in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution, and FormulaFolio Investments will not seek better execution services or prices from other Financial Institutions or be able to “batch” client transactions for execution through other Financial Institutions with orders for other accounts managed by FormulaFolio Investments (as described below). As a result, the client may 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. Subject to its duty of best execution, FormulaFolio Investments may decline a client’s request to direct brokerage if, in FormulaFolio Investment’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties. Transactions for each client generally will be effected independently, unless FormulaFolio Investments decides to purchase or sell the same securities for several clients at approximately the same time. Although it is not obligated to, FormulaFolio Investments combines or “batches” such orders to obtain best execution, negotiate more favorable commission rates, or allocate equitably among FormulaFolio Investment’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 generally be averaged as to price and allocated among FormulaFolio Investment’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that FormulaFolio Investments determines to aggregate client orders for the purchase or sale of securities, including securities in which FormulaFolio Investment’s Supervised Persons may invest, FormulaFolio Investments generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. FormulaFolio Investments does not receive any additional compensation or remuneration as a result of the aggregation. In the event that FormulaFolio Investments determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors that may include:

- when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates;
- allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts;
- if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed);
- with respect to sale allocations, allocations may be given to accounts low in cash;
- in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, FormulaFolio Investments may exclude the account(s) from the allocation the transactions may be executed on a pro rata basis among the remaining accounts; or
- in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

In an effort to avoid transaction costs, portfolios are designed to utilize No Transaction Fee ETFs and Mutual Funds whenever possible. Custodians often charge a short term redemption fee if funds are not held on to for a period of 30 days for ETFs and 30 to 60 days for mutual funds. To mitigate these

costs, FFI has designed some of the models to trade every 31 days. Client accounts may incur this cost if the model changes within the first 30 days of the clients investment.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products or services that assist FormulaFolio Investments in its investment decision-making process. Such research generally will be used to service all of FormulaFolio Investment's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio.

The receipt of investment research products or services as well as the allocation of the benefit of such investment research products or services poses a conflict of interest because FormulaFolio Investments does not have to produce or pay for the products or services. Such transactions are in compliance with Section 28(e) of the Securities Exchange Act of 1934, as amended. In addition, FormulaFolio Investments may receive a portion of charges imposed by mutual funds for its servicing of client accounts. These charges do not result in any additional fees paid by clients.

### **Software and Support Provided by Financial Institutions**

FormulaFolio Investments may receive from TD Ameritrade Institutional, Fidelity Institutional Wealth Services, FOLIOfn, and Charles Schwab without cost to FormulaFolio Investments, computer software and related systems support, which allow the firm to better monitor client accounts maintained at TD Ameritrade Institutional, Fidelity Institutional Wealth Services, FOLIOfn, and Charles Schwab. FormulaFolio Investments may receive the software and related support without cost because FormulaFolio Investments renders investment management services to clients that maintain assets at TD Ameritrade Institutional, Fidelity Institutional Wealth Services, FOLIOfn, and Charles Schwab. The software and related systems support may benefit the firm, but not its clients directly. In fulfilling its duties to its clients, FormulaFolio Investments endeavors at all times to put the interests of its clients first. Clients should be aware, however, that FormulaFolio Investment's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence FormulaFolio Investment's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, FormulaFolio Investments may receive the following benefits from TD Ameritrade Institutional, Fidelity Institutional Wealth Services, FOLIOfn, and Charles Schwab:

- receipt of duplicate client confirmations and bundled duplicate statements;
- access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- access to an electronic communication network for client order entry and account information.

Our blocks are generated by calculating orders based on each account and then aggregating the orders into block orders and allocating each share quantity generated for each account to the appropriate account. The blocks are executed in block trading accounts and then allocated according to the shares needed per account. This supplies all clients with average price instead of being subject to individual order market fluctuation. In the event that blocks are not fully filled and only portions of shares are purchased, each account would receive the lower number of shares prorated.

### **ITEM 13 - REVIEW OF ACCOUNTS**

FormulaFolio Investments monitors client portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by one of FormulaFolio Investment's investment advisor representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with the firm and to keep FormulaFolio Investments informed of any changes thereto. FormulaFolio Investments contacts ongoing investment advisory clients at least annually to review its previous services or recommendations and to discuss the impact resulting from any changes in the client's financial situation or investment objectives. Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Clients also receive a report from FormulaFolio Investments that may include such relevant account or market-related information such as an inventory of account holdings and account performance on a quarterly basis. Clients should compare the account statements they receive from their custodian with those they receive from FormulaFolio Investments. As requested by the client, the firm will furnish a supporting schedule for capital gains and losses realized in the account for the year.

### **ITEM 14 - CLIENT REFERRALS, SUB-ADVISORY ARRANGEMENTS, AND OTHER COMPENSATION**

FormulaFolio Investments may receive economic benefits from non-clients for providing advice or other advisory services to clients. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above.

In addition, FormulaFolio Investments is required to disclose any direct or indirect compensation that it provides for client referrals. If a client is introduced to FormulaFolio Investments by either an unaffiliated or an affiliated solicitor, FormulaFolio Investments may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee is paid solely from FormulaFolio Investment's investment management fee, and does not result in any additional charge to the client. If the client is introduced to FormulaFolio Investments by an unaffiliated solicitor, the solicitor provides the client with a copy of FormulaFolio Investment's written disclosure brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of FormulaFolio Investments discloses the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of FormulaFolio Investment's written disclosure brochure at the time of the solicitation. This paragraph also applies to primary advisors in a sub-advisory agreement with FFI, wherein clients remain the client of the primary advisor and FFI manages the client's accounts for an advisory fee.

### **ITEM 15 - CUSTODY**

FormulaFolio Investment's Agreement or the separate agreement with any Financial Institution authorizes FormulaFolio Investments through such Financial Institution to debit the client's account for the amount of FormulaFolio Investment's fee and to directly remit that management fee to FormulaFolio Investments in accordance with applicable custody rules. The Financial Institutions

recommended by the firm have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to FormulaFolio Investments. In addition, as discussed in Item 13, FormulaFolio Investments also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from FormulaFolio Investments.

#### **ITEM 16 - INVESTMENT DISCRETION**

FormulaFolio Investments is given the authority to exercise discretion on behalf of clients. FormulaFolio Investments is considered to exercise investment discretion over a client's account if it can affect transactions for the client without first having to seek the client's consent. FormulaFolio Investments is given this authority at the outset of the advisory relationship included in the agreement between FormulaFolio Investments and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). FormulaFolio Investments takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The Independent Managers to be hired or fired.

#### **ITEM 17 - VOTING CLIENT SECURITIES**

FormulaFolio Investments is required to disclose if it accepts authority to vote client securities. FormulaFolio Investments does not vote client securities on behalf of its clients. Clients receive proxies directly from the Financial Institutions.

FFI does not vote proxies on behalf of clients. As it pertains to the FormulaFolios US Equity Fund and the FormulaFolios US Equity Portfolio, FFI has been delegated proxy voting responsibility by the Board of Trustees for proxies solicited on the securities held in the Funds' portfolios. As a matter of policy and as a fiduciary, FFI has responsibility for voting proxies for portfolios securities consistent with the best economic interests of the Funds, Portfolios and clients. The proxy policies and a records of each proxy voted by FFI on behalf of the portfolio including a report on the resolution of all proxies identified by FFI as involving a conflict of interest will be presented to the Board of Trustees at least annually.

In certain situations, FFI is required to vote proxies on behalf of FormulaFolios Hedge Growth, Income, Smart Growth, and Tactical Growth ETFs. These are done as laid out in the funds' proxy voting policies. Information regarding how proxies are voted is outlined in each prospectus and statement of additional information. Clients can obtain a copy of our complete proxy voting policies and procedures by contacting the main number on the cover page of this disclosure brochure.

#### **ITEM 18 - FINANCIAL INFORMATION**

FormulaFolio Investments does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, FormulaFolio Investments is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients no disclosures pursuant to this Item.

# Brochure Supplement

This brochure provides information about principals and adviser representatives of FormulaFolio Investments, LLC and this brochure supplements the FormulaFolio Investments, LLC brochure. You should have received a copy of that brochure. If you did not receive FormulaFolio Investments, LLC brochure or if you have any questions about the contents of this supplement. Please contact compliance at: **(888) 562-8880**, or [compliance@formulafolios.com](mailto:compliance@formulafolios.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. Additional information about FormulaFolio Investments, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). FormulaFolio Investments, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

Effective Date: 06/26/2019

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[support@formulafolios.com](mailto:support@formulafolios.com)

## Item 2: Educational Background and Business Experience

### Professional Certificates

Employees have earned certifications and credentials that are required to be explained in further detail.

## Jason Wenk

Executive Director of Product Development / Strategic Consultant

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**Date of Birth:** 1980

**Educational Background:** Grand Valley State University, 1998-1999

### Business Experience:

- 09/2018 – Present, Altruist Corp, CEO / Shareholder
- 11/2011 - Present, FormulaFolio Investments, LLC, Executive Director of Product Development / Strategic Consultant / Managing Member
- 10/2005 - Present, Retirement Wealth Advisors, Shareholder
- 05/2004 - 12/2005, Geneos Wealth Management, Financial Advisor
- 09/2002 - 05/2004, Woodbury Financial Services, Financial Advisor
- 01/2002 - 09/2002, Foresters Equity Services, Financial Advisor
- 10/2000 - 12/2002, Morgan Stanley, Financial Advisor

### Item 3 & 7: Disciplinary Information

As it relates to past, current or prospective clients, Jason Wenk has not been involved in any legal or disciplinary events, has not been involved in arbitrations, has not been subject to self-regulatory organization or administrative proceedings and has not filed or planning to file a bankruptcy petition.

### Item 4: Other Business Activities

Mr. Wenk is a 50% silent partner in Kasia Insurance Agency, a commercial insurance brokerage firm in Chicago, IL. He does not actively work in this company nor does he hold any insurance licenses, his role is as an investor only. Altruist Corp/Affiliated entities hold a pending broker dealer registration.

### Item 5: Additional Compensation

Jason Wenk does not receive any economic benefits from anyone who is not a client for providing advisory services.

### Item 6: Supervision

Jason Wenk is supervised by Danielle Tyler, Chief Compliance Officer. She reviews Jason Wenk's work.

Danielle Tyler's contact information: Phone (888)-562-8880, ext. 1011 Email [dtyler@formulafolios.com](mailto:dtyler@formulafolios.com)

# Jason Crump

Managing Member / Chief Executive Officer

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**Date of Birth:** 1977

## **Educational Background:**

- Calvin College, BS 1999
- Securities licenses: Series 65 license (active)

## **Business Experience:**

- 01/2014 - Present, FormulaFolio Investments, LLC., Managing Member, Chief Executive Officer (CEO)
- 09/2007 - Present, Retirement Wealth Advisors, Inc., Investment Advisor Representative, Chief Executive Officer (CEO)
- 10/2004 - 10/2007, Fifth Third Securities, Inc., Investment Advisor Representative
- 09/2003 - 10/2004, Bank One Securities Corp, Representative
- 06/2003 - 08/2003, Geneos Wealth Management, Investment Advisor Representative
- 11/2002 - 06/2003, Intersecurities, Inc. Registered Rep
- 11/2001 - 10/2002, Foresters Equity Services, Registered Rep Morgan Stanley, Financial Advisor

## **Item 3 & 7: Disciplinary Information**

As it relates to past, current or prospective clients, Jason Crump has not been involved in any legal or disciplinary events, has not been involved in arbitrations, has not been subject to self-regulatory organization or administrative proceedings and has not filed or planning to file a bankruptcy petition.

## **Item 4: Other Business Activities**

Jason Crump is a licensed insurance agent. He may offer insurance products and receive normal and customary fees as a result of insurance sales. A conflict of interest may arise as these insurance sales may create an incentive to recommend products based on the compensation adviser and/or our supervised persons may earn and may not necessarily be in the best interests of the client.

## **Item 5: Additional Compensation**

Jason Crump does not receive any economic benefits from anyone who is not a client for providing advisory services.

## **Item 6: Supervision**

Jason Crump is supervised by Danielle Tyler, Chief Compliance Officer. She reviews Jason Crump's work through frequent office interactions.

Danielle Tyler's contact information: Phone (888)-562-8880, ext. 1011 Email [dtyler@formulafolios.com](mailto:dtyler@formulafolios.com)

# Joel VanWoerkom

Managing Member / President

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**Date of Birth: 1977**

## **Educational Background:**

- Calvin College, BA 1999
- Western Michigan University, Masters of Business Administration (MBA), 2010
- Securities licenses: Series 65 license (active)

## **Business Experience:**

- 01/2014 - Present, FormulaFolio Investments, LLC., Managing Member, President
- 08/2007 - Present, Retirement Wealth Advisors, Inc., President, Investment Advisor Representative
- 08/2005 - 08/2007, Vanguard Charter Academy, Teacher Aide
- 08/2004 - 08/2005, Waiakea Middle School, Teacher
- 08/2002 - 08/2004, Timberland Charter Academy, Teacher

## **Item 3 & 7: Disciplinary Information**

As it relates to past, current or prospective clients, Joel VanWoerkom has not been involved in any legal or disciplinary events, has not been involved in arbitrations, has not been subject to self-regulatory organization or administrative proceedings and has not filed or planning to file a bankruptcy petition.

## **Item 4: Other Business Activities**

Joel VanWoerkom is a licensed insurance agent. He may offer insurance products and receive normal and customary fees as a result of insurance sales. A conflict of interest may arise as these insurance sales may create an incentive to recommend products based on the compensation adviser and/or our supervised persons may earn and may not necessarily be in the best interests of the client.

## **Item 5: Additional Compensation**

Joel VanWoerkom does not receive any economic benefits from anyone who is not a client for providing advisory services.

## **Item 6: Supervision**

Joel VanWoerkom is supervised by Danielle Tyler, Chief Compliance Officer. She reviews Joel VanWoerkom's work through frequent office interactions.

Danielle Tyler's contact information: Phone (888)-562-8880, ext. 1011 Email [dtyler@formulafolios.com](mailto:dtyler@formulafolios.com)



RETIREMENT WEALTH

# FIRM BROCHURE

## Part 2A of Form ADV

This brochure provides information about the qualifications and business practices of Retirement Wealth Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at 888-562-8880 or [compliance@retirementwealthadvisors.com](mailto:compliance@retirementwealthadvisors.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.

Additional information about Retirement Wealth Advisors, LLC. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Retirement Wealth Advisors, LLC. is a registered investment adviser. Registration does not imply any level of skill or training.

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89 Ionia Ave NW, Suite 600  
Grand Rapids, MI 49503  
Phone: 888-562-8880  
Fax: 616-667-2218  
<https://retirementwealthadvisors.com>

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Effective Date: July 2020

## **ITEM 2 – MATERIAL CHANGES**

### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

### **Material changes since the last update**

Brookstone Capital Management, LLC acquired full ownership of Retirement Wealth Advisors, LLC in July 2020. Brookstone is a registered investment advisor domiciled in Illinois. This change in ownership will have no impact on the investment advisory services that you receive from either Retirement Wealth or your independent advisor. Your independent financial advisor will remain the same, as will the nature of the investment services that you receive and the terms of your investment advisory contract.

### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at 888-562-8880 or by email at: [support@retirementwealthadvisors.com](mailto:support@retirementwealthadvisors.com)

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## **ITEM 4 - ADVISORY BUSINESS**

Retirement Wealth Advisors, LLC hereinafter ("RWA"), ("Firm") or the ("Adviser") is a corporation formed under the laws of Michigan founded in 2005 and is an SEC registered investment adviser. Retirement Wealth Advisors, LLC offers personalized investment advisory services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

Retirement Wealth Advisors, LLC has a selling agreement affiliation with FormulaFolios, LLC While Retirement Wealth Advisors, LLC does have legacy accounts; Investment Advisor Representatives of Retirement Wealth Advisors, LLC solicit accounts primarily for FormulaFolios, LLC FormulaFolios, LLC provides back office management of these accounts for Retirement Wealth Advisors.

This narrative provides clients with information regarding RWA and the qualifications, business practices, and nature of advisory services that should be considered before becoming an advisory client of RWA. Individuals associated with RWA will provide its investment advisory services. These individuals are appropriately licensed, qualified, or authorized to provide advisory services on behalf of RWA. Such individuals are known as Investment Advisor Representatives. RWA provides two primary financial advisory services: 1) investment management services, and 2) personal financial planning. Each of these two services are billed separately as unique services, or, in most cases for ongoing clients, billings for both services are integrated, as described below. Some clients choose to use the Adviser only for the financial planning; others can choose to use the Adviser only for investment management services.

The Adviser is a fee-only investment management and financial planning firm. The firm does not sell securities on a commission basis. However, there are some associated persons who are in other fields where they receive commissions as compensation. The investment management services are provided through separately managed accounts for each client. The Adviser does not act as a custodian of client assets, and the client always maintains asset control. The Adviser has discretion of client accounts and places trades for clients under a limited power of attorney.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Any conflicts of interest arising out of the Adviser's or its associated persons are disclosed in this brochure.

### **Principal Owners**

Brookstone Capital Management, LLC is the sole owner of Retirement Wealth Advisors, LLC

### **Types of Advisory Services**

RWA provides investment supervisory services, also known as asset management services and furnishes investment advice through consultations. On more than an occasional basis, RWA furnishes advice to clients on matters not involving securities.

RWA offers discretionary and non-discretionary continuous portfolio management services where the investment advice provided is tailored to meet the needs and investment objectives of the client. The Firm offers an initial consultation in which pertinent information about the client's personal and financial circumstances and objectives is collected, and the scope of the engagement is determined. Where RWA enters into discretionary arrangements with clients, RWA will be granted discretion and authority

to manage the client's account subject to any written guidelines that the client provides. Accordingly, RWA is authorized to perform various functions, at the client's expense, without further approval from the client. Such functions include the determination of securities and the amount of securities to be purchased and/or sold.

Once the portfolio is constructed, RWA provides ongoing supervision and rebalancing of the portfolio as changes in market conditions and client circumstances require. For non-discretionary portfolio management services, RWA will monitor the client's assets and will provide recommendations as to the client's asset allocation. The client is free at all times to accept or reject any investment recommendation from RWA. For non-discretionary portfolio management, RWA will implement recommendations upon obtaining client approval.

### **Variable Annuity Asset Allocation**

RWA also provides Variable Annuity Asset Allocation services for Variable Annuity contracts issued by numerous Insurance Companies. These strategies are known as "VaR Allocation Series" and "RWA Multi-Strategy Allocation".

### **Financial Planning Services**

RWA engages in financial planning services for a fee. Financial planning and consulting will typically involve providing a variety of services, principally advisory in nature, to clients regarding the management of their financial resources based upon an analysis of their individual needs. An Investment Adviser Representative of RWA will first conduct an initial consultation. After the initial consultation, if the client decides to engage RWA for financial planning services, an Investment Adviser Representative will conduct follow up meetings as necessary, during which pertinent information about the client's financial circumstances and objectives is collected. Once such information has been reviewed and analyzed, a financial plan – designed to achieve the client's stated financial goals and objectives – if created, will be presented to the client. Clients can act on the Firm's recommendations by placing securities transactions with any brokerage firm the client chooses. The client is under no obligation to act on the Firm's financial planning recommendations. Moreover, the client is under no obligation to implement the financial plan through RWA. Financial plans are based on the client's financial situation at the time the plan is presented and on financial information disclosed by the client to RWA. Clients are advised that certain assumptions are made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. RWA cannot offer any guarantees or promises that the client's financial goals and objectives will be met. As the client's financial situation, goals, objectives, or needs change, the client must notify RWA promptly.

As of March 23, 2020, RWA manages \$1,801,781,812 in discretionary assets for 17,169 accounts and \$203,501,115 in non-discretionary assets for 2,296 accounts.

### **Types of Agreements**

The following agreements define the typical client relationships:

**Investment Management Agreement:** As part of the investment management service, all aspects of the client's financial affairs are reviewed, and realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis. The Adviser periodically reviews a client's financial situation and portfolio through regular contact with the client and often includes an annual meeting with the client.

The scope of work and fee for an Investment Management Agreement is provided to the client in writing prior to the start of the relationship. The agreement sets forth the services to be provided, the fees for the service and the agreement can be terminated by either party in writing at any time.

Financial Planning Agreement: The financial plans include Morning Star® analysis. The plans can also include the following:

- net worth statement,
- cash flow statement,
- review of investment accounts, asset allocation, and repositioning recommendations,
- strategic tax planning,
- review and recommendations for retirement accounts,
- review and recommendations of insurance policies,
- one or more retirement scenarios,
- estate planning review and recommendations,
- education planning with funding recommendations,
- individual securities hold/sell recommendations,
- mutual fund fee analysis,
- annuity stress test, and
- 401(k) optimization.

Financial planning can be the only service provided to the client and does not require that the client use or purchase the investment advisory services offered by the Advisor or any of the insurance products or other products and services offered by the associated persons of the Advisor. There is an inherent conflict of interest for the Advisor whenever a financial plan recommends use of professional investment management services or the purchase of insurance products or other financial products or services. The Advisor or its associated persons can receive compensation for financial planning and the provision of investment management services and/or the sale of insurance and other products and services. The Advisor does not make any representation that these products and services are offered at the lowest available cost and the client could be able to obtain the same products or services at a lower cost from other providers. However, the client is under no obligation to accept any of the recommendations of the Advisor or use the services of the Advisor in particular.

Hourly Engagements: The Advisor provides hourly services for clients who need advice on a limited scope of work.

## **Asset Management**

Investments can include equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, options contracts, futures contracts, and interests in partnerships. RWA reserves the right to advise clients on any other types of investments deemed appropriate based on the client's stated goals and objectives. The Firm, at times, provides advice on other types of investments held in a client's portfolio at the inception of the advisory relationship or on investments for which the client requests advice.

Stocks and bonds are purchased or sold through a brokerage account. When appropriate, the brokerage firm charges a fee for stock and bond trades.

## **Selection of Third-Party Investment**

Advisers and Sub-Investment Advisers

RWA can recommend that clients utilize the services of a third-party investment adviser (“TPIA”) to manage a portion of, or their entire portfolio. All TPIAs that the Firm recommends to its clients must either be registered as investment advisers with the Securities and Exchange Commission or with the appropriate state authority(ies).

After gathering information about the client’s financial situation and objectives, an investment adviser representative of RWA will make recommendations regarding the suitability of a TPIA or investment style based on, but not limited to, the client’s financial needs, investment goals, tolerance for risk, and investment objectives. Upon selection of a TPIA(s), RWA will monitor the performance of the TPIA(s) to ensure their performance and investment style remains aligned with the investment goals and objectives of the client.

RWA will share in the fee paid by the client to the TPIA. Clients who are referred to TPIAs will receive full disclosure, including services rendered and fee schedules, at the time of the referral by delivery of a copy of the relevant TPIA’s Form ADV Part 2 or equivalent disclosure document. In addition, if the investment program recommended to a client is a wrap fee program, the client will also receive the wrap fee brochure or equivalent wrap fee account size, minimum fees, or other portfolio conditions as outlined in their disclosure statements. The Firm or the TPIA will provide to each client all appropriate disclosure statements, including disclosure of solicitation fees paid to RWA and its investment adviser representatives.

Fees paid by the client to the TPIA are established and payable in accordance with the Form ADV Part 2 or other equivalent disclosure document provided by each TPIA to whom the client is referred, and these fees can be negotiable. Such compensation can differ depending upon the Firm’s individual agreement with each TPIA. As such, RWA or its investment adviser representatives can have an incentive to recommend one TPIA over another TPIA with whom it has less favorable compensation arrangements or other advisory programs offered by TPIAs with which it has no compensation arrangements. Clients will be required to sign an agreement directly with the TPIA(s) selected. The client, the Firm, or the TPIA, in accordance with the provisions of those agreements, can terminate the advisory relationship. If the TPIA is compensated in advance, the client will typically receive a pro rata refund of any prepaid advisory fees upon termination of an advisory agreement.

### **Termination of Agreement**

A Client can terminate any of the aforementioned agreements at any time by notifying the Adviser in writing. Clients shall be charged pro rata for services provided through to the date of termination. The Adviser reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in the Adviser’s judgment, to providing proper financial advice.

### **Affiliated Registered Mutual Funds**

FormulaFolio Investments, LLC (FFI) serves as the investment advisor to the FormulaFolios US Equity Fund. The investment of the FormulaFolios US Equity Fund is long-term capital appreciation. FormulaFolio Investments, LLC manages the FormulaFolios US Equity Fund portfolio assets based on the specific investment objectives and restrictions as outlined in the FormulaFolios US Equity Fund’s prospectus and statement of additional information, rather than on the individual needs and objectives of the FormulaFolios US Equity Fund shareholders. Prior to investing, shareholders should consider whether the investment strategy of the FormulaFolios US Equity Fund meets their investment objectives and risk tolerance. For a complete description of the investment objective and risks, please refer to the FormulaFolios US Equity Fund prospectus.

FFI also serves as the investment advisor to the FormulaFolios US Equity Portfolio. Shares of the FormulaFolios US Equity Portfolio are intended to be sold to certain separate accounts of the participating life insurance companies, as well as qualified pension and retirement plans and certain unregistered separate accounts. Shares will be held by the separate accounts or plans for the benefit of the purchaser or participant. The investment objective of the FormulaFolios US Equity Portfolio is the same as the FormulaFolios US Equity Fund seeking long-term capital appreciation. FFI manages the FormulaFolios US Equity Portfolio assets based on the specific investment objectives and restrictions as outlined in the FormulaFolios US Equity Portfolio prospectus and statement of additional information, rather than on the individual needs and objectives of the insurance carrier and/or policyholder. Please refer to the FormulaFolios US Equity Portfolio prospectus for a complete description of the investment objective and risks pertaining to the FormulaFolios US Equity Portfolio.

Clients of an advisor registered with RWA can invest in a portfolio that has an FFI proprietary mutual fund.

FormulaFolios (FFI) serves as the investment advisor to the FormulaFolios Hedge Growth ETF, Income ETF, Smart Growth ETF, and Tactical Growth ETF. The FormulaFolios Hedged Growth ETF seeks to achieve its investment objective by investing primarily in domestic equity securities of any market capitalization and US Treasuries through other unaffiliated exchange traded funds. The FormulaFolios Income ETF seeks to achieve its investment objective by investing primarily in foreign and domestic fixed income securities through other exchange traded funds. The fixed income securities in which the fund will invest are US Treasuries, investment grade US bonds, high yield US bonds, US aggregate bond, and international government bonds of any maturity and duration. Complete descriptions of the investment objectives and risk can be found in the Funds' prospectuses or, if available, the summary prospectuses. In all cases, FFI's portfolio management operates in accordance with the investment guidelines outlined in the fund's governing documents.

FFI offers separately managed accounts and other investment fund products in addition to the funds above. Some of these offerings include portfolios of investments that can be substantially identical to these funds and could create certain conflicts of interest. As the FormulaFolios US Equity Fund and the FormulaFolios US Equity Portfolio and any separate accounts or investment funds managed similarly to these will be managed concurrently, all transactions will be implemented according to FFI's trade allocation procedures. These procedures, among other things, ensure that all trades allocated to advisory clients fulfill the FFI's fiduciary duty to each client and otherwise allocate securities on a basis that is fair and nondiscriminatory. Such procedures are generally applied in numerous instances, including, among other things, block and bunched trades, cross transactions and private placements. In determining a fair allocation, FFI takes into account a number of factors, including among other things, the Adviser's fiduciary duty to each client, any conflicts of interest, the size of the transaction, the relative size of a client's portfolio, cash available for investment, suitability as well as each client's investment objectives.

### **ERISA Qualified Plans**

In accordance with Department of Labor regulations under Section 408(b)(2) of ERISA, we are required to provide certain information regarding our services and compensation to assist fiduciaries and plan sponsors of those retirement plans that are subject to the requirements of ERISA in assessing the reasonableness of their plan's contracts or arrangements with us, including the reasonableness of our compensation. This information (the services we provide as well as the fees) is provided to you at the outset of your relationship with us and is set forth in your advisory contract with us (including the fee table, other exhibits and, as applicable, this document), and then at least annually to the extent that there

are changes.

## **Types of ERISA Agreements**

**Non-Discretionary Investment Advisory Agreement for Participant Account under ERISA Defined Contribution Plan:** This agreement governs the investment advisory services that RWA will provide, through the affiliated Advisor, with respect to the Client's qualified retirement plan account. At a minimum, the Advisor will review the investment options available to the client as part of the Client's qualified retirement plan and, based on the Client's investment objectives, propose allocation. RWA's fees are set forth in Schedule A to the agreement, whereby the client is charged a fixed fee annual fee for this service, not to exceed \$500. Alternatively, the advisor can agree to review the Client's qualified retirement plan account assets on an ongoing basis. In this instance, the Client has the option of paying for these services on a quarterly, semi-annual or annual basis, whereby the fees are collected in arrears, not to exceed \$500 in any 12-month period.

**Plan Participant Advice Agreement for ERISA Plans:** This agreement is entered into by and among the Plan Sponsor, Fiduciary, Advisor and RWA and governs the participant advisory services that RWA will provide, through the Advisor, with respect to Plan participants' accounts. Under this agreement, the Advisor is obligated to meet with, review the Client's financial situation and objectives, and give plan allocation advice to all plan participants that request this service. The fees for this service are set forth in Schedule A to the agreement. Fees are charged based on a percentage of the assets held by the plan participants and are paid to the Advisor from plan funds.

The percentage fee is negotiated between the Plan Administrator and the Advisor and will not exceed 1.0%. Alternatively, the fees will be based on a set dollar amount and paid quarterly in arrears, not to exceed a dollar value greater than 1.0% of plan assets per annum. Only one fee option can be chosen, and it must be clearly stated in Schedule A. Any subsequent changes to the fee schedule require investor notification as outlined within the agreement.

## **ERISA Fiduciary Status**

Depending on the agreement between FFI and the plan sponsor, pursuant to the agreed upon investment advisory contract we can either share fiduciary responsibility with the plan sponsor or we will be the investment manager specifically appointed to have full discretionary authority and control to make actual investment decisions in the plan.

## **ITEM 5 - FEES AND COMPENSATION**

### **Investment Management**

RWA bases its fees on a percentage of assets under management. Although the Investment Management Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager can terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

RWA currently offers three programs. The annual fee for portfolio management services for FOLIOfn accounts is billed quarterly in advance based on the asset value on the last business day of the previous quarter. The annual fee for portfolio management services for TD Ameritrade accounts is billed quarterly in arrears based on the asset value on the last business day of the current quarter.

Fees will be assessed pro rata in the event the portfolio management agreement is executed at any time other than the first day of a calendar quarter. Portfolio management fees are negotiable depending on factors such as the amount of assets under management, range of investments, and complexity of the client's financial circumstances, among others. Advisor Managed Program Fee will be based on the gross value of Adviser's account(s), and will be paid quarterly in arrears, at the end of each quarter.

Annual management fees will be billed monthly in arrears based on the average daily balance of the managed account for the preceding calendar month with statements sent Quarterly. For partial months, fees are prorated for only the days in the preceding month.

For all accounts non-discretionary, non-managed accounts (non-asset billed) there is an annual fee of \$50 for administrative services. For all managed accounts, there is an annual administrative fee of \$50. This fee applies on accounts that have balances of less than \$100,000 at the end of a billing cycle. This fee can be waived at the discretion of the firm.

**Variable Annuity Asset Allocation**

RWA also provides Variable Annuity Asset Allocation services for Variable Annuity contracts issued by numerous Insurance Companies.

The annualized negotiable fees for discretionary and non-discretionary Variable Annuity Asset Allocation services are based on the following fee schedule:

VaR Allocation Series 1.25%  
 RWA Multi--Strategy Allocation 1.50%

The annual fees for Variable Annuity Asset Allocation Services are billed quarterly in advance based on the asset value on the last business day of the previous quarter. Payment of the Firm's management fees will be made by the qualified custodian holding the client's funds and securities provided the client supplies written authorization permitting the fees to be paid directly from the account. A client can terminate the agreement at any time and will receive a refund of any prepaid but unearned advisory fees for the period from the termination date through the end of that calendar quarter.

<b>Agreed upon fee is:</b>	_____ % 0.5% - 2.0%
----------------------------	------------------------

TD Ameritrade	Rep. Fee
<100K	_____ % 0.5% - 2.0%
100K-250K	
250K-500K	
500K-1M	
1M+	

FolioFN	FolioFN Wrap Fee	Rep. Fee
<100K	0.1%	_____ % 0.5% - 2.0%
100K-250K	0.1%	
250K-500K	0.1%	
500K-1M	0.1%	
1M+	0.1%	

For all allocations, in addition to the rep fee, a TPIA management fee of 10 bps will be charged. An additional 10 bps management fee will be charged to MM series allocations.

## **Affiliated Mutual & ETF Fund Fees**

The money manager, FormulaFolio Investments, LLC, has proprietary mutual funds and ETFs. Fees for these mutual funds and ETFs are built into the portfolios created by FFI.

## **Financial Planning**

RWA can charge up to a maximum fee of \$5000 for financial planning services. Fees are based on the scope and complexity of the engagement with the client varying due to the work needed and client goals. Financial planning fees can be waived upon discretion of RWA or the advisors registered by RWA. A fifty percent (50%) retainer will be requested with the remainder of the fee due upon completion of the financial plan being delivered or consultation rendered to the client. A retainer exceeding \$1,200 will not be required when services cannot be rendered within six (6) months. Plans come with a satisfaction guarantee. If a client is not satisfied after their plan is complete, then RWA does not bill them for the plan. Lower fees for comparable services can be available from other sources.

The Adviser offers several different services detailed in this brochure that compensate the Adviser differently depending on the service selected. There is a conflict of interest for the Adviser and its associated personnel to recommend the services that offer a higher level of compensation to the Firm through either higher management fees or reduced administrative expenses. The Adviser mitigates this conflict through its procedures to review client accounts relative to the client or investors personal financial situation to ensure the investment management service provided is appropriate. Further, the Adviser is committed to its obligation to ensure associated persons adhere to the Firm's Code of Ethics and to ensure that the Firm and its associated persons fulfill their fiduciary duty to clients or investors.

## **ITEM 6 - PERFORMANCE FEES**

### **Performance Fees**

Currently, RWA does not provide a performance fee-based account option.

### **Other Fees**

Unless the client portfolio account is in a wrap program, the client will likely incur fees from brokerages, custodians, administrators and other service providers. These fees are incurred as a result of managing a client account and are charged by the service provider. The amount and nature of these fees is based on the service provider's fee schedule(s) at the provider's sole discretion. These fees are separate and distinct from any fees charged by the Adviser.

The Adviser or the sub-advisors selected by the Adviser can include mutual funds, variable annuity products, ETFs, and other managed products or partnerships in clients' portfolios. Clients will be charged for the services by the providers/managers of these products in addition to the management fee paid to the Adviser. The Adviser, from time to time, will select or recommend to separately managed clients the purchase of proprietary investment products. To the extent that the client's separately managed portfolio includes such proprietary products, the Adviser will adjust the client's fee associated with the client's separately managed account. The fees and expenses charged by the product providers are separate and distinct from the management fee charged by the Adviser. These fees and expenses are described in each mutual fund's or underlying annuity fund's prospectus or in the offering memorandums of a partnership. These fees will generally include a management fee, other fund expenses and a possible distribution fee. No-load or load waived mutual funds can be used

in client portfolios so there would be no initial or deferred sales charges; however, if a fund that imposes sales charges is selected, a client can pay an initial or deferred sales charge. A client could invest in a mutual fund or variable annuity or investment partnership directly, without the services of the Adviser. Accordingly, the client should review both the fees charged by the funds and the applicable program fee charged by the Advisor to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

If it is determined that a client portfolio shall contain corporate debt or other types of over the counter securities, the client can pay a mark-up or mark-down or a “spread” to the broker or dealer on the other side of the transaction that is built into the purchase price of the security.

In some cases, there can be fees charged that are a result of brokered trading activity by associated personnel of the Adviser outside of the constructs of the Adviser’s investment advisory portfolios and are thus not included in the management fee. These trades are generally at the request of the client and the fees can vary in size depending on the nature of the client’s requests.

### **Conflict of Interest Between Different Fee Structures**

The Adviser offers several different services detailed in this firm brochure that compensate the Adviser differently depending on the service selected. There is a conflict of interest for the Adviser and its associated personnel to recommend the services that offer a higher level of compensation to the Firm through either higher management fees or reduced administrative expenses. The Adviser mitigates this conflict through its procedures to review client accounts relative to the client or investors personal financial situation to ensure the investment management service provided is appropriate. Further, the Adviser is committed to its obligation to ensure associated persons adhere to the Firm’s Code of Ethics and to ensure that the Firm and its associated persons fulfill their fiduciary duty to clients or investors.

## **ITEM 7 - TYPES OF CLIENTS**

### **Types of Clients**

RWA generally provides investment advice to individuals, pension and profit-sharing plans, trusts, estates, or charitable organizations, and corporations or business entities. Client relationships vary in scope and length of service.

### **Account Minimums**

Generally, RWA requires an account minimum of \$25,000 for asset management services; however, at its sole discretion, RWA can waive or lower this minimum.

### **Methods of Analysis**

Security analysis methods can include charting, fundamental analysis, and technical analysis. The main sources of information include financial newspapers and magazines, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

### **Investment Strategies**

Strategies include various investments such as:

- long-term purchases,

- short-term purchases,
- trading,
- short sales, option purchases and writing (including covered options, uncovered options, or spreading strategies),
- exchange traded funds, and
- mutual funds

RWA strives to build portfolios that are globally diversified to control the risk associated with traditional markets. The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client is able to change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy involve frequent trading.

### **Market, Security and Regulatory Risks**

Any investment with the Adviser involves significant risk, including a complete loss of capital and conflicts of interest. All investment programs have certain risks that are borne by the investor that are described below:

#### **Market Risks**

**Competition.** The securities industry and the varied strategies and techniques to be engaged in by the Adviser are extremely competitive and each involves a degree of risk. The Adviser will compete with firms, including many of the larger securities and investment banking firms, that have substantially greater financial resources and research staffs.

**Market Volatility.** The profitability of the Adviser substantially depends upon it correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. The Adviser cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

### **ITEM 8 - METHODS OF ANALYSIS, INVESTMENTS STRATEGIES AND RISK OF LOSS**

Retirement Wealth's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors that are neither within the control of nor predictable by the Adviser. Such factors include a wide range of economic, political, competitive, technological and other conditions (including acts of terrorism and war) that can affect investments in general or specific industries or companies. The securities markets can be volatile and can adversely affect the ability of the Adviser to realize profits.

**Material, Non-Public Information.** By reason of their responsibilities in connection with other activities of the Adviser or its affiliates, certain principals or employees of the Adviser or its affiliates acquire confidential or material, non-public information. These principals or employees could be restricted from initiating transactions in certain securities. The Adviser will not be free to act upon any such confidential or material, non-public information. Due to these restrictions, the Adviser will not be able to initiate a transaction that it otherwise might have initiated and will not be able to sell an investment that it otherwise might have sold.

**Accuracy of Public Information.** The Adviser selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Adviser by the issuers or through sources other than the issuers. Although the Adviser evaluates all such information and data and sometimes seeks independent corroboration when it's considered

appropriate and reasonably available, the Adviser is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

**Investments in Undervalued Securities.** The Adviser intends to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Adviser's investments may not adequately compensate for the business and financial risks assumed.

**Small Companies.** In the Adviser's equity funds, the Adviser invests a portion of its assets in small and/or unseasoned companies with small market capitalization. While smaller companies generally have potential for rapid growth, they often involve higher risks because they can lack the management experience, financial resources, product diversification and competitive strength of larger companies. In addition, in many instances, the frequency and volume of their trading can be substantially less than is typical of larger companies. As a result, the securities of smaller companies can be subject to wider price fluctuations.

**Leverage.** When deemed appropriate by the Adviser and subject to applicable regulations, the Adviser can incur leverage in its investment program, whether directly through the use of borrowed funds, or indirectly through investment in certain types of financial instruments with inherent leverage, such as puts, calls and warrants, that can be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss.

**Options and Other Derivative Instruments.** The Adviser invests, from time to time, in options and other derivative instruments, including, but not limited to, the buying and selling of puts and calls on some of the securities held by the Adviser. The prices of many derivative instruments, including many options and swaps, are highly volatile. The values of options and swap agreements depend primarily upon the price of the securities, indexes, commodities, currencies or other instruments underlying them. Price movements of options contracts and payments pursuant to swap agreements are also influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Options on highly volatile securities, currencies or other assets can be more expensive than options on other investments.

**Hedging Transactions.** Investments in financial instruments such as forward contracts, options, commodities and interest rate swaps, caps and floors, other derivatives, and other investment techniques are commonly utilized by investment funds to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in currency exchange rates, interest rates and/or the equity markets or sectors thereof. Any hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase. The Adviser is not obligated to establish hedges for portfolio positions and may not do so.

**Market or Interest Rate Risk.** The price of most fixed income securities moves in the opposite direction of the change in interest rates. For example, as interest rates rise, the price of fixed income securities

falls. If the Adviser holds a fixed income security to maturity, the change in its price before maturity can have little impact on the Adviser's performance; however, if the Adviser has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to the Adviser.

**Fixed Income Call Option Risk.** Many bonds, including agency, corporate and municipal bonds, and all mortgage-backed securities, contain a provision that allows the issuer to "call" all or part of the issue before the bond's maturity date. The issuer usually retains this right to refinance the bond in the future if market interest rates decline below the coupon rate. There are three disadvantages to the call provision. First, the cash flow pattern of a callable bond is not known with certainty. Second, because the issuer will call the bonds when interest rates have dropped, the Adviser is exposed to reinvestment rate risk – the Adviser will have to reinvest the proceeds received when the bond is called at lower interest rates. Finally, the capital appreciation potential of a bond will be reduced because the price of a callable bond cannot rise much above the price at which the issuer can call the bond.

**Inflation Risk.** Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if the Adviser purchases a 5-year bond that it can realize a coupon rate of 5%, but the rate of inflation is 6%, then the purchasing power of the cash flow has declined. For all but inflation-linked bonds, adjustable bonds or floating rate bonds, the Adviser is exposed to inflation risk because the interest rates the issuer promises to make is fixed for the life of the security.

**Investments in Non-U.S. Investments.** From time to time, the Adviser invests and trades a portion of its assets in non-U.S. securities and other assets (through ADRs and otherwise), that will give rise to risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations that U.S. and foreign issuers and markets are subject. Such risks can include: Political or social instability, the seizure by foreign governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, and limitations on the use or transfer of portfolio assets. Enforcing legal rights in some foreign countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against foreign governments.

Foreign securities and other assets often trade in currencies other than the U.S. dollar, and the Adviser can directly hold foreign currencies and purchase and sell foreign currencies through forward exchange contracts. Changes in currency exchange rates will affect the Adviser's net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of investments. An increase in the strength of the U.S. dollar relative to these other currencies can cause the value of the Adviser's investments to decline. Some foreign currencies are particularly volatile. Foreign governments can intervene in the currency markets, causing a decline in value or liquidity of the Adviser's foreign currency holdings. If the Adviser enters into forward foreign currency exchange contracts for hedging purposes, it can lose the benefits of advantageous changes in exchange rates. On the other hand, if the Adviser enters forward contracts for the purpose of increasing return, it is possible to sustain losses. Non-U.S. securities, commodities and other markets tend to be less liquid, more volatile and less closely supervised by the government than in the United States. Foreign countries often lack uniform accounting, auditing and financial reporting standards, and there can be less public information about the operations of issuers in such markets.

**Risk of Default or Bankruptcy of Third Parties.** The Adviser can engage in transactions in securities, commodities, other financial instruments and other assets that involve counterparties. Under certain conditions, the Adviser could suffer losses if a counterparty to a transaction were to default or if the market for certain securities, commodities, other financial instruments and/or other assets were to become illiquid.

## **Regulatory Risks**

**Strategy Restrictions.** Certain institutions can be restricted from directly utilizing investment strategies of the type that the Adviser chooses to engage. Such institutions, including entities subject to ERISA, should consult their own advisors, counsel and accountants to determine what restrictions apply and whether an investment in the Adviser is appropriate.

**Trading Limitations.** For all securities, instruments and/or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and subject the Adviser to loss. Also, such a suspension could render it impossible for the Adviser to liquidate positions and thereby expose the Adviser to losses.

**Conflicts of Interest.** In the administration of client accounts, portfolios and financial reporting, the Adviser faces inherent conflicts of interest that are described in this firm brochure. Generally, the Adviser mitigates these conflicts through its Code of Ethics. The Code of Ethics provides that the client's interest is always held above that of the Firm and its associated persons.

**Supervision of Trading Operations.** The Adviser, with assistance from its brokerage and clearing firms, intends to supervise and monitor trading activity in the portfolio accounts to ensure compliance with firm and client objectives. Despite the Adviser's efforts, however, there is a risk that unauthorized or otherwise inappropriate trading activity can occur in portfolio accounts. Depending on the nature of the investment management service selected by a client and the securities used to implement the investment strategy, clients will be exposed to risks that are specific to the securities in their particular investment portfolio.

## **Security Specific Risks**

**Liquidity.** Liquidity is the ability to readily convert an investment into cash. Securities where there is a ready market that is traded through an exchange are generally more liquid. Securities traded over the counter or that do not have a ready market or are thinly traded are less liquid and can face material discounts in price level in a liquidation situation.

**Currency.** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

**Limited Liquidity of Interests.** An investment in a partnership usually involves substantial restrictions on liquidity and its interests are not freely transferable. There is no market for these interests and no market should be expected to develop. Additionally, transfers are usually subject to the consent of the general partner at the general partner's sole discretion.

**Lack of Registration.** Funds or LP interests have neither been registered under the Securities Act nor under the securities or "blue sky" laws of any state and, therefore, are subject to transfer restrictions.

**Withdrawal of Capital.** The ability to withdraw funds from the funds or LP interests is usually restricted in accordance with the withdrawal provisions contained in an Offering Memorandum. In addition, substantial withdrawals by investors within a short period of time could require a fund to liquidate securities positions and other investments more rapidly than would otherwise be desirable, possibly reducing the value of the fund's assets and/or disrupting the fund's investment strategy.

## **ITEM 9 - LEGAL AND DISCIPLINARY INFORMATION**

The firm and its management persons have not been involved in legal or disciplinary events related to past or present investment clients.

## **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **Insurance Affiliations**

Some investment adviser representatives of RWA are licensed to sell insurance products through various independent insurance agencies. In some instances, certain investment adviser representatives sell insurance products through their independently owned insurance agency. In either case, these investment adviser representatives, in their capacity as independent insurance agents, sell insurance products to advisory clients. These individuals will receive normal and customary commissions as a result of selling insurance as well as advisory fees for providing advisory services through RWA. Clients are hereby advised that such commissions and advisory fees are separate and apart from the fees charged by the Firm.

Clients are under no obligation, contractually or otherwise, to purchase insurance products or receive investment advice through these associated persons in their separate capacities as insurance agents and/or advisory representatives of RWA. However, if the client freely chooses to implement the plan through such individuals, the investment adviser used will be RWA, and commissions/fees will be earned in addition to any fees paid for advisory services provided by the Firm.

### **Brokerage Affiliations**

Additionally, some investment adviser representatives of RWA are registered representatives of various licensed broker dealers. They offer securities and receive normal and customary commissions as a result of securities transactions. A conflict of interest can arise if these commissionable securities sales create an incentive to recommend products based on the compensation the registered representative earns and will not necessarily be in the best interests of the client. However, clients of RWA are not required to use the brokerage services offered by the registered representatives associated with RWA. RWA does not make any representation that the brokerage services are at the lowest cost available and clients may be able to obtain those services and/or products at a more favorable rate from other brokerages. The brokerage activities provided by these individuals are entirely separate and distinct from the advisory services provided by RWA.

RWA mitigates these conflicts through its procedures to review client accounts relative to the client or investors personal financial situation to ensure the investment management service provided is appropriate. Further, RWA is committed to its obligation to ensure associated persons adhere to the firm's Code of Ethics and to ensure that the firm and its associated persons fulfill their fiduciary duty to clients or investors.

### **Other Financial Industry Activities and Affiliations**

RWA is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. The majority owner of RWA, is Brookstone Capital Management, LLC, an SEC registered investment advisor located in Wheaton, IL. Brookstone is affiliated, through common ownership, with insurance marketing organizations (IMOs) Brookstone Insurance Group and AL Marketing, LLC (AmeriLife). Some RWA advisors may use Brookstone

Insurance Group or other IMO's, to process insurance, including life, fixed annuities or fixed index annuities. Using any IMO including Brookstone Insurance Group is optional for advisors and RWA is not involved in those insurance sales. RWA advisors may receive commission based compensation for the sale of insurance and annuity products.

#### Nadim "Dean" Zayed

Mr. Zayed is the Chief Executive Officer Mr. Zayed is a principal and owner of Prizm Financial Advisors, Inc. (PFA). PFA is the corporation name of the entity that Mr. Zayed uses for his personal clients including financial planning, investments, insurance and tax planning. Additionally, Mr. Zayed is a shareholder in the law firm of Perkins & Zayed, PC. As mentioned in the Services We Offer section above, Brookstone recommends the services of Perkins & Zayed, PC for implementation of estate planning recommendations made by Brookstone. This arrangement is disclosed by Brookstone as part of the client's agreement and by delivery of this Brochure. Should a client elect to utilize Perkins & Zayed, PC for estate planning services, the client will be required to enter into a separate written agreement for such services, and pay applicable legal fees. Clients should be aware that any applicable legal fees will be in addition to and separate from the financial planning fees incurred for services as outlined in the Financial Planning Agreement. Mr. Zayed will also receive individual compensation in the form of profits due to his role as a shareholder in Perkins & Zayed, PC. This could create a conflict of interest in that Mr. Zayed, through Brookstone, may have a financial incentive to recommend Perkins & Zayed, PC for estate planning services. The Client has the sole responsibility for determining whether to implement any such recommendations made by Brookstone, and which outside counsel to use for such services.

#### Jason Wenk

Jason Wenk is an Executive Director of Brookstone. he is CEO/Shareholder of Altruist Corporation and Altruist Financial Services, LLC.

#### Jason Crump

Jason Crump is the Vice President and Relationship Manager and is a licensed life insurance agent.

#### Joel VanWoerkom

Joel VanWoerkom is the Vice President of Operations and a licensed life insurance agent.

## **ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING**

### **Code of Ethics**

RWA has adopted a Code of Ethics that establishes standards of conduct for its supervised persons. The Code of Ethics includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to report their personal securities transactions and holdings quarterly to RWA's Compliance Department and requires the Compliance Department to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to RWA's Compliance Officer. Each supervised person of RWA receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during that year. Clients and prospective clients are able to obtain a copy of RWA's Code of Ethics by contacting the Compliance Officer of RWA.

## **Participation or Interest in Client Transactions**

From time to time, RWA or persons associated with RWA buy or sell securities that are recommended to its clients or securities that its clients are invested. This presents a conflict of interest. To mitigate this conflict, it is RWA's policy that associated persons of RWA shall not have priority over any client account in the purchase or sale of securities. Under certain circumstances, exceptions to the trading policy are made.

## **Personal Trading**

The Chief Compliance Officer of RWA is Danielle Tyler. She reviews all employee trades each quarter (The personal trading reviews ensure that personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment.)

Brokerage Selection and Soft Dollars RWA will recommend that securities be purchased through facilities of TD Ameritrade Institutional ("TD Ameritrade") or FOLIOfn Institutional ("FOLIOfn"), all institutions are Members of FINRA/SIPC. All firms recommended to clients for these services are independent and unaffiliated. It can be the case that the recommended broker charges higher fees or commission rates than another broker charges. Clients can utilize the broker/dealer of their choice and have no obligation to purchase or sell securities through such broker as RWA recommends.

In suggesting or considering a broker dealer based on discretionary authority or on behalf of a non-discretionary account, the Firm will endeavor to recommend those brokers or dealers that will provide

quality services at reasonable commission rates. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, and other services. It is the policy and practice of RWA to strive for the best price and execution for costs and discounts that are competitive in relation to the value of the transaction and comply with Section 28(e) of the Securities Exchange Act of 1934, as amended. Nevertheless, it is understood that RWA can pay compensation on a transaction in excess of the amount of compensation that another broker or dealer charges so long as it is in compliance with Section 28(e), and RWA makes no warranty or representation regarding compensation paid on transactions.

### **FormulaFolios US Equity Fund and FormulaFolios US Equity Portfolio**

FFI, its officers, directors, employees or other Access Persons can purchase the same or similar securities for the FormulaFolios US Equity Fund and the FormulaFolios US Equity Portfolio at the same time as it affects transactions for other clients. A conflict of interest could arrive should FFI and/or the persons listed above trade before other FFI clients. FFI has written policies and procedures to address this conflict of interest.

### **ITEM 12 - BROKERAGE PRACTICES**

The research products and services that RWA receives from brokerage firms (e.g. TD Ameritrade, FOLIOfn) include financial publications, information about particular companies and industries, and other products or services that provide lawful and appropriate assistance to the Firm in the performance of its investment decision-making responsibilities. Such research products and services are provided to all investment advisers who utilize TD Ameritrade, FOLIOfn, and are not considered to be paid for with soft dollars. However, the commissions charged by a particular broker for a particular transaction, or set of transactions, can be greater than the amounts another broker who did not provide research services or products might charge.

#### **Order Aggregation**

The nature of the clients and/or trading activity on behalf of client accounts is such that trade aggregation does not garner any client benefit.

#### **Directing Brokerage for Client Referrals**

The Adviser and its associated persons do not receive client referrals from broker dealers or third parties as consideration for selecting or recommending brokers for client accounts.

#### **Directed Brokerage**

In limited circumstances and at the Firm's discretion, some clients instruct RWA to use one or more particular brokers for the transactions in their accounts. Clients who want to direct the Firm to use a particular broker should understand that this can prevent RWA from effectively negotiating brokerage compensation on their behalf and can also prevent RWA from obtaining the most favorable net price and execution. Moreover, clients that direct brokerage can incur additional costs for performance reporting. Thus, when directing brokerage business, clients should consider whether the commission expenses, execution, clearance, and settlement capabilities that they will obtain through their broker are adequately favorable in comparison to those that RWA would otherwise obtain for its clients.

## **ITEM 13 - REVIEW OF ACCOUNTS**

### **Periodic Reviews**

Account reviews are performed on an ongoing basis and no less than quarterly. Reviews are conducted for the purpose of evaluating, reporting and implementing the investment objective of the client. They consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client. The accounts are reviewed by the Investment Adviser Representative who is responsible for the account.

### **Review Triggers**

Accounts are reviewed quarterly or more frequently when market conditions dictate. Other conditions that can trigger a review are changes in the tax laws, new investment information, and changes in a client's financial or personal situation.

### **Regular Reports**

RWA provides clients with quarterly reports for managed accounts. The written reports can include account valuation, performance stated in dollars and as a percent, net worth statement, portfolio statement, and a summary of objectives and progress towards meeting those objectives. Clients receive statements of account positions no less than quarterly from the account custodian.

## **ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

### **Referrals**

Employee and non-employee (outside) solicitors, e.g. unaffiliated broker/dealers, Investment Advisers, accountants, attorneys, etc., who are directly responsible for bringing a client to RWA, can receive compensation from RWA for the client referral. A conflict of interest for recommending RWA to clients for investment advisory services can arise as the recommendation could be made on the basis of compensation to be received. However, under these arrangements, the client does not pay higher fees than RWA's normal/typical advisory fees.

Such arrangements will comply with the requirements set forth under the Investment Advisers Act of 1940 and/or the applicable state Securities Act, including a written agreement between RWA and the solicitor. Non-employee solicitors must provide a copy of RWA's ADV Part 2A (Disclosure Brochure) and a separate solicitor's disclosure statement regarding the relationship between the solicitor and RWA to the prospective client at the time of the solicitation or referral. The prospective client will be requested to acknowledge this arrangement prior to acceptance of the account for advisory services. Applicable state laws can require these persons to become either licensed or registered as representatives of RWA or as an independent investment adviser.

## **ITEM 15 - CUSTODY**

All client funds, securities and accounts are held at third-party custodians. RWA does not take possession of the funds, securities or accounts.

RWA's agreement or the separate agreement with any Financial Institution authorizes the debiting of the client's account for the amount of RWA's fee and to directly remit that management fee to RWA in

accordance with applicable custody rules.

Client accounts are held by a qualified custodian, which sends account statements directly to clients on at least a quarterly basis. Custodial statements include account holdings, market values and any activity that occurred during the period, including the deduction of investment advisory fees. Clients are urged to compare information provided in reports by RWA with the account statements received directly from the custodian.

#### **ITEM 16 - INVESTMENT DISCRETION**

Clients can grant RWA complete discretion over the selection and amount of securities to be purchased or sold without obtaining their prior consent or approval. However, RWA's investment authority is subject to specified investment objectives, guidelines and/or conditions imposed by the client. For example, a client can specify that at the time of purchase the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry. Where the Firm enters into non-discretionary arrangements with clients, RWA will implement recommended transactions upon obtaining client approval

#### **ITEM 17 - VOTING CLIENT SECURITIES**

RWA will not vote nor advise clients how to vote proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. RWA does not give any advice or take any action with respect to the voting of these proxies. For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. RWA promptly passes along any proxy voting information to the clients or their representatives.

#### **ITEM 18 - FINANCIAL INFORMATION**

RWA does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. RWA meets all net capital requirements that it is subject to and RWA has not been the subject of a bankruptcy petition in the last 10 years. RWA is not required to provide a balance sheet as it does not serve as a custodian for client funds or securities and does not require fees of more than \$5,000 per client, and six months or more in advance.



# RETIREMENT WEALTH

## **BROCHURE SUPPLEMENT Part 2B of Form ADV**

**Donald T. Murphy**

**Effective Date of this Supplement: August 1st, 2020**

**Beverly Hills Office**

9595 Wilshire Blvd., Suite 900, Beverly Hills, CA 90212, 310-220-1196

**Culver City Office**

400 Corporate Pointe, Suite 300, Culver City, CA 90230, 310-220-1196

**Manhattan Beach Office**

1500 Rosecrans Ave., Suite 500, Manhattan Beach, CA 90266, 310-220-1196

**Long Beach Office**

100 Oceangate, Suite 1200, Long Beach, CA 90802, 310-220-1196

This brochure supplement provides information about Donald T. Murphy that supplements the Retirement Wealth Advisors Inc. brochure. You have received a copy of that brochure. Please contact the Retirement Wealth Advisors Inc. Compliance Department if you did not receive Retirement Wealth Advisors, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Donald T. Murphy is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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89 Ionia NW Suite 600,  
Grand Rapids, MI 49503  
(Office) 800-903-2562 (Fax) 616-965-232  
retirementwealthadvisors.com (Email) support@retirementwealthadvisors.com

## **Item 2 – Education and Business Standards**

### **Advisor Name**

Donald T. Murphy

### **Date of Birth**

1959

### **Education Background** (*Institution, Degree, Year Degree Received, or year graduated*)

Yale, N/A, N/A

### **Business Experience** (*Dates, Company, Position*)

10/2016-Present, Retirement Wealth Advisors, Inc., Investment Advisor Representative

04/2018-Present, American Retirement Education Services, Retire123, Officer/Director/Owner

11/2016-Present Platinum Wealth Advisors, Chief Executive Officer

01/2012-Present Platinum Life Financial & Insurance Services, Chief Executive Officer

03/2011-01/2012 Independent Agent, Agent

07/2008-03/2011 American Family Life Assurance Company, District Sales Coordinator

07/2005-07 2008 National City Bank, Vice President, Regional Manager

06/2003-06/2005 American Mortgage Network, Regional Manager

01/2000-06/2003 Bank of America, Vice President

## **Item 3 - Disciplinary Action**

As it relates to past, current or prospective clients, Donald Murphy has not been involved in legal or disciplinary events, been involved in arbitrations or been subject to self-regulatory organization or administrative proceedings.

## **Item 4 – Other Business Activities**

Donald Murphy is a licensed insurance agent. He may offer insurance products and receive normal and customary commission as a result of insurance sales. Conflicts of interest may arise as these insurance sales may earn and may not be in the best interest of the client. In order to minimize this conflict of interest, the Advisor places client interests ahead of the Advisor's own interests and adheres to our firm's Code of Ethics as well as clearly explains this conflict when recommending any such products to our clients. Clients are informed they are not obligated to purchase these products.

## **Item 5 – Additional Compensation**

Donald Murphy does not receive any economic benefits from anyone who is not a client for providing advisory services.

## **Item 6 – Supervision**

Donald Murphy is supervised by Thaddeus Timothy Braun, Compliance Officer. He reviews the advisor's work through interactions and through our client relationship management system and the Firm's books and records.

Thad Braun's Contact Information: Phone: 888-562-8880, Email: [TBraun@formulafolios.com](mailto:TBraun@formulafolios.com)

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# FormulaFolios

## FormulaFolio Investments, LLC Customer Relationship Summary (Form CRS)

### Item 1 Introduction

FormulaFolio Investments, LLC is an SEC Registered Investment Advisor. Brokerage and investment advisory services and fees differ, and it is important for the retail investor to understand the differences. Free and simple tools are available to research firms and financial professionals at [www.Investor.gov/CRS](http://www.Investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisors and investing.

### Item 2 Relationships and Services

#### **What investment services and advice can you provide me?**

FormulaFolio Investments, LLC provides investment management services and works with advisors and clients to develop a plan that is customized to the clients' goals and investment objectives. We can manage all or a portion of client assets on a discretionary basis held in different active or passive asset allocation strategies. We also offer non-discretionary investment management services to clients for 401(k), 403(b), variable life/annuity products, or other products not held by the client's primary custodian. While we do not monitor each individual account, we do utilize outside systems that, when selected, notify us when your account approaches your downside threshold. FormulaFolios tailors services to clients' individual needs, working with licensed advisors to consult with clients to determine these needs. Our representatives can make recommendations on your accounts, but you are the final decision maker.

As you make your decisions about your accounts, please visit our website [www.formulafolios.com](http://www.formulafolios.com) and our affiliate company Retirement Wealth Advisors, Inc. [www.retirementwealthadvisors.com](http://www.retirementwealthadvisors.com) for more information about the products and services we offer.

***Ask us: Given my financial situation, should I choose an investment advisory service? Why or Why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?***

### Item 3 Fees, Costs, Conflicts and Standard of Conduct

#### **What fees will I pay?**

Fees paid are dependent on the services utilized. The standard fee that will be paid can be broken down into two parts; the Money Manager's fee and the advisor's fee. The manager's fee is a set fee; the advisor's fee is decided between you as the client, and the advisor. Fees are paid monthly in arrears. Some accounts are held in our wrap program. These fees include most transaction costs and custody services which cause them to typically be higher than non-wrap advisory fees. The wrap program fees may cost you more than paying separately for advice and trades if the account trades infrequently. Conflicts of interest do arise as there are other products with different fee structures, such as insurance products and annuities, that advisors recommend through their practice. However, advisors have a fiduciary responsibility to work in your best interest. FormulaFolios can provide other services for a fee, including but not limited to, maintenance fees on non-managed accounts.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. For more detailed information about the fees and costs you will pay,

please review the Investment Management Agreement and the corresponding disclosure paperwork you complete with your representative.

***We encourage you to ask your advisor the following questions to understand what fees and costs you are paying: Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me? What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?***

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. For example, this may include, but is not limited to, the following items:

*Proprietary Products:* FormulaFolios has a proprietary mutual fund and exchange traded funds (ETFs) that are used within our investment models. Our firm will receive an additional management fee for their use.

*Third-Party Payments:* Our representatives and our firm receive additional compensation from the recommendation and/or sale of products and services.

For more information about our firm's conflicts of interest, please visit <http://www.formulafolios.com> and view our Form ADV.

***We encourage you to ask your representative the following question: How might your conflicts of interest affect me, and how will you address them?***

#### **How do your financial professionals make money?**

Our advisers receive advisory fees on a monthly basis based on the fee agreed upon by you and your adviser. This fee is collected monthly in arrears. Your adviser can also be paid non-cash compensation in various forms, e.g. technology fees, training expenses, etc. Advisers can also provide additional services for compensation such as planning services.

#### **Item 4 Disciplinary History**

##### **Do you or your financial professionals have legal or disciplinary history?**

Yes. For more information, visit <https://adviserinfo.sec.gov/>. Please visit Investor.gov/CRS for a free and simple search to research us and our financial professionals.

***We encourage you to ask your representative the following question: As a financial professional, do you have any disciplinary history? If so, for what type of conduct?***

#### **Item 5 Additional Information**

You can find additional information about our investment advisory services on our website at [www.formulafolios.com](http://www.formulafolios.com). You may also obtain up-to-date information and/or request a copy of our relationship summary by contacting us at 888-562-8880.

***We encourage you to ask the following questions: Who is my primary contact person? Is he or she a representative of an investment adviser or a broker dealer? Who can I talk to if I have concerns about how this person is treating me?***



## Retirement Wealth Advisors, Inc. Customer Relationship Summary (Form CRS)

### Item 1 Introduction

Retirement Wealth Advisors, Inc. is an SEC Registered Investment Advisor. Brokerage and investment advisory services and fees differ, and it is important for the retail investor to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisors and investing.

### Item 2 Relationships and Services

#### **What investment services and advice can you provide me?**

Retirement Wealth Advisors, Inc. offers investment advisory services to individuals, pension and profit-sharing plans, trusts, estates in addition to other business entities. We offer discretionary and non-discretionary portfolio management services, advice on an ongoing basis, and recommend products in the form of Individual accounts, IRA, ROTH IRA, SIMPLE IRA, SEP IRA. While we do not monitor your accounts on a regular basis, we may review your account in order to make recommendations. We also offer planning services for these accounts as well as 401(k) and 403(b) plans held elsewhere. Our representatives can make recommendations on your accounts, but you are the final decision maker.

As you make your decisions about your accounts, please visit our website [www.retirementwealthadvisors.com](http://www.retirementwealthadvisors.com) and our affiliate company FormulaFolio Investments, LLC [www.formulafolios.com](http://www.formulafolios.com) for our Form ADV Part 2A for additional information.

***Ask us:** Given my financial situation, should I choose an investment advisory service? Why or Why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

### Item 3 Fees, Costs, Conflicts and Standard of Conduct

#### **What fees will I pay?**

The fees you pay will vary depending on the services you and your advisor determine are in your best interest. Advisory services charge an ongoing asset-based fee quarterly or monthly. The standard fee that will be paid can be broken down into two parts; the Money Managers fee and the advisors fee. Conflicts of interest do arise as there are other products with different fee structures, such as insurance products and annuities, that advisors recommend through their practice. However, advisors have a fiduciary responsibility to work in your best interest. We can provide other services for a fee, including but not limited to, financial planning, advising on accounts held at a plan sponsor, or maintenance fees on non-managed accounts. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. For more detailed information about the fees and costs you will pay, please review the Investment Management Agreement and the corresponding disclosure paperwork you complete with your representative.

***We encourage you to ask your advisor the following question to understand what fees and costs you are paying: Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?***

**What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. The more money you have in your advisory account, the more you will pay us. You should understand and ask us about these conflicts because they can affect the investment advice we provide you.

Here are some examples to help you understand what this means:

*Proprietary Products:* Our affiliate, FomulaFolios has a proprietary mutual fund and exchange traded funds (ETFs) that are used within our investment models. Our firm will receive the additional management fee for its use. *Third-Party Payments:* Our advisors and our firm receive additional compensation from the recommendation and/or sale of products and services.

For more information about our firm's conflicts of interest, please visit <http://www.retirementwealthadvisors.com> and view our Form ADV.

***We encourage you to ask your representative the following question: How might your conflicts of interest affect me, and how will you address them?***

**How do your financial professionals make money?**

Our advisers receive advisory fees on a monthly or quarterly basis based on the fee agreed upon by you and your adviser. This fee is collected in advance or in arrears depending on your agreement. Your adviser can also be paid non-cash compensation in the various forms, i.e., technology fees, training expenses, etc. Advisers can also provide additional services for compensation such as planning services.

**Item 4 Disciplinary History**

**Do you or your financial professionals have legal or disciplinary history?**

Yes. For more information, visit <https://adviserinfo.sec.gov/>. Please visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search to research us and our financial professionals.

***We encourage you to ask your representative the following question: As a financial professional, do you have any disciplinary history? If so, for what type of conduct?***

**Item 5 Additional Information**

You can find additional information about our investment advisory services on our website at [www.retirementwealthadvisors.com](http://www.retirementwealthadvisors.com). You may also obtain up-to-date information and/or request a copy of our relationship summary by contacting us at 888-562-8880.

***We encourage you to ask the following questions: Who is my primary contact person? Is he or she a representative of an investment adviser or a broker dealer? Who can I talk to if I have concerns about how this person is treating me?***

**PRIVACY  
POLICY****WHAT DOES FORMULAFOLIO INVESTMENTS, LLC AND RETIREMENT WEALTH ADVISORS, INC DO WITH YOUR  
PERSONAL INFORMATION?**

<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
<b>What?</b>	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> <li>• Social Security number and income</li> <li>• Contact information and mailing address</li> <li>• Account balances and transaction history</li> <li>• Investment experience and assets</li> </ul>
<b>How?</b>	All financial companies need to share clients' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons FormulaFolio Investments, LLC ("FFI")/Retirement Wealth Advisors, Inc ("RWA") chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does FFI/RWA Share?	Can you limit this sharing?
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	<b>YES</b>	<b>NO</b>
<b>For our marketing purposes—</b> to offer our products and services to you	<b>YES</b>	<b>NO</b>
<b>For joint marketing with other financial companies</b>	<b>NO</b>	<b>We don't share</b>
<b>For our affiliates' everyday business purposes—</b> information about your transactions and experiences	<b>YES</b>	<b>NO</b>
<b>For our affiliates' everyday business purposes—</b> information about your creditworthiness	<b>NO</b>	<b>We don't share</b>
<b>For our affiliates to market to you</b>	<b>NO</b>	<b>We don't share</b>
<b>For nonaffiliates to market to you</b>	<b>NO</b>	<b>We don't share</b>

<b>To limit our sharing</b>	<p>Call our Advisors Service Team at 888-562-8880</p> <p><b>Please note:</b> If you are a <i>new</i> customer, we can begin sharing your information 30 days from the date we sent this notice. When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p> <p>However, you can contact us at any time to limit our sharing.</p>
<b>Questions?</b>	<p>Call 888-562-8880 or go to <a href="https://formulafolios.com">https://formulafolios.com</a> or <a href="https://retirementwealthadvisors.com">https://retirementwealthadvisors.com</a></p>

<b>Who we are</b>	
<b>Who is providing this notice?</b>	<p>FormulaFolio Investments, LLC and on behalf of our affiliate Retirement Wealth Advisors, Inc.</p>
<b>What we do</b>	
<b>How does FFI/RWA protect my personal information?</b>	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>All nonpublic personal information is treated as strictly confidential and is not disclosed except to employees for the purpose of carrying out their responsibilities and to affiliated and nonaffiliated firms necessary to affect and administer custodial, brokerage, financial planning, legal, accounting, insurance or similar services requested and authorized by the client. Federal and state regulators also may review client records as permitted under law. FFI/RWA requires that our affiliates protect and restrict the use of client information to the same extent as FFI/RWA. Several practices are presently in place to ensure private client information is secured from public access:</p> <p><u>Secured Paper Files:</u> Filing cabinets are locked outside of regular business hours. Any papers to be disposed which contain client information are shredded. FFI's site of business is also securely locked and electronically armed for fire and theft outside of regular business hours.</p> <p><u>Secured Electronic Files and Databases:</u> FFI/RWA's computer system consists of a peer-to-peer network including a server, which stores all data related to client activities. All FFI/RWA computers are secured by a password system and all workstations are logged-off outside of regular business hours. Any electronic information accessible through the Internet is guarded by a secure firewall, and all FFI/RWA computers are regularly scanned for viruses. FFI/RWA backs-up all electronic data essential to its operations on a daily basis, with the prior day's backup maintained at a remote location in case of disaster.</p>

E-mail: From time to time, FFI/RWA will correspond with clients regarding private matters via electronic mail. FFI/RWA takes the precaution of verifying all client e-mail addresses, and limiting the content of communications to exclude sensitive elements such as account numbers, Tax ID numbers, and the like, unless authorized by the client. A Disclosure is included with every client e-mail which addresses any persons who may receive the message in error, along with instructions to contact our office and properly dispose of the data. E-mail communications to third parties which relate to our clients are conducted only as necessary to fulfill the obligations of the firm; however, no personal information pertaining specifically to our clients is shared with third parties without the expressed consent of the client.

Phone: Client communications by phone are a daily task, and in situations where FFI/RWA initiates a call and reaches voicemail, the Policy is to limit the content of information to exclude dollar amounts, account numbers, and any other sensitive information, unless authorized by the client. Conversations occurring with third parties related to our client situations are conducted only as necessary to fulfill the obligations of the firm; however, no personal information pertaining to clients is shared with third parties without the expressed consent of the client.

Regular Mail: It is FFI/RWA's policy to never mail personal and sensitive information regarding a client other than to the address kept on record at FFI/RWA, without the client's expressed instruction.

Other Internal Measures: In addition to these measures, FFI/RWA and its employees avoid storing nonpublic personal information in plain view in areas where it may be seen by third parties or discussing such information in public places where it may be overheard. FFI/RWA routinely reviews these practices to ensure the confidentiality, security and integrity of its nonpublic personal information.

External Security Measures (Security is a Partnership): We consider security to be a partnership between us and our clients. Taking some basic, preventative steps can help make your personal information more secure. Many involve plain common sense, like routinely checking your monthly statements to make sure reported account activity is legitimate. Other steps include:

(1) Keep your equipment updated:

- Keep your web browser and operating system updated and activate the computer firewall. Old software and browsers can be susceptible to attack
- Install anti-virus and anti-spyware software on all platforms (Windows, Apple and mobile devices)
- Check your security settings on your applications and web browser, and make sure they're strong

(2) Verify you're on a secure website:

- On most internet browsers a lock will appear on the hyperlink bar or an HTTPS prior to the web link.

(3) Be cautious with public networks:

	<ul style="list-style-type: none"> <li>• Be cautious when using public computers. If you do use one, clear the browser’s history (cache) and cookies before leaving.</li> <li>• Only use wireless networks you trust or that are protected. Public Wi-Fi locations can be dangerous places to connect your devices. Pay attention to security warnings that pop up. Don’t accept software updates when connected to a public Wi-Fi.</li> </ul> <p>(4) Be strategic with login credentials and passwords:</p> <ul style="list-style-type: none"> <li>• Don’t use personal information such as your birthday as part of your login ID.</li> <li>• Create a unique password for each financial institution you do business with and change it every six months. Don’t share your passwords.</li> </ul> <p>(5) Be alert to phishing scams:</p> <ul style="list-style-type: none"> <li>• Beware of attempts to “phish” your information. These are often in the form of urgent-sounding emails where you might be encouraged to click on a link in order to update personal information. Even clicking on the link could potentially take you to a malicious website, where malware could infect your computer. We strongly recommend that you not click on suspicious links.</li> </ul>
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**Definitions**

<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <p>Our affiliates include <i>Retirement Wealth Advisors, Inc., The Impact Partnership, LLC, Kasia Insurance Agency, Ltd., Allied Wealth Consulting, LLC, and Altruistic Retirement Planning LLC.</i></p>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <p>FormulaFolio Investments, LLC/Retirement Wealth Advisors, Inc does not share with nonaffiliates so they can market to you.</p>
<b>Joint Marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <p>FFI/RWA may jointly market with companies where a common interest lies. For example, they may jointly market with BlueLeaf regarding their WealthGuard product.</p>

**Other important information**

<b>Former Customers</b>	<p>If you are a former customer, these policies also apply to you; we treat your information with the same care as we do information about current customers.</p>
<b>State Laws</b>	<p>If you are a Vermont resident, we will automatically limit sharing of your information.</p>