



FLM FINANCIAL LIFESTYLE MANAGEMENT LLC dba FINANCIAL LIFESTYLE MANAGEMENT

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Firm Brochure (Part 2A & 2B of Form ADV)

This brochure provides information about the qualifications and business practices of FLM Financial Lifestyle Management LLC (referred to hereafter as FLM). Should you have any questions about the contents of this brochure or would like to discuss any of these items in greater detail we would be happy to speak with you.

Please contact us at: (903) 455-1041 or by email at: vicki.ward@GoToFLM.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.

Financial Lifestyle Management is a registered investment adviser in the State of Texas. Registration of an investment adviser does not imply any level of skill or training. The oral and written communication we provide you, including this brochure, is information you can use to evaluate our firm and other advisory firms in making your decision to hire us or continue to maintain a mutually beneficial relationship. You can also find more information about financial professionals and investor education at Investor.gov

Go to <https://adviserinfo.sec.gov/> to check the background of our firm and advisors.

ITEM 2 – MATERIAL CHANGES

2023 Firm Brochure Update Now Available

Each year the Texas State Securities Board requires advisors to offer clients an updated copy of Form ADV, Part 2, also known as the “Brochure” along with a summary of any material changes that took place during the year. This is an updated document of the same brochure you received from us when we began working together.

Please review carefully all changes listed below as they will contain important information about any significant changes to our contact information, organization structure, custodial arrangements, services, fees, business practices, conflicts of interest, disciplinary actions and overall investment strategy. **A summary of material changes is included below.**

To request a current copy of our complete Firm Brochure, please visit our website at <https://financiallifestylemanagement.com/disclosures/> or call our office at 903-455-1041

This Item is intended to discuss specific material changes experienced by FLM since our last annual Firm Brochure (ADV Part II) filing on March 25, 2022.

Firm Brochure Summary of Updates

(Form ADV Part 2A & Part 2B)

Material Changes

Financial Lifestyle Management’s last annual update to Part 2A of Form ADV (Brochure) was made on March 25, 2022. **No material changes have been made since our last update.**

- **Update on Charles Schwab purchase of TD Ameritrade** - If your accounts are currently held at TD Ameritrade, your accounts will be moving to Charles Schwab September 4th, 2023.

As previously disclosed in our Brochure update on March 25th 2021, TD Ameritrade was purchased by Charles Schwab in October of 2020. Since this time, Schwab has been preparing for a smooth transition of your accounts from TD Ameritrade to their custodial platform. They have informed us that they are about ready and plan to move your accounts over on Labor Day weekend, September 1st through September 4th, 2023. Schwab expects this move to be

primarily paperless, but you will be notified well in advance of the transition to set up your account access in advance of the move. You will also be able to respond by negative consent if you do not wish for your accounts to be moved.

We believe Schwab is a good choice for your accounts.

Why: Schwab is financially strong, provides a large network of investment options, maintains high standards when it comes to safeguarding client assets, is committed to best execution and keeping trading costs low for investors, all criteria we expect from a worthy custodian.

If you have any questions or concerns about your accounts transitioning to Charles Schwab, please give Vicki Ward a call at 903-455-1041 and she'll be happy to visit with you about this.

FLM continues to manage your investments in accordance with your most current investment policy statement and objectives. Unless and until you advise us otherwise of changes in your financial situation or investment objective(s), we shall continue to manage your assets in the same manner we currently do.

Questions: Vicki Ward, Chief Compliance Officer, is available to answer any questions you may have regarding this Brochure. Just give our office a call at (903)455-1041.

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ITEM 4 – ADVISORY BUSINESS

Firm Description

Financial Lifestyle Management (referred to hereafter as FLM) is an Investment and Financial Planning Advisory firm registered with the Texas State Securities Board since June 2003.

FLM acts as a fiduciary, always putting our client’s interests first. Account assets are currently held at TD Ameritrade who was acquired by Charles Schwab October 6, 2020. Charles Schwab expects to transition all TD Ameritrade accounts over to Schwab in September 2023.

FLM is an independent fee-only firm. As a fee-only firm, we provide financial planning services and portfolio management services to retail investors. We do not sell or market investment products, represent any company or product, or receive any product commissions or fees. We work strictly for you, our clients and are paid by you. This allows us to make objective product recommendations in your best interests while keeping your investment fees and expenses as low as possible.

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Ownership

Financial Lifestyle Management (FLM) is an independent firm located in Greenville, TX. Victoria “Vicki” Ward founded FLM in June of 2003 and began operating as a Limited Liability Company in the state of Texas in December 2015. Vicki Ward is a Certified Financial Planner™ and Registered Investment Advisor Representative.

Advisory Services Offered

We provide fee-only financial planning, investment advisory and portfolio management services to individuals, families, and professionals.

Our planning and investment strategies are tailored to meet your unique goals and objectives.

Current Assets under Management

As of March 9, 2023, FLM, had approximately \$19,309,197 discretionary assets under management and \$0 non-discretionary assets. Discretionary authority means we may make decisions to buy, sell or hold investments in your account without consulting you

first. If you grant us non-discretionary authority, we will always contact you first before implementing transactions in your accounts.

Advisory Services Offered

We provide financial planning and portfolio management services.

To get started, we will meet to determine exactly what services you are seeking; portfolio management, financial planning, or both. Then we will identify your goals and expectations, personal tolerance for risk, time horizon and more. In addition, we will collect data to access your current financial situation and help you develop a plan to achieve their desired goals.

Financial Planning Services

Our financial planning services are designed to help families and individuals plan for and transition through each stage of life. Starting out as a college graduate or young family, mid-life juggling a career to pre-retirement and retirement; we help our clients develop a plan unique to their goals and objectives. This may include retirement planning, tax planning, estate planning and long-term care planning as well as planning for life transitions such as job changes, a new baby, purchasing a new home, education planning for children and grandchildren to caring for elderly parents, receiving, or leaving an inheritance, marriage, divorce and/or planning for a specific life goal or purchase.

- **Financial Planning Process** - Our financial planning process starts with helping you identify where you are today, where you want to be in the future, and how to get there. We begin by gathering an inventory of your personal financial information and analyzing your current situation. A written financial plan – designed to achieve your stated financial goals and objectives – is prepared and presented to you. Then we will assist you with implementing your plan with appropriate techniques to accommodate your unique constraints. A successful plan requires regular monitoring. If you choose an on-going relationship with us, we will continue to monitor and update your plan as needed.

Investment Advisory & Portfolio Management Services

Our Investment Management Services provide you with a program for investing your funds.

Our Process - We start with an in-depth conversation and extensive data collection to identify your goals and objectives. This will include a detailed analysis of your financial condition, needs and goals, risk tolerance and time horizon. We will then design, revise, and reallocate a custom portfolio for you. Clients may impose reasonable restrictions on investing in certain types of securities by notifying us in writing.

Your investment policy is determined based on your investment objectives, risk tolerance, net worth, income, age, investment time horizon, tax situation and other relevant factors.

Our portfolio management is designed to provide you with the appropriate asset allocation, diversification, risk characteristics consistent with prudent portfolio management. We manage equity, fixed income and balanced portfolios using clearly defined investment objectives and guidelines established with each client. We construct, manage, execute, and monitor portfolios to meet your unique situation.

We have a fiduciary duty to provide services consistent with your best interest. We will provide continuous supervision and rebalancing of your portfolio, as changes in market conditions and your circumstances warrant. In addition, performance reports are prepared periodically and serve as the basis for monitoring the interim progress of your portfolio.

As part of our investment advisory services, we will review your portfolio and rebalance periodically, no less than annually and more often as needed, especially if factors change. Such changes may include life events or goal changes as well as changes in market conditions, fund managers, style drift, account additions/withdrawals, and/or change in your investment objectives.

Investment Portfolios constructed by FLM include primarily no load and low-cost mutual funds and exchange traded funds (ETF's).

We use both passive and active funds to build broadly diversified portfolios. Investments may also include equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, managed futures, investment company securities (variable life insurance, annuities, and mutual fund shares), US Government securities and interests in partnerships, and REITS. For clients that require enhanced or a specialized level of asset management, FLM may recommend clients authorize the active discretionary management portion of their assets among certain independent investment managers. Management fees charge by an Independent Manager is separate from and in addition to FLM's advisory fee.

Implementation and on-going management of client accounts includes:

- Design, execution, and maintenance of a customized Investment Policy Statement for assets under limited discretionary authority of FLM.
- Monitor investments and investment managers.
- Active tax and cost-efficient investment portfolio management for assets under limited discretionary authority by FLM.
- As necessary, rebalancing, policy and strategy or allocation modifications.

- As necessary, distribution of required minimum distributions and qualified charitable distributions.
- As requested, implementation of cash flow strategies for planned cash flow needs.
- As requested, distribution of unanticipated cash flows.
- As requested, coordinate with clients CPA regarding account tax reporting and tax planning regarding AUM assets managed.

Client's grant FLM limited trading authority and discretion regarding the management of their accounts. This includes discretion over investment products, costs, tax efficiency, product availability, and new product introductions when implementing Client's target asset allocation.

Our Fee Structure

Our services are designed to accommodate clients from all walks and stages of life. For comprehensive or specific financial planning advice we work with clients on an hourly fee basis or retainer. For portfolio management, fees are based on a percentage of assets under the firm's discretionary management, also called "Assets under Management" fee. Your fee will depend on the services you choose, and we will communicate your fee to you prior to beginning our engagement. See Fees and Compensation below for more details on our fees.

Our goal is to build long lasting relationships with our clients and work to be a trusted financial partner you can call when needed.

Limitation of Services

FLM does not serve as an attorney, accountant, or insurance agent, and no portion of our services should be construed as same.

- FLM does not practice law and cannot and does not furnish legal opinions.
- FLM is not an accounting firm, does not practice accounting or auditing.
- FLM is not an actuarial firm, does not provide actuarial advice.
- FLM does not sell insurance and therefore cannot act as your agent.

To the extent requested by a client, we may recommend the services of other professionals for non-investment implementation purposes (i.e., attorneys, accountants, insurance, etc.)

Clients are under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from FLM.

Please Note: if you engage any professional (i.e., attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises thereafter relative to such engagement, you agree to seek recourse exclusively from the engaged

professional. Client agrees that Client's own attorneys, accountants and other financial service professionals shall be solely responsible for the accuracy of legal advice, legal opinions. At all times, the engaged licensed professionals, and not FLM, shall be responsible for the quality and competency of the services provided.

Investment Risks

Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including investments and strategies recommended or undertaken by FLM) will be profitable or equal any specific performance level.

- You recognize that investing in securities involves risk of loss and you should be prepared to bear that loss should it occur.
- You understand that all investment activity in your portfolio shall be at your own risk, which can result in loss of your invested capital, annual income, and/or tax benefits and that FLM will not reimburse you for any losses.
- You understand that FLM cannot guarantee your investment objectives will be achieved.

Retirement Account Rollovers – Potential Conflict of Interest

A client or prospective client leaving an employer typically has four options regarding an existing retirement plan and may engage in a combination of these options.

- i. Leave the money in the former employer's plan, if permitted
- ii. Roll over the assets to the new employer's plan, if one available and rollovers are permitted.
- iii. Roll over to an Individual Retirement Account (IRA)
- iv. Cash out the account value (which could, depending on the client's age, result in adverse tax consequences)

If we provide a recommendation as to whether you should engage in a rollover or not (whether it is from an employer's plan or an existing IRA), we are acting as a fiduciary within the meaning of Title I of Employee Retirement Income Security Act (ERISA) and/or the Internal Review Code, as applicable, which are laws governing retirement accounts. Because we would earn a fee for the management of this account, a conflict of interest exists.

Clients are not under any obligation to rollover retirement plan assets to an account managed by FLM, whether it is from an employer's plan or an existing IRA. FLM's Chief Compliance Officer, Vicki Ward, remains available to address any question that a client or prospective client may have regarding the potential conflict of interest presented by such rollover recommendation.

Client Obligations

In performing its services, FLM shall not be required to verify any information received from the client's other professional and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/it's responsibility to promptly notify FLM if there is ever a change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising FLM's previous recommendations and/or services.

Client agrees to the following:

- Complete Data Gathering form and/or provide requested documentation initially and/or from time to time as needed to maintain plan updates if relationship is ongoing.
- Provide information updates as requested.
- Authorize third parties to disclose Client's confidential information to FLM as needed.
- Provide FLM authorization when Client wishes FLM to disclose Client's confidential information to third parties.
- Inform FLM of changes in Client's personal financial situation.

Email Communications

FLM cautions its clients on the use of email. Standard email is inherently unsecure. Most email is unencrypted. As each email travels to its intended destination, it traverses an untold number of servers and can be intercepted and viewed by virtually anyone with the proper know-how. This security flaw in email as it exists today, places confidential data at risk. If you have a service request, do not include your personally identifiable information in an email when you send it to FLM.

Instead, we suggest that you call us, and we will be happy to assist you. FLM has a secure encrypted service you can use to send your documents to us securely but give us a call and let us know so we can send you our secure link and your data will be protected.

ITEM 5 – FEES AND COMPENSATION

Fee Summary

FLM bases its fees on a percentage of assets under management or under advisement, hourly, or fixed retainer fees. We will aggregate related accounts in the same household to meet account fee brackets.

Hourly and Retainer fees will be priced on the complexity of the work, especially when assets under management is not the most significant part of the relationship.

Financial plans are priced according to the degree of complexity associated with the client's situation.

We reserve the right to negotiate Advisory Fees, financial planning, and consulting fees at our sole discretion.

Financial Planning Fees

Financial planning fees vary on a case-by-case basis depending upon the scope and complexity of each client's specific needs and services requested.

When the financial planning services to be provided has been agreed upon, a determination will be made as to applicable fee and be made known to the client prior to any work beginning. The client will pay 50% of the quoted fee upon signing the advisory agreement and the balance will be due upon presentation of the written financial plan.

Hourly Consultation / Planning Engagements

FLM may provide hourly planning services for clients who need advice. The hourly rate for an engagement ranges from \$150 to \$300 per hour with actual billing rate depending upon staff or advisor's rate doing the work.

Portfolio Management Fees

Portfolio management fees (called AUM or Asset under Management) are collected on a quarterly basis, in arrears, each calendar quarter. With the client's prior approval, fees are deducted from a designated client account to allow FLM to provide performance reporting net of all fees. Payment in full is expected upon invoice presentation.

Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Since fees are collected in arrears there are typically no fees to refund at termination.

We make every effort to avoid or minimize investment charges, however, clients may occasionally incur certain charges imposed by custodians, brokers, third party investments and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges or fees are exclusive of and in addition to FLM's fee, and we do not receive any portion of these fees and costs. Unfortunately, fees are a necessary part of doing business in the securities industry.

We recognize that low investment costs are key to maximizing our client's investment returns. We make every attempt to keep investment costs low by utilizing no-load (no commission) and no transaction fee mutual funds and ETF's when possible.

Investment Account Management Services are billed as a percentage of assets under management (AUM) based on the following tiered schedule with the fee being calculated on the account balance on last day of each quarter using online account balances.

Fee Schedule (Clients with AUM (Assets under Management))

ASSET MANAGEMENT FEE SCHEDULE				
Minimum Annual Fee \$500 per year				
Fee schedule is tiered meaning a different rate is applied to each tier dollar amount as listed below				
Assets Under Management (AUM)			Quarterly Fee	Annual Fee
Account balance	\$ 1,000,000	or less	X .25%	1.00 %
+ balances from	\$ 1,000,001	to \$ 5,000,000	X .1875 %	.75 %
+ balances from	\$ 5,000,001	to \$ 10,000,000	X .125%	.50 %
+ balances over	\$10,000,001	or more	X .0625%	.25%
			Total Fee = total of all tiers	

Exception to above fee schedule are small accounts that are subject to a minimum fee. See below for minimum fee.

Investment Management account fees are calculated as described above and not charged on the basis of a share of capital gains or capital appreciation of the funds or any portion of the funds of an advisory Client (SEC Rule 205(a)(1)).

Fee amounts may be negotiable depending upon the circumstances, not limited to account composition and complexity, other client, employee, or family relationships, etc. which may result in different fees being charged by us for client accounts similar in composition and objective. Related family accounts or employees may be charged a reduced fee, or no fee, for our services.

Current client relationships may exist where the fees are higher or lower than the fee schedule above. FLM may waive its minimum fee and/or charge a lesser investment advisory fee based on special criteria.

Other Fees –Discount brokerages or fund companies may charge transaction fees on purchases, sales, swaps of certain mutual funds and exchange traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. FLM believes that the selection of the security is more important than the nominal fee that the custodian charges to buy or sell a security.

In addition, mutual funds generally charge a management fee and expense fee for their services as investment managers. These are called an expense ratio. These fees are in addition to the fees paid by you to FLM . These fees are disclosed in the fund prospectus.

FLM does not receive any compensation, in any form, from fund companies, or custodians, except as disclosed under the section Soft Dollars.

Margin Accounts: Risks/Conflict of Interest

FLM does not recommend the use of margin. A margin account is a brokerage account that allows investors to borrow money to buy securities. By using borrowed funds, the customer is employing leverage that will magnify both account gains and losses. The broker charges the investor interest for the right to borrow money and uses the securities as collateral.

Conditions for Managing Accounts (Minimum AUM fees)

While FLM has no minimum account requirement, a small account minimum annual fee may be imposed for smaller Assets under Management Portfolios. A portfolio may consist of more than one standard account held under same client name. FLM’s current minimum fee is \$500 per year.

Termination

Advisory Agreements shall remain in force as long as mutually agreed to by Client and FLM. Either party may terminate the Advisory Agreement at any time for any reason upon written notice.

Past Due Accounts and Termination of Agreement

FLM reserves the right to stop work on any account that is more than 30 days past due. In addition, FLM reserves the right to terminate any financial planning engagement where the client has willfully concealed or has refused to provide pertinent information about the financial situations when necessary and appropriate, in FLM’s judgement, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Fees are not based on a share of capital gains or capital appreciation of managed accounts.

FLM does not use a performance-based fee structure because the potential conflict of interest. Performance based compensation may create an incentive for the advisor to recommend an investment that may carry a higher degree of risk for the client.

ITEM 7 – TYPES OF CLIENTS

FLM provides investment and planning advice to high net worth and non-high net worth individuals, including trusts, estates, charitable organizations, and business entities.

Client relationships vary in scope and length of service.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

Security analysis methods may include fundamental analysis, technical analysis, charting and macroeconomic or cyclical analysis, although primary emphasis is placed on fundamental analysis. FLM provides no assurance that any one strategy or analysis will prove successful.

When selecting and analyzing investment products, funds and ETF's, we use a variety of information sources. The main sources of information include financial newspapers and magazines, research materials prepared by others, discussions with other professionals, annual reports, prospectuses, and company press releases.

Other sources of information that FLM may use include data provided by Morningstar, Inc., custodian websites, mutual fund companies, other third-party research and the world wide web.

Investment Strategies

Academic research suggests portfolio asset allocation among the various asset classes, stocks, bonds, real estate, etc., is a primary driver for investment returns. We work with clients to select the appropriate target asset allocation to meet their goals, risk tolerance, and time horizon. Then we select appropriate investments, diversifying among major asset classes, geographies, and capitalization. Because we believe low investment costs are imperative to attaining the highest probability of success, we also focus on using low cost, no load, and no transaction fee investments when available.

The investment strategy for a specific client is based on the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind.

We work to educate our clients about investing and the risks involved, helping them understand that investing in securities involves risk of loss that they should be prepared to bear. No investment strategy can protect a portfolio all the time. There may be poor months, quarters or occasionally years of poor performance. Risks are: loss of capital, fluctuating returns, and not achieving one's goals.

We define risk loosely as the probability of an investment vehicle delivering a negative return over a certain period of time. Different investments within different asset classes have a wide range of risk characteristics and do not all move in the same direction at the same time. The holding period of an asset also affects its risk which is why the client's time horizon is also considered when selecting appropriate investments.

All portfolios have a level of risk associated with economic and market changes. For example: investors face the following risks:

Unsystematic Risks: These are risks uniquely related to a specific investment. It is also known as “diversifiable risks,” as, at least theoretically, unsystematic risks may be significantly reduced by diversifying between different investments.

Systematic Risks: These are risks related to a broad universe of investments. These risks are also known as non-diversifiable risks as diversification within the system will not provide risk reduction if the entire system loses value (e.g., a diversified portfolio of high-quality bonds in a rising interest rate environment or the S&P 500 in a bear market).

- **Interest-rate Risk**: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Reinvestment Risk**: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Credit Risk**: The return on fixed income investments (e.g., bonds, preferred stock) is dependent on the issuer of the security meeting its commitment to make agreed upon payments. Credit risk is the risk that the issuer does not meet that obligation.
- **Inflation Risk**: This is also known as “purchasing power risk.” When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation. Fixed payment securities (e.g., CDs, bonds, preferred stock) are particularly sensitive to inflation risk.
- **Market Risk**: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- **Currency Risk**: 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.

Securities are not FDIC insured and not bank guaranteed.

ITEM 9 – DISCIPLINARY INFORMATION

Neither this firm nor its management persons have been involved in any legal or disciplinary events requiring disclosure under this item.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

FLM does not have any relationships or arrangements (current or pending) that would create a material conflict of interest with our clients. We provide limited tax preparation services for a handful of clients, but do not solicit this type of business or hold ourselves out as offering these services.

FLM does not have any affiliations with a related person who is a broker dealer, investment company, commodity trading advisors, banking or thrift institutions, insurance company or agency, pension consultant or real estate broker or dealer, nor is it registered as such.

ITEM 11 – CODE OF ETHICS

Code of Ethics

FLM has adopted a Code of Ethics that establishes standards of conduct for all advisory personal in addition to prohibiting conflicts of interest from personal trading by advisory personal.

FLM has established ideals for ethical conduct based upon fundamental principles of integrity and trust and holds itself out as a fiduciary standard of care to its clients. FLM operates on a “Clients First” principle, conducting business with the highest ethical and legal standards.

Our Code of Ethics requires a high standard of business conduct and includes provisions for confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things.

This Code of Ethics is available for review by clients and prospective clients upon request.

Personal Trading / Participation or Interest in Client Transactions

FLM and its employees may buy or sell securities that are also held by clients. Our personal portfolios are similar in nature to our client portfolios. FLM employees comply with provisions of the compliance manual and see no conflict in owning the

same securities as we recommend to our clients because these securities are widely held and publicly traded. We are also too small of an advisory firm to affect the market while trading in widely held, publicly traded securities.

All FLM employees and persons associated with us are required to follow our firm's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors, and employees of FLM and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for our clients. The Code of Ethics is designed to assure that personal securities transactions, activities, and interests of the employees of FLM will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of our clients. In addition, the Code restricts trading in close proximity to client trading activity. Nonetheless, because our Code of Ethics, in some circumstances, would permit our employees to invest in the same securities as our clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Trading is continually monitored under our Code of Ethics to reasonably prevent conflicts of interest between us and our clients.

A copy of our Code of Ethics is available upon request.

ITEM 12 – BROKERAGE

Brokerage Firm Selection

FLM may be granted discretionary authority over your account(s) to determine the securities to be bought or sold and their amounts without specific consultation with you as deemed to be in your best interest and to achieve your stated investment objectives.

In the event the client requests a brokerage recommendation, FLM generally recommends accounts be maintained at TD Ameritrade/ now owned by Charles Schwab as of October 6, 2020. Prior to engaging FLM to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with FLM setting forth the terms and conditions under which FLM shall advise on the client's assets, and a separate custodial/ clearing agreement with each designated broker dealer/custodian.

Factors we consider when selecting account custodians include financial strength, reputation, execution capabilities, pricing, responsiveness and services that allows us to provide you with best execution and service.

As fiduciaries, we understand and acknowledge our duty to obtain best execution for your transactions. We believe that the relationship with our broker-dealer / custodian helps us to execute securities transactions for you in such a manner that your total cost in each transaction is as favorable as possible under prevailing market conditions.

However, accounts with a full-service broker-dealer may not obtain best execution at all times. Transaction fees charge by a broker-dealer to you may be higher or lower than those charged by another qualified broker-dealer to affect the same transaction where FLM determines, in good faith, that the transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker dealer services, including value of research provided, execution capability, transaction rates, and responsiveness. Accordingly, FLM will seek competitive rates, however, it may not necessarily obtain the lowest possible rates for client transactions. The transaction fees charged by the designated broker dealer/custodian are exclusive of, and in addition to FLM's investment advisory fee.

Directed Brokerage

FLM recommends that its clients utilize the brokerage and custodial services provided by TD Ameritrade/Schwab. We generally do not accept directed brokerage arrangements (when a client requires that account transactions be affected through a specific broker dealer). However, in such client directed arrangements, you are responsible for the custodial fee arrangement including negotiating terms and arrangements for your account with that broker-dealer. You understand this might prevent us from effectively obtaining the most favorable net price and execution. As a result, this may cost the client more money, paying higher commissions, transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Higher transaction costs adversely impact account performance.

NOTE: Clients are under no obligation to act on our recommendations. Moreover, if a Client elects to act on any of our recommendations, they are under no obligation to effect the transaction(s) through us. Clients are free to select any custodial/brokerage firm or insurance agency or similar sales agency they desire for implementation of the advice and recommendations provided by us. However, if client chooses their own custodian, our ability to assist the client in management of these accounts will be very limited. We will not have access to these accounts and will not be able to monitor or track accounts for purposes of investment performance reporting.

Please Also Note: Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

Best Execution

The brokerage commissions and/or transaction fees charged by your broker-dealer / custodian are exclusive of, and in addition to, FLM's investment management fee. Although the commissions and/or transaction fees that may be paid by FLM's clients shall comply with FLM's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where FLM determines, in good faith, that the fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer service, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although FLM will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. FLM's best execution responsibility is qualified if securities that it purchases for client accounts are no-load mutual funds that trade at net asset value as determined at the daily market close.

Non-Soft Dollar Benefits

FLM currently has no arrangements with recommended investment custodians for a predetermined minimum discount or maximum transaction fee rate. We seek to determine, on a continuous basis, what level transaction fees are reasonable in the marketplace for transactions executed on behalf of our clients.

FLM does however receive non-soft dollar economic benefits from the custodians it uses.

FLM does participate in the institutional advisor program on custodial platforms it recommends and as such receives the following services: custody of securities, trade execution, clearance, and settlement of transactions. There is no link between our participation in the Program and the investment advice we give to our clients, although we do receive economic benefits through our participation in the Program that are typically not available to retail investors. These benefits also include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk designated to serving us; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from our client accounts held at custodian; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. Additional benefits may include receipt of business consulting and professional services. Some of the products and services made available by custodians may benefit us but MAY NOT benefit our clients' accounts directly, although they may assist us in managing and administering client accounts. Other services made available by custodians are intended to

help us manage and further develop our business enterprise. The benefits received by us or our employees through participation in the program do not depend on the amount of brokerage transactions directed to custodians by us. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by us or our related persons or entities in and of itself creates a potential conflict of interest and may indirectly influence FLM's choice of recommended custodians and brokerage services.

Non-Soft Dollar Research and Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker dealer/custodian, FLM can receive from broker-dealer/custodians, platform sponsor, mutual fund sponsor, or vendor without cost (and at a discount) support services and / or products, certain of which assist FLM to better monitor and service clients' accounts maintained at such institutions. Included within the support services that can be obtained by FLM can be investment related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meeting, and other educational and/or social events, marketing support including client events, computer hardware and/or software and/or other products used by FLM in furtherance of its investment advisory business operations.

FLM clients do not pay more for investment transactions effected and/or assets maintained at broker-dealer/custodians as a result of this arrangement. There is no corresponding commitment made by FLM to recommended broker-dealer/custodians, or any other entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products because of the above arrangement.

Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit. However, when funds allow aggregation for purposes of qualifying to purchase institutional shares our clients may benefit by having access to institutional shares that have significantly lower expenses ratios than the retail versions of the same funds.

ITEM 13 – REVIEW OF ACCOUNTS

Periodic Reviews

Accounts reviews are provided no less than annually or by request by the client. Accounts may be reviewed more often due to market changes or conditions, tax laws, or changes in the client's circumstances. The occurrence of a major events such as death, disability, inheritance, employment status change, marital status change, retirement are all triggering factors that may cause us to review your account.

Regular Reports

On a monthly or quarterly basis, statements, trade confirmation will be sent from client's custodian to you.

In addition, performance reports will be prepared and reviewed with the client during review meetings. These reports will include securities held, bought and sold, market value as well as investment performance of portfolio. Clients may also receive interim year reports from us, typically at quarter end.

Clients who only use our financial planning services will not receive any account statements or reports unless we are managing one or more of your accounts.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

FLM is not compensated directly or indirectly for client referrals, and we do not receive any economic benefits from a non-Client for providing investment advice or advisory services to clients. We do not accept any sales awards, prizes, or gifts.

FLM does not currently compensate any *person* who is not a *supervised person of FLM* for *client* referrals, although we may at our sole discretion and remain in compliance with Rule 206(4)-3 of the Investment Advisers Act of 1940.

ITEM 15 – CUSTODY

Custodian Account Statements

FLM does not directly custody its clients' assets. All assets are held at independent qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly. Clients with accounts at TD Ameritrade/Schwab receive monthly statements.

Clients are urged to carefully review such statements and compare such official custodial records to the account performance reports that we may provide. Our reports may vary from custodial statements based on accounting procedures, reporting dates, valuation methodologies of certain securities, and/or small rounding differences between online balances and paper statement balances.

Clients also receive transaction confirmations, applicable tax documents, proxy documents, including ballots and any communication from public companies. In addition, clients will receive information such as semi-annual reports, annual reports, and prospectus from mutual fund and ETF's owned. Clients may access all this information online at their custodians website with their log in credentials and request mail or electronic delivery.

FLM is considered to have custody of client funds, only to the degree that we are able to deduct management fees from client's accounts as authorized in our Advisory Agreement.

When a client is investing funds by check, checks will be made payable to the custodian 'For The Benefit (FBO) of the client', never to FLM.

ITEM 16 – INVESTMENT DISCRETION

FLM accepts limited discretionary authority in the management of your portfolio, including periodic rebalancing to asset class percentages as outlined in your Investment Policy Statement. FLM has the authority to determine the securities to be bought or sold, and the amount of the securities to be bought or sold, however, clients may, in writing impose reasonable restrictions on FLM's authority on the investment of their assets.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement and manage the investment policy that you have approved in writing.

Clients approve the custodian to be used.

Limited discretionary authority also allows:

- The custodian to provide electronically, on a daily basis, each and every transaction in a client's account. That allows us to maintain on our portfolio management system detailed contemporaneous position, tax, and performance data for each client.
- FLM to authorize distribution of funds from the client's account; however, ONLY to the client, in his or her name, at his address of record and upon signed authorization by the client.
- FLM to directly bill and debit the account for the agreed upon management fee. This allows FLM to provide performance reporting net of fees and expenses.

ITEM 17 – VOTING *CLIENT* SECURITIES

We do not vote proxies on behalf of any of our clients. Clients will receive proxies directly from the custodian of their accounts. Our clients retain the responsibility for voting proxies for all securities maintained in their portfolios.

ITEM 18 – FINANCIAL INFORMATION

We do not require or solicit prepayment of more than \$500 in fees from any client, six months or more in advance. We do not have any financial condition that would preclude

us from meeting our contractual commitments to clients. We have not been the subject of a bankruptcy petition at any time during the past ten years.

Business Continuity Plan

FLM has a Business Continuity Plan in place that provides steps in the case of disasters. The Business Continuity Plan considers natural disasters such as tornadoes and other natural and man-made disasters including power outages that may occur. Electronic files are backed up daily and archived offsite.

Alternate offices sites have been identified to support ongoing operations in the event the main office is unavailable.

It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location. FLM also provides custodian contact information to clients regularly to ensure they can access their accounts in the absence of key personnel.

Information Security

FLM takes all precautions available to reduce the risk that your personal and confidential information may be breached. See our Privacy policy below for how we protect your information.

Privacy Notice

FLM is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us. The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your custodian securities firm to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data transfer techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require

access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this Privacy Notice to you annually, in writing.

ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISORS

The following officers at FLM provide financial planning and portfolio management and general investment advice:

Victoria “Vicki” L. Ward CFP®
Certified Financial Planner™
Year of Birth: 1958

Education Background:

- Texas A & M University, Commerce, Texas *BBA in Finance - May 2012*
- Kilgore College, Kilgore, TX *Associate of Science – 1979*
- College of Financial Planning, Greenwood Village, Colorado
 - *CFP® Certificate received – 2006*

Business Experience

June 2003 – Present Founder / Advisor – FLM Financial Lifestyle Management LLC
Jan 1998 – Mar 2003 Financial Planning Assistant – Addington Financial Group
Mar 1998 – Apr 2001 Tax preparer – Johnson & Johnson CPA's /Ainsworth & Lambert
Mar 1987 – Dec 1992 – Registered Representative - HD Vest

Professional Certifications Held

Certified Financial Planner Certificate™ - 2006

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States

and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services and attain a bachelor’s degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning.
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances.
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Business Background for preceding five years

2003 - Present FLM Financial Lifestyle Management LLC