
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

2024 Firm Brochure Update Now Available

Texas State Securities Board requires advisors 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 Firm Brochure you received from us when we began working together.

Please review carefully a summary of 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.

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 9, 2023.

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 09, 2023.

- **Custodian Change** – as of September 4th, 2023, all accounts managed by FLM are now held at Charles Schwab, who purchased TD Ameritrade in October of 2020.
- **Item 4 - Illiquid Investment Risks - Structured Notes and REITS** – FLM may purchase structured notes and/or REITS for client accounts, however, FLM will always discuss with you before using these investment vehicles in your portfolio. You can prohibit FLM from purchasing these types of investment vehicles in your portfolio.
- **Item 5 - Hourly Fees** – FLM increased its hourly financial planning fee \$250 per hour, applicable to clients seeking limited planning advice. Does not apply to clients with investment portfolios FLM is managing.

Any 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 managed by FLM are currently held at Charles Schwab.

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.

Our office is located at:

3101 Joe Ramsey Blvd., Suite 107
Greenville, TX 75401

You can reach us at:

903-455-1041

<https://financiallifestylemanagement.com/>

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.

Current Assets under Management

As of this update, March 16, 2024, FLM, had approximately \$25,427,853 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

FLM provide fee-only financial planning and investment advisory and portfolio management services. To get started, we will meet with you to determine exactly what services you are seeking; financial planning, portfolio management or both then walk

through next steps to get started. Through our conversations we will identify your goals and expectations so that we can develop a plan for you and your family to help you achieve your 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 money.

FLM is a fee-only firm and acts as a fiduciary, always putting our client's interest first. We do not sell annuities, insurance, stocks, bonds, or any other commissioned products nor are we affiliated with entities that sell financial products or securities. NO commissions in any form are accepted. NO finder's fees are accepted.

- **Our Process** - We start with an in-depth conversation and collection of your data to clearly define your financial goals and objectives. This will include a detailed analysis of your current financial condition, risk tolerance, time horizon, cash flow needs and income tax planning estimates. With this information we will design an investment plan for you that identifies specific investment criteria and strategies based on our review of available investment options, taxation, transaction costs, and risk. This plan is prepared in the form of an Investment Policy Statement (IPS) which we will review with you to ensure it reflects your needs. This document sets the foundation for how we recommend the allocation of your assets between various investment classes and the managers we select.

Investment Portfolios - we believe both active and passive management can play a role in building broadly diversified portfolios. Assets are invested primarily in no load and low-cost mutual funds, low-cost index, and exchange traded funds (“ETFs”),) with a discount broker / custodian (Schwab).

Investments may also include equities (stocks), warrants, corporate debt securities, commercial paper, individual bonds, certificates of deposit, municipal securities, investment company securities, U.S. government securities, REITS, interest in partnerships and other public and private securities or investments.

We will tailor your investment strategy to meet your specific needs and provide you with a portfolio of investments suitable to your circumstances. For our clients that require enhanced or a specialized level of asset management, we may recommend clients authorize the active discretionary management portion of their assets among certain independent investment managers. Management fees charged by an Independent Manager are separate from and in addition to FLM’s advisory fee.

We will provide continuous supervision of your portfolio, providing you with periodic performance reports to serve as the basis for monitoring the interim progress of your portfolio, rebalancing as 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.

Implementation and on-going management of client accounts includes:

- Design, execution, and maintenance of customized Investment Policy Statement for assets under limited discretionary authority of FLM.
- Establish new accounts and coordinate transfers to Schwab for FLM to manage
- Monitor investments and investment managers .
- Provide 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 well as unanticipated cash flows needs.
- As requested, provide preliminary income tax information of realized and unrealized capital gains and coordinate with clients CPA for tax planning regarding assets managed (AUM).
- Provide quarterly detailed investment reports and fee invoices to clients

Most clients choose to have FLM manage their assets in order to obtain ongoing in-depth advice.

Trading Authority - Client's will 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. Clients may impose reasonable restrictions on investing in certain types of securities by notifying us in writing.

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 fixed fee 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. **See ITEM 5 Fees and Compensation below for more details on our fees.**

Your fee will depend on the services you choose, and we will communicate your fee to you, in writing, prior to beginning the start of our relationship.

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 is 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 FLM recommends that a client roll over their retirement plan assets into an account managed by FLM, such a recommendation creates a conflict of interest if FLM will earn new or increased compensation as a result of the rollover. When we make such a recommendation, we are acting as a fiduciary within the meaning of Title I of Employee Retirement Income Security Act (ERISA) and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts.

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.

Cash Positions

FLM continues to treat cash as an asset class. As such, unless determined to the contrary by FLM, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating FLM’s advisory fee. At any specific point in

time, depending on perceived or anticipated market conditions/event (there being no guarantee that such anticipated market conditions/events will occur), FLM may maintain cash for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending on current yields, at any point in time, FLM's advisory fee could exceed the interest paid by the client's money market fund.

Alternative Investments / Risk and Limitations - (Structured Notes and REITS)

Because these types of investments involve certain additional risk, FLM will always discuss with clients before using these types of investment vehicles.

Structure Notes and REITS will only be recommended when consistent with a client's investment objectives, individual situation, suitability, tolerance for risk and liquidity needs. Investment should be avoided where an investor has a short-term investing horizon and/or cannot bear the loss of some, or all, of the investment. In light of these enhanced risks, a client may direct FLM, in writing, not to employ any or all such strategies for the client's account. FLM only allocates a portion of each client portfolio to these strategies, as we prefer to keep a majority of our investments available in daily liquid vehicles.

▪ **Structured Notes**

FLM may purchase structured notes for client accounts. A structured note is a financial instrument that combines two elements, a debt security and exposure to an underlying asset or assets. It is essentially a note, carrying counter party risk of the issuer. However, the return on the note is linked to the return of an underlying asset or assets (such as the S&P 500 Index or commodities). It is the latter feature that makes structured products unique, as the payout can be used to provide some degree of principal protection, leveraged returns (but usually with some cap on the maximum return), and be tailored to a specific market or economic view. In addition, investors may receive long-term capital gains tax treatment if certain underlying conditions are met and the note is held for more than one year. Finally, structured notes may also have liquidity constraints, such that the sale thereof prior to maturity may be limited.

FLM will not purchase a structured note for a client's portfolio without first discussing this with the client to make sure client is comfortable with this investment. In the event that a client has any questions regarding the purchase of structured notes for his/her/its account, FLM remains available to address them. In addition, in the event a client does not want FLM to purchase structured notes for his/her/its account, the client should advise FLM, in writing.

▪ **REITs (Real Estate Investment Trusts)**

Where appropriate, FLM may use investment vehicles that have limited liquidity, such as Real Estate Investment Trusts (REITS). Such investments may only offer opportunities to buy and/or sell on a periodic basis. Additionally, an investor may not be able to sell until meeting a certain holding period.

REITS involve additional risk, including lack of liquidity and restrictions on withdrawals. Investors may not be able to sell their shares before a designated holding period and there is no assurance that an investor will be able to tender shares when or in the amount desired. In addition, the eventual sale price for the REIT could be less than originally paid.

Client Obligations

In performing its services, FLM shall not be required to verify any information received from the client's other professionals 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 charges fees in the following ways:

Financial Planning Fees – these vary on a case-by-case basis and are dependent upon the scope and degree of complexity of each client’s situation. Comprehensive financial planning fees range from \$1,500 to \$3,000.

- Once we have agreed on financial planning services to be provided, a determination will be made as to applicable fee and provided to you in writing prior to any work beginning. Client’s will pay 50% of the quoted fee upon signing the planning engagement agreement and the balance will be due upon presentation of the written financial plan

Hourly Engagements - FLM provides hourly consultations and planning services for clients who need advice on a limited scope. The hourly rate for these engagements will be communicated to the client prior to the start of the engagement with actual amount dependent on complexity of the work. FLM’s hourly billing rate is \$250 per hour.

Portfolio management fees (also called Assets Under Management or AUM) are billed as a percentage of assets under management or under advisement 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.

- AUM fees 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.

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)).

We will aggregate related accounts in the same household to meet account fee brackets.

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 reserve the right to negotiate the amount of your fee depending upon 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.

Custodian Charges – Additional Fees - 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.

When requested to recommend a broker-dealer/custodian for client accounts, FLM generally recommends Schwab serve as the broker dealer/custodian for client investment management assets. Broker Dealers such as Schwab charge brokerage commissions, transaction, and/ or other types of fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups, and mark-downs charged for fixed income transactions etc.) The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian (while certain custodians, including Schwab), do not currently charge fees on individual equity transactions, others do). These fees/charges are in addition to FLM's investment advisory fee at Item 5. FLM does not receive any portion of these fees/charges.

Mutual funds and exchange traded funds also charge internal management fees for their services as investment managers. These are called an expense ratio and 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.

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 generally 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.

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

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.

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 individuals and families, including high net worth individuals, 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.com, custodian websites, mutual fund companies, other third-party research and the world wide web.

Investment Strategies

FLM believes portfolio asset allocation among various asset classes to be the primary driver for investment returns. We use a mix of active and passively managed (index) mutual funds and exchanged traded funds to diversify among major asset classes, geographies, and capitalization, adding sectors or specialty funds and investments when we believe there is potential for greater opportunities. With low investment costs being imperative to attaining the highest probability of success, we 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.

Structured Notes and REITS can be a diversifier in your portfolio but have their own unique risks and will be carefully reviewed and discussed with clients before including any of these products in your portfolio. Clients may prohibit the purchase of structured notes and REITs in their portfolio.

Some risks include:

- Holding periods - investments may be illiquid for a period of time, years and may not appropriate for short investment time horizons.
- Redemption principal value may be lower than original issue price.
- Investment may not be listed on any securities exchange or have a secondary market which can make them difficult to value and illiquid if clients wants out early.
- REIT’s - dividends are taxed as ordinary income

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 personnel in addition to prohibiting conflicts of interest from personal trading by advisory personnel.

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 personnel 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 interests 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

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.

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.

Brokerage Firm Selection

The Custodian and brokers we use

FLM does not maintain custody of your assets that we manage or advise on, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker- dealer, member SIPC, as the qualified custodian. FLM is independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described below. You should consider these conflicts

of interest when selecting your custodian. We do not open the account for you, although we may assist you in doing so. If you do not wish to place your assets with Schwab, then we may not be able to manage your account.

How we select brokers / custodians

We seek to recommend a custodian/broker that will hold your assets and execute transactions. When considering whether the terms that Schwab provides are, overall, most advantageous to you when compared with other available providers and their services, we consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security, and stability
- Prior service to us and our clients
- Availability of other products and services that benefit us, as discussed below (see “Non Soft Dollar Benefits and Research and Benefits available to us from custodians”

Best Execution

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.

The brokerage commissions and/or transaction fees charged by Schwab are reviewed on a regular basis and 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 affect 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.

Directed Brokerage

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, the client is responsible for the custodial fee arrangement including negotiating terms and arrangements for your account with that broker-dealer. This may prevent FLM from effectively obtaining the most favorable net price and execution. Should client direct FLM to effect securities transactions for client's accounts through a specific broker dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs that the account would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that made available through FLM. NOTE: Higher transaction costs adversely impact account performance.

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.

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

Non-Soft Dollar Benefits

FLM receives non-soft dollar economic benefits from the custodians it uses.

FLM may recommend clients establish a brokerage account with Schwab to manage and effect trades for their accounts, however it is the client's decision to custody assets with Schwab. FLM is independently owned and not affiliated with Schwab or has any arrangements with Schwab or other recommended custodians for a predetermined minimum discount or maximum transaction fee rate. FLM seeks to determine, on a continuous basis, what level transaction fees are reasonable in the marketplace for transactions executed on behalf of our clients.

Schwab provides FLM access to its institutional advisor platform for trading and custody services, which are typically not available to Schwab retail investors. These services are generally available to independent investment advisors on an unsolicited basis, at no charge to them.

For FLM client accounts maintained in Schwab's custody, Schwab generally does not charge a separate fee for custody services but is compensated by account holders through commissions and other transaction related or asset-based fees for securities trades that are executed through Schwab or settle into Schwab accounts.

Schwab Advisor Services also makes available to FLM other products and services that benefit FLM but may not directly benefit its client's accounts.

Schwab products and services that assist FLM in managing and administering clients' accounts include software and other technology that:

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

Schwab Advisor Services also offers other services intended to help FLM manage and further develop its business. These services may include:

- publications and conferences on practice management and business succession;
- compliance, legal and business consulting
- Access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to FLM. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to FLM. Schwab Advisor Services may also provide other benefits such as educational events, occasional business entertainment of FLM personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, FLM may consider the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which creates a potential conflict of interest.

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 (including those provided by unaffiliated vendors and professionals), discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events and marketing support and 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 the purpose 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.

Transactions for each client account will be effected independently unless the Firm decides to purchase or sell the same securities for several clients at approximately the same time. The Firm may (but is not obligated to) combine or "block trade" such orders for individual equity transactions (including ETFs) with the intention to obtain better price execution, to negotiate more favorable commission rates, or to allocate more equitably among the Firm clients' differences in prices and commissions or other transaction costs that might have occurred had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. This procedure will be done separately for each account custodian and "block trade" prices will likely differ for trades executed at different custodians. In the event that the Firm becomes aware that a Firm employee seeks to trade in the same security on the same day, the employee transaction will either be included in the "block trade" transaction or transacted after all discretionary client transactions have been completed. The Firm does not receive any additional compensation or remuneration as the result of such aggregation.

ITEM 13 – REVIEW OF ACCOUNTS

Periodic Reviews / Review Triggers

Accounts reviews are performed quarterly and may be reviewed more frequently when market changes dictate. In addition, changes in tax laws, new investment information or changes in a client's own situation such as the occurrence of a major event: death, disability, inheritance, employment status change, marital status change, retirement, etc. are all triggers that may cause us to review an account. Clients can also request a review of their account at any time.

Regular Reports

Clients receive several communications throughout the year from the custodian, Schwab, and FLM. Client's receive monthly statements and trade confirmation as well as income tax statements from the custodian.

FLM provides clients with quarterly performance reports and fee invoices. Clients are also provided these reports during review meetings. These reports will include securities held, market values and investment performance of portfolio.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

FLM does not directly or indirectly compensate any *person for client* referrals.

FLM does not directly or indirectly receive or accept any compensation for referring clients to other professionals.

ITEM 15 – CUSTODY

FLM does not custody client accounts. All assets are held by independent qualified custodians (Charles Schwab), who provides client account statements at your address of record or online at least quarterly. Under securities regulations, FLM is still deemed to have custody of your assets however, when you authorize us to deduct advisory fees from your accounts, or you grant us authority to move your money to another person's account.

Clients are urged to carefully review statements promptly when you receive. Our reports may vary from your 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.

The custodian also provides you with transaction confirmations, applicable tax documents, proxy documents, including ballots and any communication from public companies. In addition, you 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.

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

FLM does 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.

FLM is not aware of any financial impairment 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.

An alternate office 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 1987 – Apr 2001 Tax preparer – Johnson & Johnson CPA's /Ainsworth & Lambert
Mar 1987 – Dec 1992 – Registered Representative - HD Vest

Disciplinary Information: None

Other Business Activities: None

Professional Certifications Held

Certified Financial Planner Certificate™ - 2006

Business Background for preceding five years

2003 - Present FLM Financial Lifestyle Management LLC

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.