Disclosure Brochure

February 6, 2025

This brochure provides information about the qualifications and business practices of Financial Partners Group, LLC (hereinafter "Financial Partners" or the "Firm"). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed below. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC's website at www.adviserinfo.sec.gov. Financial Partners is an SEC registered investment adviser. Registration does not imply any level of skill or training.

607 Commons Drive, Gallatin, TN 37066 | (615) 230-9700
www.financialpartnersgroupllc.com

Item 2. Material Changes

This Item discusses only the material changes that have occurred since Financial Partners' last annual updating amendment.

This Brochure dated February 6, 2025, contains material changes since our last Brochure update on February 20, 2024.

Mercer Global Advisors Inc. has entered into an agreement to acquire Financial Partners Group, LLC. The transaction closed on January 31, 2025, and resulted in a change of ownership. Mercer Global Advisors Inc. owns one hundred (100%) percent of the operating assets of Financial Partners Group, LLC. Due to the Acquisition of Financial Partners Group, LLC, the firm has provided notice to affected clients of the assignment to Mercer Global Advisors Inc. (a SEC-registered investment advisor) of such clients' advisory arrangements with Financial Partners Group, LLC to the extent required under applicable law. Once the transition to Mercer Global Advisors Inc. is complete at the custodial level, Financial Partners Group, LLC will file a Form ADV-W to wind down its advisory business. Owners Frank F. Bowling and Scott T. Paschal will continue to service client accounts in their new capacity as Investment Adviser Representatives of Mercer Global Advisors Inc.

Copies of Mercer Global Advisors' Part 2A, form CRS and Privacy Notice are available upon request by calling 888.565.1681 or at www.merceradvisors.com.

In addition, the following items have been updated:

- Items 4 and 5 have been updated to reflect the discontinuation of the Financial Partners Wrap Fee Program for new clients and existing clients opening new accounts.

- Items 5 and 10 have been updated to remove disclosures regarding the terminated affiliation between owner Frank F. Bowling and MML Investor Services, LLC ("MML").

Item 3. Table of Contents

Item 4. Advisory Business

Founded on traditional values, hard work, loyalty, uncompromising quality, and personal service, Financial Partners (often referred to as the “Firm”) seeks to construct and implement well-balanced investment management and financial planning services. In carrying out these services, Financial Partners hopes to reduce the overall risk to clients and increase their opportunity to enjoy sustainable growth.

Financial Partners provides financial planning and investment management services. Prior to engaging Financial Partners to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with Financial Partners setting forth the terms and conditions under which Financial Partners renders its services (collectively the “Agreement”).

Financial Partners has been in business as a registered investment adviser since January 2013 and is principally owned by Scott T. Paschal and Frank F. Bowling. As of January 8, 2024, the Firm had approximately $617,749,242 in assets under management, all of which was managed on a discretionary basis.

This Disclosure Brochure describes the business of Financial Partners. Certain sections will also describe the activities of Supervised Persons. Supervised Persons are any of Financial Partners’ officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on Financial Partners’ behalf and is subject to Financial Partners’ supervision or control.

Financial Planning and Consulting Services

Financial Partners provides its clients with a broad range of comprehensive financial planning and consulting services. These services may include business planning, investment strategizing, insurance arrangements, and retirement and estate planning. These services may be included as part of Financial Partners’ investment management services, described below.

In performing its services, Financial Partners is not required to verify any information received from the client or from the client’s other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. Financial Partners may recommend the services of itself and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if Financial Partners recommends its own services. The client is under no obligation to act upon any of the recommendations made by Financial Partners under a financial planning or consulting engagement or to engage the services of any such recommended professional, including Financial Partners itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of Financial Partners’ recommendations. Clients are advised that it remains their responsibility to promptly notify Financial Partners if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Financial Partners’ previous recommendations and/or services.

Investment Management Services

Clients can engage Financial Partners to manage all or a portion of their assets on a discretionary basis. In addition, Financial Partners may provide clients with financial planning and consulting services as part of its investment management offering.

Financial Partners primarily allocates clients' investment management assets among mutual funds, exchange-traded funds ("ETFs"), unit investment trusts, and individual debt and equity securities in accordance with the investment objectives of the client. In more limited circumstances, the Firm allocates clients' assets to independent investment managers ("*Independent Managers*"), as well as to the securities components of variable annuities and variable life insurance contracts. In addition, Financial Partners may recommend that clients who are "accredited investors" as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, including debt, equity, and/or pooled investment vehicles when consistent with the clients' investment objectives. Financial Partners also provides advice about any type of investment held in clients' portfolios.

Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in client portfolios, but clients should not assume that these assets are being continuously monitored or otherwise advised on by the Firm unless specifically agreed upon. Clients can engage Financial Partners to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Financial Partners directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

Financial Partners tailors its advisory services to the individual needs of clients. Financial Partners consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that impact the clients' investment needs. Financial Partners ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify Financial Partners if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon Financial Partners' management services. Clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds) if, in Financial Partners' sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

Use of Independent Managers

As mentioned above, Financial Partners may recommend that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain Independent Managers, based upon the stated investment objectives of the client. The terms and conditions under which the client engages the Independent Managers are set forth in a separate written agreement between Financial Partners or the client and the designated Independent Managers. Financial Partners renders services to the client relative to the discretionary selection of Independent Managers. Financial Partners also monitors and reviews the account performance and the client's investment objectives. Financial Partners receives an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated Independent Managers.

When selecting an Independent Manager for a client, Financial Partners reviews information about the Independent Manager such as its disclosure brochure and/or material supplied by the Independent Manager or independent third parties for a description of the Independent Manager's investment strategies, past performance and risk results to the extent available. Factors that Financial Partners considers in recommending an Independent Manager include the client's stated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated Independent Managers, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, may be exclusive of, and in addition to, Financial Partners' investment advisory fee set forth above. As discussed above, the client may incur additional fees than those charged by Financial Partners, the designated Independent Managers, and corresponding broker-dealer and custodian.

In addition to Financial Partners' written disclosure brochure, the client also receives the written disclosure brochure of the designated Independent Managers. Certain Independent Managers impose more restrictive account requirements and varying billing practices than Financial Partners. In such instances, Financial Partners may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Managers.

If Financial Partners refers a client to an Independent Manager where Financial Partners' compensation is included in the advisory fee charged by such Independent Manager and the client engages the Independent Manager, Financial Partners is compensated for its services by receipt of a fee to be paid directly by the Independent Manager to Financial Partners in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, and any corresponding state securities laws, rules, regulations, or requirements. Any such fee is paid solely from the Independent Manager's investment management fee, and does not result in any additional charge to the client.

Sponsor / Manager of Wrap Program

This program is no longer offered to new clients or existing clients opening new accounts.

Financial Partners is the sponsor and manager of the Financial Partners Advisors Wrap Fee Program (the "Program"), a wrap fee program. In the event the client participates in the Program, Financial Partners provides its investment management services and arranges for brokerage transactions under a single annualized fee. Participants in the Program may pay a higher aggregate fee than if investment management and brokerage services are purchased separately.

A complete description of the Program's terms and conditions (including fees) are contained in the Wrap Fee Program Brochure, which appears as Part 2A Appendix 1 of Financial Partners' Form ADV (the "Wrap Brochure"). Financial Partners renders substantially all of its services on a wrap fee basis. All clients are furnished with the firm's Wrap Brochure prior to or concurrent with their engagement with Financial Partners, pursuant to Rule 204-3 of the Investment Advisers Act of 1940.

Item 5. Fees and Compensation

Financial Partners offers its services on a fee basis, which include hourly and/or fixed fees, as well as fees based upon assets under management. Additionally, certain of Financial Partners' *Supervised Persons*, in their individual capacities, offer insurance products under a commission arrangement.

Financial Planning and Consulting Fees

Financial Partners charges a fixed fee and/or hourly fee for financial planning and consulting services. These fees are negotiable, but generally range from $1,000 to $5,000 on a fixed fee basis and/or from $150 to $250 on an hourly rate basis, depending upon the level and scope of the services and the professional rendering the financial planning and/or the consulting services. If the client engages Financial Partners for additional investment advisory services, Financial Partners may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Prior to engaging Financial Partners to provide financial planning and/or consulting services, the client is required to enter into a written agreement with Financial Partners setting forth the terms and conditions of the engagement. Financial Partners requires one-half of the financial planning / consulting fee (estimated hourly or fixed) payable upon entering the written agreement. The balance is due upon delivery of the financial plan or completion of the agreed upon services.

Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage Financial Partners for additional services for compensation, including rolling over retirement accounts or moving other assets to the Firm's management. Clients retain absolute discretion over all decisions regarding engaging the Firm and are under no obligation to act upon any of the recommendations.

Investment Management Fee

Financial Partners provides investment management services through the Program for an annual fee based upon a percentage of the market value of the assets being managed by Financial Partners. The Program's fee is explained in depth in the Wrap Brochure. This program is no longer offered to new clients or existing clients opening new accounts.

Fee Discretion

Financial Partners, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

Fees Charged by Financial Institutions

As further discussed in response to Item 12 (below), Financial Partners recommends that clients utilize the brokerage and clearing services of an independent broker-dealer for investment management accounts.

Financial Partners may only implement its investment management recommendations after the client has arranged for and furnished Financial Partners with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to any broker- dealers recommended by Financial Partners, broker-dealers directed by the client, trust companies, banks etc. (collectively referred to herein as the "Financial Institutions").

Clients may incur certain charges imposed by the Financial Institutions and other third parties such as fees charged by Independent Managers, custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to Financial Partners' fee.

Financial Partners' Agreement and the separate agreement with any Financial Institutions may authorize Financial Partners or Independent Managers to debit the client's account for the amount of Financial Partners' fee and to directly remit that management fee to Financial Partners or the Independent Managers. Any Financial Institutions recommended by Financial Partners have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Financial Partners.

Fees for Management During Partial Quarters of Service

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

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

Clients may make additions to and withdrawals from their account at any time, subject to Financial Partners' right to terminate an account. Additions may be in cash or securities provided that Financial Partners reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to Financial Partners, subject to the usual and customary securities settlement procedures. However, Financial Partners designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Financial Partners may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will not be adjusted or prorated based on the number of days remaining in the quarter.

Item 6. Performance-Based Fees and Side-by-Side Management

Financial Partners does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7. Types of Clients

Financial Partners provides its services primarily to individuals, high net worth individuals, trusts, and estates. Financial Partners also provides services to certain pension plans.

Minimums Imposed by Independent Managers

Financial Partners does not impose a minimum portfolio size or minimum annual fee. Certain Independent Managers, however, impose more restrictive account requirements and varying billing practices than Financial Partners. In such instances, Financial Partners may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Managers.

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

Investment Strategies

Financial Partners seeks to preserve capital for clients by developing asset allocation portfolios based on a client's risk assessment score. Pursuant to the client's risk tolerance and investment goals, the Firm aligns clients with a pre-constructed investment strategy and aims to create disciplined buy and sell recommendations. The approach is based on Technical Trend Analysis which allows for capital to be invested in markets trending upwards and attempts to reduce or even eliminate risk in downward trending markets. By employing this strategy Financial Partners hopes to reduce the overall risk to clients and increase their prospects for sustainable growth.

Methods of Analysis

Financial Partners' primary methods of analysis are fundamental and technical analysis.

Fundamental analysis involves the fundamental financial condition and competitive position of a company. Financial Partners will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Financial Partners will be able to accurately predict such a reoccurrence.

Risks of Loss

Market Risks

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Partner's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. In addition, investments may be adversely affected by financial markets and economic conditions throughout the world. There can be no assurance that Financial Partners will be able to predict these price movements accurately or capitalize on any such assumptions.

Volatility Risks

The prices and values of investments can be highly volatile, and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.

Equity-Related Securities and Instruments

The Firm may take positions in common stocks of U.S. and non-U.S. issuers traded on national securities exchanges and over-the-counter markets. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and factors specific to the industry in which the issuer participates. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments, and the stock prices of such companies may suffer a decline in response. In addition, equity securities are subject to stock risk, which is the risk that stock prices historically rise and fall in periodic cycles. U.S. and non-U.S. stock markets have experienced periods of substantial price volatility in the past and may do so again in the future. In addition, investments in small-capitalization, mid-capitalization and financially distressed companies may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity, and these issuers often face greater business risks.

Fixed Income Securities

Fixed income securities are subject to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations and to price volatility.

Mutual Funds and ETFs

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

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Real Estate Investment Trusts (REITs)

REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings, the shares of which exist in the form of either publicly traded or privately placed securities. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle's shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.

Use of Independent Managers

Financial Partners may recommend the use of Independent Managers for certain clients. Financial Partners will continue to do ongoing due diligence of such managers, but such recommendations rely, to a great extent, on the Independent Managers ability to successfully implement their investment strategy. In addition, Financial Partners does not have the ability to supervise the Independent Managers on a day- to-day basis other than as previously described in response to Item 4, above.

Management Through Similarly Managed Accounts

Financial Partners may manage portfolios by allocating portfolio assets among various securities on a discretionary basis using one or more of its proprietary investment strategies (collectively referred to as

“investment strategy”). In so doing, Financial Partners buys, sells, exchanges and/or transfers securities based upon the investment strategy.

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

Securities in the investment strategy are usually exchanged and/or transferred without regard to a client’s individual tax ramifications. Certain investment opportunities that become available to Financial Partners’ clients may be limited. As further discussed in response to Item 12 (below), Financial Partners allocates investment opportunities among its clients on a fair and equitable basis.

Item 9. Disciplinary Information

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

Item 10. Other Financial Industry Activities and Affiliations

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

Receipt of Insurance Commissions

Certain of Financial Partners’ Supervised Persons, in their individual capacities, are licensed insurance agents and, in such capacity, recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. While Financial Partners does not sell such insurance products to its investment advisory clients, Financial Partners does permit its Supervised Persons, in their individual capacities as licensed insurance agents, to sell insurance products to its investment advisory clients. A conflict of interest exists to the extent that Financial Partners recommends the purchase of insurance products where Financial Partners' Supervised Persons receive insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

Item 11. Code of Ethics

Financial Partners and persons associated with Financial Partners ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with Financial Partners' policies and procedures.

Financial Partners has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics"). Financial Partners' Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by Financial Partners or any of its associated persons. The Code of Ethics also requires that certain of Financial Partners' personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

When Financial Partners is engaging in or considering a transaction in any security on behalf of a client, no Access Person may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the Access Person) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Access Person is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by Access Persons to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated above.

Clients and prospective clients may contact Financial Partners to request a copy of its *Code of Ethics*.

Item 12. Brokerage Practices

Financial Partners recommends that clients utilize the brokerage and clearing services of Charles Schwab & Co., Inc. ("Schwab") for investment management accounts.

Factors which Financial Partners considers in recommending Schwab or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Schwab enables Financial Partners to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. In addition, Schwab has agreed to compensate clients for any transfer fees that may be assessed for moving their account(s) to Schwab. The commissions and/or transaction fees charged by Schwab may be higher or lower than those charged by other Financial Institutions.

The commissions paid by Financial Partners' clients comply with Financial Partners' duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where Financial Partners determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Financial Partners seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Financial Partners periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

The client may direct Financial Partners in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution, and Financial Partners will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by Financial Partners (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Financial Partners may decline a client's request to direct brokerage if, in Financial Partners' sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

Transactions for each client will be effected independently, unless Financial Partners decides to purchase or sell the same securities for several clients at approximately the same time. Financial Partners may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Financial Partners' clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among

Financial Partners' clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that Financial Partners determines to aggregate client orders for the purchase or sale of securities, including securities in which Financial Partners' Supervised Persons may invest, Financial Partners does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Financial Partners does not receive any additional compensation or remuneration as a result of the aggregation. In the event that Financial Partners determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, Financial Partners may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker- dealers in return for investment research products and/or services which assist Financial Partners in its investment decision-making process. Such research generally will be used to service all of Financial Partners' clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Financial Partners does not have to produce or pay for the products or services.

Software and Support Provided by Financial Institutions

Financial Partners receives without cost from Schwab administrative support, computer software, related systems support, as well as other third party support as further described below (together "Support") which allow Financial Partners to better monitor client accounts maintained at Schwab and otherwise conduct its business. Financial Partners receives the Support without cost because the Firm renders investment management services to clients that maintain assets at Schwab. The Support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The Support benefits Financial Partners, but not its clients directly. Clients should be aware that Financial Partners' receipt of economic benefits such as the Support from a broker-dealer creates a conflict of interest since these benefits will influence the Firm's choice of broker-dealer over another that does not furnish similar software, systems support or services. In fulfilling its duties to its clients, Financial Partners endeavors at all times to put the interests of its clients first and has determined that the recommendation of Schwab is in the best interest of clients and satisfies the Firm's duty to seek best execution.

Specifically, Financial Partners receives the following benefits from Schwab: i) receipt of duplicate client confirmations and bundled duplicate statements; ii) access to a trading desk that exclusively services its institutional traders; iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and iv) access to an electronic communication network for client order entry and account information.

These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a minimum amount of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

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

Schwab also makes available to the Firm other products and services that benefit the Firm but may not benefit its clients' accounts. These benefits may include national, regional or Firm specific educational events organized and/or sponsored by Schwab. Other potential benefits may include occasional business entertainment of personnel of Financial Partners by Schwab personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist Financial Partners in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of the Firm's accounts, including accounts not maintained at Schwab. Schwab also makes available to Financial Partners other services intended to help the Firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to the Firm by independent third parties. Schwab 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 the Firm. While, as a fiduciary, Financial Partners endeavors to act in its clients' best interests, the Firm's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefits received and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which creates a potential conflict of interest.

Item 13. Review of Accounts

For those clients to whom Financial Partners provides investment management services, Financial Partners monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom Financial Partners provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by a Principal of the Firm. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Financial Partners and to keep Financial Partners informed of any changes thereto. Financial Partners contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom Financial Partners provides investment advisory services will also receive a report from Financial Partners that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance as clients may request from time to time. Clients should compare the account statements they receive from their custodian with those they receive from Financial Partners.

Those clients to whom Financial Partners provides financial planning and/or consulting services will receive reports from Financial Partners summarizing its analysis and conclusions as requested by the client or as otherwise agreed to in writing by Financial Partners.

Item 14. Client Referrals and Other Compensation

Referral Fees

In the event a client is introduced to Financial Partners by either an unaffiliated or an affiliated solicitor, the Firm may pay that solicitor a referral fee in accordance with applicable securities laws. Unless otherwise disclosed, any such referral fee is paid solely from the Firm’s investment management fee and does not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated solicitor, the client will receive a solicitor’s disclosure statement containing the terms and conditions of the solicitation arrangement and any conflicts of interest. Any affiliated solicitor of Financial Partners is required to disclose the nature of his or her relationship to prospective clients at the time of the solicitation.

Other Compensation

The Firm receives economic benefits from Schwab. The benefits, conflicts of interest and how they are addressed are discussed above in response to Item 12.

Item 15. Custody

Financial Partners' Agreement and/or the separate agreement with any Financial Institution may authorize Financial Partners through such Financial Institution to debit the client's account for the amount of Financial Partners' fee and to directly remit that management fee to Financial Partners in accordance with applicable custody rules.

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

Standing Letters of Authorization

Financial Partners also anticipates having / has custody due to clients giving the Firm limited power of attorney in a standing letter of authorization ("SLOA") to disburse funds to one or more third parties as specifically designated by the client. In such circumstances, the Firm will implement the steps in the SEC's no-action letter on February 21, 2017 which includes (in summary): i) client will provide instruction for the SLOA to the custodian; ii) client will authorize the Firm to direct transfers to the specific third party;

iii) the custodian will perform appropriate verification of the instruction and provide a transfer of funds notice to the client promptly after each transfer; iv) the client will have the ability to terminate or change the instruction; v) the Firm will have no authority or ability to designate or change the identity or any information about the third party; vi) the Firm will keep records showing that the third party is not a related party of the Firm or located at the same address as the Firm; and vii) the custodian will send the client an initial and annual notice confirming the SLOA instructions.

Item 16. Investment Discretion

Financial Partners is given the authority to exercise discretion on behalf of clients. Financial Partners is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. Financial Partners is given this authority through a power-of-attorney included in the agreement between Financial Partners and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Financial Partners takes discretion over the following activities:

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

Item 17. Voting Client Securities

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

Item 18. Financial Information

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