Wrap Fee Program Brochure

February 6, 2025

Financial Partners Wrap Fee Program
Sponsored By

FINANCIAL PARTNERS GROUP

SPECIALIZING IN RETIREMENT PLANNING, DISTRIBUTION, AND WEALTH TRANSFER

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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 Scott T. Paschal at (615) 230-9700. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any state securities authority. Additional information about Financial Partners is available on the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov. Financial Partners is an SEC registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

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

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

- Item 9 has 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. Services, Fees and Compensation

The Financial Partners Wrap Fee Program (the "Program") is an investment advisory program sponsored by Financial Partners, a registered investment adviser which has been in business since January 2013. This program is no longer offered to new clients or existing clients opening new accounts.

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 Brochure describes the business of Financial Partners as it relates to clients receiving services through the Program. Certain sections also describe the activities of the Firm's Supervised Persons, which refer to any officers, partners, directors (or other person occupying a similar status or performing similar functions), employees, or other persons who provide investment advice on Financial Partners' behalf and are subject to the Firm's supervision.

In addition to the Program, the Firm also offers financial planning, consulting and investment management services under different arrangements than those described herein. Information about these services is contained in Financial Partners' Disclosure Brochure, which appears as Part 2A of the Firm's Form ADV.

Description of the Program

The Program is offered as a wrap fee program, which provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges. A wrap fee program is considered any arrangement under which clients receive investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions for a specified fee or fees not based upon transactions in their accounts.

Prior to receiving services through the Program, clients are required to enter into a written agreement with Financial Partners setting forth the relevant terms and conditions of the advisory relationship (the "Agreement"). Clients must also open a new securities brokerage account and complete a new account agreement with Charles Schwab & Co., Inc. ("Schwab") or another broker-dealer Financial Partners approves under the Program (collectively "Financial Institutions").

At the onset of the Program, clients complete an investor profile describing their individual investment objectives, liquidity and cash flow needs, time horizon and risk tolerance, as well as any other factors pertinent to their specific financial situations. After an analysis of the relevant information, Financial Partners assists its clients in developing an appropriate strategy for managing their assets. Clients' investment portfolios are managed on a discretionary basis by either Financial Partners' investment adviser representatives or an independent investment manager (collectively "*Independent Managers*"), as recommended by Financial Partners. Financial Partners and/or the *Independent Managers* generally allocate clients' assets among the various investment products available under the Program, as described further in Item 6 (below).

Fees for Participation in the Program

Investment management services are offered through the Program on a fee basis, meaning clients pay a single annualized fee based upon assets under management. The Firm also offers advisory services outside of the Program under different fee arrangements than those discussed below.

Financial Partners' asset based fee generally varies depending upon the amount of the assets being managed under the Program, as follows:

PORTFOLIO VALUE	BASE FEE
up to $500,000	1.20% - 1.80%
$500,001 - $1,000,000	1.00% - 1.35%
$1,000,001 - $2,000,000	0.80% - 1.05%
$2,000,001 - $4,000,000	0.60% - 0.85%
$4,000,001 - $7,500,000	0.40% - 0.55%
above $7,500,001	0.30% - 0.45%

This fee is prorated and billed quarterly, in arrears, determined by the market value of the assets being managed by Financial Partners under the Program on the last day of the previous quarter as determined by a party independent from the Firm (including the client's custodian or another third-party). The Firm includes cash in a clients account in determining the valuation for billing purposes. The Firm may, in its sole discretion, not include cash in determining the fee, especially where a client has a high percentage of cash for reasons other than the Firm's investment management decision.

If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is not adjusted or prorated to account for the change in portfolio value. For the initial term of the Program, the fee is calculated on a *pro rata* basis. In the event the *Agreement* is terminated, the fee for the final quarter is prorated through the effective date of the termination and the remaining balance is billed to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), Financial Partners can negotiate a fee rate that differs from the range set forth above. 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.

Fee Comparison

Under the Program, clients receive investment advisory services, the execution of transactions, as well as services by the *Independent Managers* for a single, combined annualized fee, the *Program Fee*. Services provided through the Program may cost clients more or less than purchasing these services separately. The number of transactions made in clients' accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Fees paid for the Program may also be higher or lower than fees charged by other sponsors of comparable investment advisory programs. Because the Firm pays for the brokerage fees, the Firm has an incentive to engage in less transactions, or transactions that cost less to the Firm, including the use of mutual funds that do not have transaction charges, but have higher expenses to the client. The Firm reviews the frequency and type of investments made in client accounts to act in the client's best interest.

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.

Fee Discretion

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

Fee Debit

The Firm's Agreement and the separate agreement with any Financial Institutions authorize Financial Partners and/or the Independent Managers to debit its clients' accounts for the amount of the Program fee and to directly remit that fee to Financial Partners or the Independent Managers. Any Financial Institutions recommended by Financial Partners have agreed to send statements to clients not less than quarterly indicating all amounts disbursed from the account, including the amount of Program fees paid directly to Financial Partners.

Account Additions and Withdrawals

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 the Firm 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 implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

Other Charges

In addition to the *Program Fee* paid to Financial Partners, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions. These additional charges may include fees attributable to alternative assets, reporting charges, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund program fees and other fund expenses), fees and commission for assets not held with Schwab or any other Financial Institutions offered in the Program such as 401(k) or 529 plan assets as well as for fees for trades executed away from that Financial Institution (a conflict of interest exists where the firm avoids expenses by trading through a different Financial Institution), mark-ups and mark-downs on fixed-income transactions which cannot be paid by the Firm (or it is overly burdensome to determine the amount of such mark-ups / downs), IRA custodial and closeout 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.

Item 5. Account Requirements and 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 6. Portfolio Manager Selection and Evaluation

Financial Partners acts as the sponsor and sole portfolio manager under the Program. Clients' investment portfolios are managed either directly by Financial Partners or through the use of certain Independent Managers, as referenced above.

Portfolio Management

Financial Partners manages its clients' investment portfolios on a discretionary basis.

For accounts managed through the Program, Financial Partners primarily allocates 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 also recommend that clients who qualify as accredited investors, as defined under Rule 501 of the Securities Act of 1933, invest in private placement securities, which include debt, equity and/or pooled investment vehicles (e.g., hedge funds). The Firm also provides advice about any type of legacy position or investment otherwise held in its clients' portfolios.

Clients may also engage Financial Partners to 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. Client assets are maintained at the underwriting insurance company or the custodian designated by the product's provider. 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.

Financial Partners tailors its advisory services to accommodate the needs of its individual clients and continuously seeks to ensure that its clients' portfolios are managed in a manner consistent with their specific investment profiles. Clients are advised to promptly notify Financial Partners if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if Financial Partners determines, in its sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to the Firm's management efforts.

Selection or Recommendation of Independent Managers

Financial Partners evaluates various information about the Independent Managers in which it recommends or selects to manage client portfolios under the Program. The Firm reviews a variety of different resources, which include the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves, and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposures. Financial Partners also takes into consideration each Independent Manager's

management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other related factors.

Financial Partners monitors the performance of those accounts being managed by Independent Managers by reviewing the account statements and trade confirmations produced by the Financial Institutions, as well as other performance information furnished by the Independent Managers and/or other third-party providers. The Firm does not verify the accuracy of any such performance information and does not ensure its compliance with presentation standards. Clients are advised that any performance information they receive from the Independent Managers may not be calculated on a uniform and consistent basis. Clients should compare all supplemental materials with the account statements they receive from their respective custodians.

The terms and conditions under which the client engages an Independent Manager are set forth in a separate written agreement between Financial Partners or the client and the designated Independent Manager. In addition to this Brochure, the client also receives the written disclosure brochure of the designated Independent Managers engaged to manage their assets.

Side-By-Side Management

Financial Partners does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

Methods of Analysis

Financial Partners utilizes a combination of largely fundamental and technical methods of analysis.

Fundamental analysis involves an evaluation of an issuer's fundamental financial condition and competitive position. Financial Partners generally analyzes the financial condition, capabilities of management, earnings capacity, new products and services, as well as the company's markets and position amongst its industry competitors in order to determine the recommendations made to clients. A substantial risk in relying upon 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 examination of past market data rather than specific company information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon 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.

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.

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.

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. Financial Partners allocates investment opportunities among its clients on a fair and equitable basis.

Voting of 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 7. Client Information Provided to Portfolio Managers

In this Item, Financial Partners is required to describe the type and frequency of the information it communicates to the Independent Managers, if any, managing its clients' investment portfolios. Clients participating in the Program grant Financial Partners the authority to discuss certain non-public information with the Independent Managers engaged to manage their accounts. Depending upon the specific arrangement, the Firm may be authorized to disclose various personal information including, without limitation: names, phone numbers, addresses, social security numbers, tax identification numbers and account numbers. Financial Partners may also share certain information related to its clients' financial positions and investment objectives in an effort to ensure that the Independent Managers' investment decisions remain aligned with its clients' best interests. This information is communicated on an initial and ongoing basis, or as otherwise necessary to facilitate the management of its clients' portfolios.

Item 8. Client Contact with Portfolio Managers

In this Item, Financial Partners is required to describe any restrictions on clients' ability to contact and consult with the portfolio managers managing their investment portfolios. Clients can contact the Independent Managers managing their portfolios through Financial Partners by providing the Firm with written request and identification of the questions or issues to be discussed with the Independent Managers.

After receiving the client's written request, Financial Partners, at its sole discretion, may contact the Independent Managers for the client or arrange for the Independent Managers and the client to communicate directly.

Item 9. Additional Information

Disciplinary Information

Financial Partners has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management.

Other Financial Industry Activities and Affiliations

Licensed Insurance Agents

Certain of Financial Partners' Supervised Persons are licensed insurance agents and in such capacity recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. A conflict of interest exists to the extent that Financial Partners recommends the purchase of insurance products where its Supervised Person receives 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.

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 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.

Account Reviews

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.

Account Statements and General Reports

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 includes 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.

Client Referrals

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.

Receipt of Economic Benefit

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 (or in the case of the Program, by the Firm) 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.

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.