

**Item 1 – Cover Page**



**Form ADV Part 2A Brochure**

**Forefront Wealth Management, Inc.**

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February 9, 2021

This Brochure provides information about the qualifications and business practices of Forefront Wealth Management, Inc. [“Forefront”]. If you have any questions about the contents of this Brochure, please contact us at (610) 600-1099.

The information in this Brochure has not been approved or verified by the United States of America Securities and Exchange Commission (“SEC”) or by any state securities authority.

Forefront is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser. Additional information about Forefront also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Forefront is 299003.

## **Item 2 – Material Changes**

This Item of the Brochure discusses only specific material changes that are made to the Brochure and provides clients with a summary of such changes. We have made the following changes to this Brochure as part of our annual updating amendment on February 9, 2021:

- We have included TD Ameritrade as a broker-dealer.

We encourage you to carefully review this Brochure prior to entering into an investment advisory contract with our firm. If you have any questions about the contents of this Brochure, please contact us at (610) 600-1099.

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#### **Item 4 – Advisory Business**

Forefront is a registered investment adviser owned by Carl Schultz providing advisory services since 2018. As of December 31, 2020, Forefront has \$138,042,930 in discretionary assets under management and \$19,716,807 in non-discretionary assets, for a total of regulatory assets under management of \$156,759,737 to report.

Forefront manages investment portfolios for individuals, high net worth individuals, trusts, businesses and institutions. Forefront will work with a client to determine the client's investment objectives and investor risk profile and will design a written investment policy statement.

Forefront will utilize the financial information provided by the client to analyze, model and develop strategies and solutions to help the client meet its goal. Forefront evaluates the client's existing investments with respect to the client's investment policy statement. Forefront works with new clients to develop a plan to transition from the client's existing portfolio to the portfolio recommended by Forefront. Forefront will then continuously monitor the client's portfolio holdings and the overall asset allocation strategy and will review with the client periodically regarding the account as necessary.

#### **Investment Management Services**

Forefront provides its clients with a broad range of services, as described above and in more detail below. Forefront advises its clients by delivering tailored family-centric wealth management services and solutions. These services are based on a comprehensive understanding of each of its client's current situation, past experiences, and future goals. With this acquired knowledge we create, analyze, model, strategize, and implement goal-oriented investment solutions. These solutions become our client's investment policy. This policy and our matched strategies are designed to be risk appropriate, cost effective and tax minimizing.

Forefront's strategies are built around meeting the long-term needs of our clients. Forefront is also adaptive, ready, and able to adjust when there are material changes in markets, tax laws, or whenever there are changes in the lives of our clients, their families and their businesses.

For the majority of our client's advisory accounts, Forefront provides in-house discretionary portfolio management for all, or portions of their portfolio. Forefront strategies are consistent with the clients desired investment strategy. Where appropriate, Forefront may also provide advice about many types of legacy positions or other investments held in client portfolios. Clients may engage Forefront 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 (to the extent permissible without an insurance license) and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Forefront will direct or make recommendations on a non-discretionary basis for 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 custodian for the plan trustee or administrator and the client will be solely responsible for effecting the recommended trades.

Forefront's investment strategies are typically categorized as growth, growth & income, income, or stable value. These strategies are also blended to match acceptable risk tolerances. Our risk models are classified as conservative, moderate, or aggressive.

Forefront will continuously and regularly manage advisory accounts on a discretionary basis. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income). Clients are permitted to place reasonable restrictions on investing in certain securities.

Forefront's investment advisory services consist primarily of:

1. assessing client needs and goals;
2. financial planning designed to meet those goals;
3. developing an appropriate portfolio asset allocation to achieve the client's objectives; and
4. implementing the asset allocation by directly managing, recommending, or otherwise assisting in the client's selection of:
  - a. particular investment strategies (i.e., active, passive, alternative strategies); and
  - b. specific investment managers or passive investment vehicles that employ those strategies.

Depending on a particular client's needs and goals, or the nature of a particular tactical tilt, Forefront may or may not recommend a tactical change in that client's asset allocation. To implement our recommended strategic and tactical asset allocations at the client portfolio level, Forefront typically recommends strategies in each of the portfolio's selected asset classes.

To execute these strategies, Forefront offers in-house discretionary portfolio management. Forefront will also from time to time recommend unaffiliated, third-party investment managers, funds, and other investments that employ that strategy. Examples of the kinds of investments Forefront recommends include, without limitation: individual equities, bonds, mutual funds, exchange traded funds, options, limited partnerships such as hedge funds or private equity, or managed accounts.

To evaluate the securities, funds, and managers Forefront recommends to our clients, Forefront employs both quantitative and qualitative techniques. These tools help us to identify securities, funds, managers, and other investments that are well-suited to our client's investment and financial objectives.

To the extent a Forefront client decides to invest with an outside manager or in a particular fund, those managers and funds will have their own investment practices. Those investment practices are described in each manager or fund's Form ADV, or in its offering or other disclosure documents. In addition, selected money managers or funds typically have discretion to determine the type and amount of securities to be purchased or sold for the client for that portion of the client's assets managed by the money manager or fund.

### **Financial Planning & Consulting Services**

Forefront offers different levels of financial planning and consulting services to help clients identify, prioritize and work towards their goals and objectives. Our consulting services give clients the ability to receive a broad range of financial advice and services. Our process starts with an extensive review of a client's family situation, which includes assets and liabilities as well as estate, tax, and insurance needs.

We then employ a risk tolerance and risk capacity-focused simulation to get a detailed cash flow analysis and proposed asset allocation. Together, this information is analyzed to develop a proposed financial plan, which is designed to be dynamic in nature, ever-evolving due to life changes, along with changes in cash flow needs, risk tolerance, time horizon, or investment objectives. For a list of services available, please refer to the Family Office Services list below.

While each of these services is available on a stand-alone basis, certain of them may also be rendered in conjunction with investment portfolio management services, as part of a comprehensive wealth management engagement. In performing these services, Forefront is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.), and is expressly authorized to rely on such information. Forefront may recommend clients engage the firm for additional related services, or we may recommend other professionals to implement our recommendations. This creates a conflict of interest because the firm will have an incentive to recommend additional services based on the compensation to be received, rather than solely based on your needs, and in some cases, based on the prospect of cross-referrals of advisory clients from the other professional or his or her firm. Implementation of financial planning recommendations is entirely at your discretion. You have complete freedom in selecting a financial adviser to assist you with implementing the recommendations made in your financial plan and are under no obligation to act on the advice of Forefront. Financial planning recommendations are of a generic nature and are not limited to any specific product or service offered by a broker dealer or insurance company. Should you choose to implement the recommendations contained in the plan, Forefront suggests you work closely with your attorney, accountant and/or insurance agent.

Forefront will act solely in its capacity as a registered investment adviser and does not provide any legal, accounting or tax advice. You should seek the counsel of a qualified accountant and/or attorney when necessary. As part of our advisory services, we may assist clients with tax harvesting and will work with the client's tax specialist to answer any questions related to the client's portfolio.

### **Wrap Fee Program**

Forefront also offers portfolio management services through a wrap fee program. A wrap fee program is an investment program wherein the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. Please refer to our *Wrap Fee Brochure* for more information on our wrap-fee program, Forefront Flex. This is provided as **Appendix 1** to this Brochure. A wrap fee program may not be the lowest cost option if you would like to restrict your investments to open-end mutual funds or other long-term investment products.

### **Family Office Services**

Forefront may also provide boutique family office services, including discretionary, and non-discretionary investment advice, to a select group of families, businesses, and institutions. Forefront advises private family clients by delivering tailored family-centric wealth management services and solutions which are customized to address each family's wealth dynamic. These tailored services are based on a comprehensive understanding of each family's unique circumstances, asset base, interests and financial goals.

Our services are complemented by customized solutions such as succession planning, M&A consultation, trust alignment, investment consolidation and planning, as well as a diverse array of tax-centric estate

planning solutions. Clients are permitted to place reasonable restrictions on investing in certain securities. Forefront provides its clients with a broad range of services, as described below:

**Asset Management**

- Investment Planning
- Risk-Based Asset Allocation
- Discretionary Portfolio Construction and Management
- Defined Contribution Plan Investment Advice
- Tax Advice and Consulting

**Liabilities Management**

- Debt and Liability Planning
- Liquidity and Cash Flow Management
- Budget Planning
- Asset Location Strategies

**Risk Management**

- Insurance Analysis and Planning
- Asset Protection Strategies
- Business Continuity Planning
- Service Provider Selection, Fee and Expense Negotiation
- Investment Transaction Verification
- Consolidated Asset and Investment Portfolio Reporting
- Performance Monitoring
- Will and Trust Preparation
- Estate Valuation and Settlement
- Executor and Probate Services
- Trust Management and Support

**Trust, Estate and Fiduciary Services**

- Multi-Generational Estate Planning: Family Governance and Succession Planning
- Investment Manager Selection

## Independent Managers

Forefront may retain third-party investment advisers to manage a portion of the clients' assets. Pursuant to the terms of the investment advisory agreement, Forefront will have the discretion to hire and terminate these third-party advisers.

## Reporting Services

Forefront also provides consolidated portfolio reporting services for our clients' family assets. Clients who request that Forefront report on their investments and assets receive a customized monthly "global" consolidated report. As a convenience to our clients, in addition to reporting on clients' financial assets, at a client's request, the client's consolidated report may also include certain non-financial assets (e.g., real assets). In such instances, Forefront relies on the client to provide current and accurate price or other valuation information for those assets to be included in the client's consolidated account report. Forefront does not independently verify, and expressly disclaims responsibility for, the accuracy of any non-financial asset values clients provide to us to include in their reporting.

## Item 5 – Fees and Compensation

The specific manner in which fees are charged by Forefront is established in a client's written agreement with Forefront. Forefront will generally bill its fees on a monthly basis in arrears based on the average daily balance. Clients may also elect to be billed directly for fees or to authorize Forefront to directly debit fees from client accounts. Accounts initiated or terminated during a calendar month will be charged a prorated fee. Upon termination of any account, any unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

All fees are subject to negotiation. Clients should note that similar advisory services may be available from other registered investment advisers for similar or lower fees. Additionally, Forefront may have varied legacy fee schedules and arrangements that it honors for relationships that pre-date this disclosure brochure.

Forefront's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by independent managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Forefront's fee, and Forefront shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Forefront considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

The fee schedule applicable as of this Brochure is as follows:

Client Assets	Annual Fee (%) for all assets
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On the first \$500,000	1.50 %
Amounts of \$500,001 to \$1,000,000	1.35 %
Amounts of \$1,000,001 to \$2,500,000	1.20 %
Amounts of \$2,500,001 to \$5,000,000	1.00 %
On all amounts in excess of \$5,000,000	0.75 %

This tiered fee schedule may be based on cumulative household assets under management.

### **Financial Planning and Consulting Services**

Fees for financial planning and/or consulting services can be billed on a project, fixed rate, or an hourly rate. Our hourly rate ranges from \$300-\$500 and Forefront requires a retainer for the services which is payable upon entering the agreement. The balance of the fee is due and payable upon receipt of the final consulting or planning services. Forefront may agree with clients to charge fixed fees for consulting. Based on the task(s) to be performed, Forefront and the client may agree on a fixed fee based on an estimate of the number of hours necessary for completion. Forefront offers fixed fees based on the following tiers:

Tier 1	\$2,500
Tier 2	\$5,000
Tier 3	\$7,500
Tier 4	\$10,000

Forefront will not request the prepayment of fees more than \$1,200 more than six months in advance.

For consulting services, the investment advisory agreement between Forefront and the client will continue in effect until terminated by either party. For stand-alone financial planning services, the agreement between Forefront and the client will terminate upon delivery of the plan or completion of the service.

### **Family Office Services**

Forefront's family office service fees are negotiable, but the full range of services generally range from \$10,000 to \$100,000 on an annual fixed fee basis depending upon the level and scope of the services and the professional rendering the services. The fee for these services is separate and distinct from the investment management services noted directly above. Calculations for the initial fee/retainer may be estimates based on the projected assets under advisement.

### **Reporting Fee**

Forefront offers select clients consolidated account reporting services at an additional fee, as detailed in a written agreement. For an agreed upon flat rate fee, or variable fee based on assets under management, clients can be provided with a consolidated account report of all the client's assets, including positions not

under Forefront's management. Clients are either invoiced for this additional service or have given Forefront permission to debit their account.

### **Item 6 – Performance-Based Fees and Side-By-Side Management**

Forefront does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

### **Item 7 – Types of Clients**

Forefront provides portfolio management services to individuals, high net worth individuals, pension and profit-sharing plans, trusts, estates, family entities, charitable institutions, foundations, corporations, and other business entities.

Forefront generally requires a minimum account of \$1,000,000 to open a portfolio. The firm, in its sole discretion, may accept client with smaller portfolios based upon each client's particular circumstances as it deems appropriate. However, Forefront only accepts clients with less than the minimum portfolio size if, in the sole opinion of the Firm, the smaller portfolio size will not result in a substantial increase of investment risk beyond the client's identified risk tolerance. Forefront may aggregate the portfolios of family/household members to meet the minimum portfolio size.

Additionally, certain independent managers may impose more restrictive account requirements and varying billing practices than Forefront. In such instances, Forefront may alter its corresponding account requirements and/or billing practices to accommodate those of the independent managers.

### **Item 8 – Methods of Analysis, Investment Strategies**

Before Forefront creates a portfolio, they will first engage and listen to their clients' financial goals and risk tolerances. Forefront will then carefully construct a tax-efficient and cost-effective asset allocation strategy based on the stated return and risk profile. Once the client approves, Forefront will begin to manage their portfolio to their profile.

Our investment discipline is built around a combination of active (allocation and security selection) and passive funds that are typically low-cost index funds. Security selection is based on quantitative, qualitative, technical, and relative strength metrics. Portfolios holdings are continuously monitored and adjusted as market conditions and our clients' circumstances dictate.

Forefront predominantly allocates client assets to a combination of active and passive (tax-efficient and cost-effective) strategies, utilizing combinations of publicly traded securities such as stocks, bonds, ETFs, mutual funds, and/or separately managed portfolios. Nevertheless, individual client circumstances may dictate the use of other types of securities, actively managed portfolios, or alternative investments.

### ***Risk of Loss***

**Investing in securities involves risk of loss that clients should be prepared to bear.**

All investments present the risk of loss of principal – the risk that the value of securities (e.g., stocks, mutual funds, ETFs, bonds, etc.), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

Forefront may recommend a variety of types of funds to our clients (including, but not limited to, U.S. or offshore unit investment trusts, open-end and closed-end mutual funds and hedge funds, private equity funds, venture capital funds, advisory accounts, real estate investment trusts, ETFs, or other private alternative or other investment funds) (collectively, “Other Funds and Managers”). An investment in such Other Funds and Managers may present risks peculiar to the particular investment vehicle, such as: long-term illiquidity, redemption notice periods or other restrictions on redemptions, capital calls, or periodic taxable income distribution.

Although all investments involve risk, Forefront’s investment advice seeks to limit risk through broad diversification among asset classes and, as appropriate for particular clients, the investment directly in fixed income securities to represent the fixed income class. Forefront’s investment philosophy is designed for investors who desire a buy and hold strategy.

Depending upon the client’s financial needs, strategies implemented might include long term purchases (securities held at least a year), short term purchases (securities sold within a year), trading (securities sold within 30 days), short sales, margin transactions, option writing, including covered options, uncovered options or spreading strategies, structured products, and other securities or derivatives transactions.

Certain mutual funds utilized by Forefront may contain international securities. Investing outside the United States of America involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

***Equity Securities Risk:*** Equity securities (common, convertible preferred stocks and other securities whose values are tied to the price of stocks, such as rights, warrants and convertible debt securities) could decline in value if the issuer’s financial condition declines or in response to overall market and economic conditions. A fund’s principal market segment(s), such as large cap, mid cap or small cap stocks, or growth or value stocks, may underperform other market segments or the equity markets as a whole. Investments in smaller companies and mid-size companies may involve greater risk and price volatility than investments in larger, more mature companies.

***Fixed-Income Securities Risk:*** Fixed-income securities are subject to interest rate risk and credit quality risk. The market value of fixed-income securities generally declines when interest rates rise, and an issuer of fixed-income securities could default on its payment obligations.

***Foreign Securities Risk:*** The risks of foreign securities include loss of value as a result of: political or economic instability; nationalization, expropriation or confiscatory taxation; changes in foreign exchange rates and foreign exchange restrictions; settlement delays; and limited government regulation (including less stringent reporting, accounting, and disclosure standards than are required of U.S. companies). Certain of these risks are greater for investments in emerging markets.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Forefront or the integrity of Forefront’s management. Forefront has no information applicable to this Item.

## **Item 10 – Other Financial Industry Activities and Affiliations**

There are no other financial industry activities or affiliations to disclose.

## **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

As a fiduciary, Forefront must always place the interests of clients first – before that of the Firm or employees. Forefront strives to identify, eliminate and/or mitigate conflicts and potential conflicts of interest and has adopted policies, procedures and oversight mechanisms to address such conflicts and potential conflicts of interest. Forefront has specifically adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940. The Code of Ethics emphasizes Forefront’s fiduciary obligation to put client interests first and is designed to ensure personal securities transactions, activities, and interests of employees will not interfere with the responsibilities to make decisions in the best interest of clients.

Forefront has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the 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. All supervised persons at Forefront must acknowledge the terms of the Code of Ethics annually, or as amended.

Forefront anticipates that, in appropriate circumstances, consistent with clients’ investment objectives, it will cause accounts over which Forefront has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Forefront, its affiliates and/or clients, directly or indirectly, have a position of interest. Forefront’s employees and persons associated with Forefront are required to follow Forefront’s Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Forefront and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Forefront’s clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Forefront will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Forefront’s clients. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Forefront and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Forefront's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Forefront will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

Forefront's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting our Chief Compliance Officer.

It is Forefront's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Forefront will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

### **Selection and Recommendation of Broker-Dealers**

Though Forefront recommends brokers with which we've negotiated pricing on behalf of our clients, we do not have discretionary authority to select brokers. We endeavor to recommend broker-dealers that will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, research and other services that will help Forefront provide investment management services to clients. Forefront may recommend brokers who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance.

Forefront utilizes Trade-PMR, Inc. ("Trade-PMR"), Charles Schwab & Co., Inc. ("Schwab"), Fidelity Institutional Wealth Services ("FIWS"), Interactive Brokers ("IBKR") and TD Ameritrade ("TDA") for brokerage and trade execution services. Trade-PMR clears trades and custodies assets with First Clearing Corp. ("FCC"). FCC is a trade name used by Wells Fargo Clearing Services, LLC., a non-bank affiliate of Wells Fargo & Company. Trade-PMR acts as an introducing broker dealer on a fully disclosed basis and is not affiliated with FCC. Trade-PMR, FCC, FIWS, TDA, IBKR and Schwab are FINRA/SIPC member broker-dealers. The brokerage commissions and/or transaction fees charged by these broker-dealers are exclusive of and in addition to Forefront's fee. Forefront regularly reviews the reasonableness of the

compensation received by the broker-dealers used for executing client transactions in an effort to ensure that our clients receive favorable execution consistent with our fiduciary duty. Factors which Forefront considers in recommending broker-dealers to clients include, but is not limited to, their respective financial strength, reputation, execution, pricing, research, and service. The commissions and/or transaction fees charged by these brokers may be higher or lower than those charged by other broker-dealers.

The commissions paid by Forefront's clients are intended to be consistent with Forefront's duty to obtain "best execution." However, a client may pay a commission that is higher than what another qualified broker-dealer might charge to affect the same transaction when Forefront determines, in good faith, that the commission is 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 broker-dealers' services, including among others, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while Forefront will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

Independent Managers selected by clients to manage clients' assets may request the discretion to select brokers and negotiate commissions on behalf of a client. Forefront will not have control over trading execution by such managers. Clients should review the Form ADV disclosure documents of such managers for additional information regarding their trading practices.

## **Products & Services Available to Us From Broker-Dealers**

The broker-dealers we recommend to clients provide Forefront with access to its institutional trading and custody services, which are typically not available to retail investors. These brokerage services include the execution of securities transactions, research, 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. Other benefits we may receive include receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its participants; access to block trading which provides the ability to aggregate securities transactions and then allocates the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. Schwab's support services are generally available on an unsolicited basis and at no charge to us as long as we maintain a total of at least \$10 million of our clients' assets in accounts at Schwab.

Forefront also receives other services from broker-dealers (or third-party service providers with which they do business) to help us manage and further develop our business enterprise. These services include educational conferences and events; technology, compliance, legal and business consulting; publications and conferences on practice management and business succession; and access to employee benefits providers, human capital consultants and insurance providers. Fees for these services may be waived, discounted or compensated by the broker-dealer. Trade-PMR also provided Forefront with nominal funding to assist with startup expenses establishing the business entity. Irrespective of these direct and indirect benefits to our clients, we strive to enhance our clients' experience and always put the needs of our clients first.

## **Research and Other Soft Dollar Benefits**

Forefront does not participate in soft-dollar relationships.

## **Brokerage for Client Referrals**

When selecting broker-dealers for the execution of client securities transactions, Forefront does not consider whether we will receive any client referrals from the broker-dealer or any other third-party.

## **Directed Brokerage**

As Forefront will not request the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid, clients must direct Forefront as to the broker-dealer to be used. The commissions and transaction fees charged by these broker-dealers could be higher or lower than those charged by other custodians and broker-dealers. In directing the use of a particular broker-dealer, it should be understood that Forefront will not have authority to negotiate commissions among various broker-dealers or obtain volume discounts. As such, best execution may not be achieved. Not all investment advisers require clients to direct the use of specific broker-dealers.

## **Aggregation of Orders**

Transactions for each client will generally be affected independently. For certain trades, Forefront will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included the block. Block trading allows Forefront to execute equity or fixed income trades in a timely, equitable manner and to reduce overall commission charges to clients. Clients who do not provide Forefront with discretion will not participate in block trades, and their trades in similar securities will be placed with brokers after trades for discretionary accounts. Accounts owned by supervised persons of our firm may participate in block trading with your accounts; however, these individuals will not be given preferential treatment of any kind.

## **Item 13 – Review of Accounts**

For those clients to whom Forefront provides investment management services, Forefront performs periodic account reviews which may be in conjunction with the preparation of client's quarterly reports. This informal review may include assessing client goals and objectives, monitoring the portfolios and addressing the need to rebalance. Individual securities held in client accounts will be periodically monitored by Forefront, while the firm will monitor any selected third-party managers on a quarterly basis. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, market conditions, or the political or economic environment.

Additional reviews that Forefront may periodically perform on behalf of family office clients include tax-planning, cash-flow needs, as well as charitable giving, insurance, and estate planning. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Forefront and to keep Forefront informed of any changes thereto. Forefront shall contact 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.

## **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 Forefront provides investment advisory services will receive upon request, ad hoc written report from Forefront that includes such relevant account and/or market-related information such as an inventory of account holdings and account performance on a quarterly basis.

## **Item 14 – Client Referrals and Other Compensation**

Forefront does not maintain any referral/solicitation relationships. As noted in Item 12, Forefront will receive additional benefits from Trade-PMR, Schwab, FIWS, TDA and IBRK which includes electronic systems that assist in the management of Forefront client accounts, access to research, the ability to directly debit client fees, software and other technology 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), pricing information and other market data, assist with back-office functions, recordkeeping and client reporting. Custodians will also provide access to electronic systems and employee training, which is a benefit to Forefront.

## **Item 15 – Custody**

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Forefront urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

Forefront usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Investment guidelines and restrictions must be provided to Forefront in writing.

## **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, Forefront does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and



all securities maintained in client portfolios. Forefront may provide advice to clients regarding the clients' voting of proxies.

### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Forefront's financial condition. Forefront has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.