

NOVA FINANCIAL LLC

d.b.a.

**NOVA<sup>®</sup>**  
**— FINANCIAL SERVICES —**

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WRAP Fee Brochure

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This disclosure brochure provides information about the qualifications and business practices of Nova Financial LLC. If you have any questions about the contents of this brochure, please contact NOVA Financial Services by telephone at (520) 745-5555 or by e-mail at [compliance@investwithnova.com](mailto:compliance@investwithnova.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority.

Additional information about Nova Financial LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that the use of the term "registered investment adviser" and description of Nova Financial LLC and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and its employees.

## Item 2: Material Changes

### **Update**

This Brochure is an update to the initial filing to the Form ADV Part 2A, Appendix 1.

No material changes

You may also request copies of the Wrap Fee Program Brochure by telephone at: (520) 745-5555 or by e-mail at [compliance@investwithnova.com](mailto:compliance@investwithnova.com).

## Item 3: TABLE OF CONTENTS

Item 2: Material Changes.....	i
Item 3: TABLE OF CONTENTS .....	ii
Item 4: Services, Fees and Compensation .....	1
Account Services .....	1
Program Fees .....	4
Compensation .....	6
Item 5: Account Requirements and Types of Clients.....	6
Item 6: Portfolio Manager Selection and Evaluation.....	7
Selecting and Reviewing Portfolio Managers .....	7
Related Persons as Portfolio Managers .....	7
Item 7: Client Information Provided to Portfolio Managers.....	10
Item 8: Client Contact with Portfolio Managers .....	10
Item 9: Additional Information .....	10
Disciplinary Information.....	10
Item 10: Other Financial Industry Activities and Affiliations .....	10
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	11
Item 12 – Brokerage Practices .....	12
Item 13 - Review of Accounts .....	12
Item 14 - Client Referrals and Other Compensation .....	13
Financial Information .....	14

## Item 4: Services, Fees and Compensation

The firm (“the Firm” or “the Adviser”) manages a Wrap Free program (“Program”)

The NOVA Managed Account Solutions Program (“NMA”) is the investment advisory program sponsored and administered by NOVA Financial LLC DBA NOVA Financial and Insurance Services., a registered investment adviser. The Program is provided to investment management clients via its investment advisory representatives (“IARs”). The Program provides clients with the ability to pay a single fee for the management, brokerage, custody and other services provided under the Program.

The Adviser has the authority over the selection of the broker to be used and the fees or commission rates to be paid without obtaining specific client consent. The Adviser may recommend brokerage firms as qualified custodians and for trade execution. The custodian chosen will send clients confirmation of each transaction in their account(s) and will send account statements reflecting activity in the client’s account(s) at least quarterly.

To join the Program, a client must (1) complete an investor profile that describes the client’s financial needs, investment objectives, time horizon, and risk tolerance, as well as any other factors relevant to the client’s specific financial situation and any other supporting documentation the Program requires; (2) execute the investment advisory wrap fee agreement (the “*Agreement*”) with the Adviser; and (3) complete a new account agreement with the Custodian.

### Account Services

The Adviser’s IARs” assist in the formation of goals and objectives. This investment advice varies depending upon a client’s individual life situation, desires, objectives, and other preferences. IARs use the information initially provided in the investment profile to assist the client in developing an appropriate investment strategy for the assets in his or her account(s). Thereafter, all clients are encouraged to discuss their needs, goals, and objectives with their IAR and to notify the Adviser of any changes. The Firm requires its IARs to contact clients at least annually to review previous services and/or recommendations and to determine whether changes should be made to the client’s investment strategy.

Clients will authorize the Adviser to have trading authorization on their account and the Firm’s IARs will provide asset management services. Clients will authorize either discretionary or non-discretionary management in the *Agreement* for the Program. If a Client authorizes the Adviser to provide asset management services on a discretionary basis, the Advisor and IAR will make all decisions to buy, sell or hold securities, cash or other investments in the client’s managed account in the IAR’s sole discretion without consulting with the client before making any transactions. Clients must provide written authorization to exercise this discretionary authority. Clients cannot place any restrictions and limitations on the Adviser’s discretionary authority.

The Adviser manages accounts to diversify a client’s investments and may include various types of securities such as stocks, bonds, exchange traded funds (ETFs) or mutual funds or other types of investments that may not be mentioned in this brochure. IARs may recommend other types of

investments if determined appropriate based on a client's stated goals and objectives. In providing asset management services, the IAR will continuously monitor a client's account(s) and make trades in the account(s) when necessary.

## **NOVA MANAGED ACCOUNT SOLUTIONS**

The NOVA Managed Account Solutions Program ("NMAS") allows you to establish an account utilizing Mutual Fund Programs (MFS), Separately Managed Account Programs (SMA), and Unified Managed Account Programs (UMA), developed by third-party money managers that are registered investment advisors (collectively referred to as Sub-Advisors) chosen by your IAR and the Adviser. Additionally, IAR may utilize our Advisor Directed option to work directly with client to manage the portfolio. The Adviser acts as the investment advisor for all NMAS accounts and your advisor acts in a referral capacity when referring you into NMAS account portfolios.

NMAS is sponsored by NOVA Financial LLC, DBA NOVA Financial Services (Program Sponsor or "NOVA"), who is registered with the SEC as an investment advisor and engages in the business of providing investment advisory services and products. Clients establishing a NMAS Program account receive a copy of NOVA's Wrap Disclosure Brochure in addition to our firm's Disclosure Brochure.

A Custodian maintains custody of funds and securities. The Custodian does not provide, and is not registered to provide, investment advisory services to the Adviser or the Adviser's clients. The Adviser is authorized to deduct fees directly from client accounts to pay for investment management services.

Your advisor will assist you in establishing the NMAS account through compiling pertinent financial and demographic information on the New Account Application and Risk Tolerance Questionnaire to develop an investment program that will meet your goals and objectives. You will also provide other supporting documents and financial information that we may reasonably request. A NMAS Investment Strategy Proposal or Investment Policy Statement is generated from the application and questionnaire provided by you. It summarizes recommended investment strategies and sets out objectives and restrictions in the management of your account. For information about the investment strategies employed in a NMAS Program account, please refer to the section titled "Methods of Analysis, Investment Strategies and Risk of Loss."

### **Description of Investment Strategy Options**

#### **Mutual Fund Account Program**

Sub-Advisors provide us with mutual fund and exchange traded fund asset allocation model portfolios based on the information, research, asset allocation methodology and investment strategies of the sub-advisors. Your initial Mutual Fund Account Programs are described in your NMAS Investment Strategy Proposal.

## SMA Program

In a SMA Program account the client is offered access to an actively managed investment portfolio chosen from a roster of sub-advisors from a variety of disciplines. An SMA account is a portfolio of individually owned securities that can be tailored to fit the client's investing preferences. NOVA retains the sub-advisors for portfolio management services in connection with the SMA program through separate agreements entered into between NOVA and the Sub-Advisor on terms and conditions that NOVA deems appropriate. Clients may also select individual funds through the SMA Program. Your initial SMA portfolios are described in your NMAS Investment Strategy Proposal.

## Unified Managed Account Program

Sub-advisors provide us with access to Unified Managed Account portfolios. These portfolios combine specialized institutional asset class managers, mutual funds and/or exchange traded funds. The Adviser serves as the overlay manager to manage separate account positions in a comprehensive asset allocation portfolio of securities in a single brokerage account. Your initial Unified Managed Account Programs are described in your NMAS Investment Strategy Proposal.

## Advisor Directed Account Programs

Advisor directed accounts are managed by your IAR based on the financial information and investment objectives you provide. Your IAR designs one or more investment management and asset allocation portfolios for you. Your initial Advisor Directed Account Programs are described in your NMAS Investment Strategy Proposal.

## NMAS Program Miscellaneous

Trading by third-party money managers may trigger wash sale rule implications. A wash sale occurs when a security is sold at a loss and then the same or substantially identical security is repurchased within a short time period. The third-party money manager may not necessarily manage accounts in the NMAS Program in a manner to avoid wash sale implications. You are encouraged to consult with a tax advisor to discuss any tax implications involving your portfolios in these and in all advisory programs.

## **MODEL PORTFOLIO INVESTMENT SELECTION AND PORTFOLIO MANAGEMENT**

The client's investment adviser representative ("IAR") will assist clients in clarifying their investment needs, including but not limited to investment objectives, tolerance for risk, and investment time horizon, and provide professional advice. In an effort to assist the client in achieving his or her investment goals, the IAR will work with the client in selecting the appropriate asset manager(s) and/or strategy(ies) based on such factors as the manager's selected risk adjusted returns and the client's suitability needs. The client's *Agreement* will document the manager(s) and strategies selected by the client.

The Advisor or asset manager(s) will provide investment management of each client's funds on a discretionary basis through the client's Program(s) account(s). This written discretionary authority will be granted through limited Trading Authorization as detailed in the *Agreement*.

Asset managers available through the Program(s) will offer various model portfolios under this program. The model portfolios will include investments in, but not limited to ETFs and mutual funds. The client has ability to withdraw securities or cash; vote securities; receive a written confirmation or other notification of each securities transaction and all other documents required by law to be provided to security holder; and proceed directly as a security holder against the issuer of any security in the client's account. The client can also impose reasonable restrictions on the management of the client's account, including the designation of particular securities or types of securities that should not be purchased for the account, or that should be sold if held in the account.

#### **PORTFOLIO EVALUATION AND MONITORING SERVICES**

The asset manager(s) for the client's account will monitor, rebalance, and manage all of the changes to the client's account(s). The custodian will furnish, no less than, quarterly reports to its clients. These reports are intended to inform clients as to how their investments have performed during the selected period. Clients will also receive account statements from the Custodian at least quarterly, detailing all of the activity in the client's account, including the amount of advisory fees paid directly to the Adviser.

Information contained in the reports is believed to be accurate, however, the accuracy and completeness of the information is not guaranteed, and is not intended to replace the account statements clients receive from the Custodian. The statements clients receive from the Custodian should be considered the official record for all pertinent account information. Clients should compare the information contained in the Custodian account statement with the Adviser's performance reports. Clients should promptly convey any discrepancies to their IAR or the Adviser's Chief Compliance Officer. Clients should also notify the Chief Compliance Officer if they do not receive the account statements from The Custodian on at least a quarterly basis. Calculations and data provided on the performance reports should not be relied upon for tax purposes, but rather clients should use the original transaction confirmations and 1099's instead.

#### **SUITABILITY AND CHANGES IN YOUR FINANCIAL CIRCUMSTANCES**

ADVISER's IARs make investment decisions for a client's portfolio on a discretionary basis according to the client's stated objectives, financial circumstances, and risk tolerance. ADVISER is not required to verify any information it receives from clients or from a client's other professionals (e.g. attorney, accountant, etc.) and the Firm is expressly authorized to rely on the information clients provide. Clients must promptly notify ADVISER of any change in financial circumstances or investment objectives that might affect the manner in which a client's account(s) should be managed.

## **Program Fees**

Advisor charges an asset-based fee for all its Wrap Fee advisory services, which includes the cost of portfolio management services, third party managers, custodial services and the execution of securities transactions. Depending on Program(s) the fee(s) may be assessed and billed quarterly or monthly in advance or arrears. Please refer to the program contract for actual payment

arrangements. Fees will be debited by the custodian from the client's account at the beginning of the calendar period, based on the total portfolio value as of the last business day of the preceding calendar month or quarter. Clients will receive a debit notice showing the fee for that fee and how it was calculated.

The first fee will be billed upon execution of the Agreement and will be based upon the opening value of the account. If the Agreement is executed at any time other than the first day of a calendar quarter, the payment will be prorated.

The Adviser provides investment management services for an annual fee based on the amount of assets under management (portfolio value). The total amount of wrap fee is negotiable between the advisor and client subject to a maximum of 2% annually.

### **FEE COMPARISON**

A portion of the fees paid to the Adviser are used to cover the securities brokerage commissions and transactional costs attributed to the management of its clients' portfolios, the financial advice offered by the client's selected IAR, as well as the fees charged by the asset managers engaged to provide services under the Program. The asset managers servicing accounts through the Program receive a fee based upon the assets under their management.

Services provided through the Program may cost clients more or less than purchasing these services separately. The number of transactions made in a client's account(s), 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.

### **ADDITIONS, WITHDRAWALS AND TERMINATIONS**

Clients may make additions to and withdrawals from their account at any time in cash or securities. The Adviser reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients must notify the Adviser upon withdrawing assets from their account. The Adviser recommends to clients that (1) when the Adviser liquidates transferred securities they may be subject to additional fees such as transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and/or tax ramifications and (2) withdrawals are subject to the usual and customary securities settlement procedures.

If the client terminates his or her account during any billing period, the Adviser will refund the client's account any pre-paid advisory fees on a pro-rata basis from the date of termination to the end of the billing period. For amounts withdrawn from an existing account during the quarter, any pre-paid advisory fee for those assets will be refunded on a pro-rata basis from the date of the withdrawal to the end of the billing period, and credited to the account during the next billing cycle. Additionally, if the client transfers his or her account to another firm, the client may pay an outgoing account transfer fee.

## **OTHER CHARGES**

There may be other costs assessed by third parties and/or the Adviser, which are not included in the Program Fee. For example, there may be charges imposed directly by a mutual fund or exchange-traded fund in the account (e.g. fund management fees and other fund expenses as disclosed in the prospectus), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, annual check writing and debit card fees, check stop payment fees, returned check fees, ACH return fees, security transfer and redemption fees, reorganization processing fees, trade confirmation fees, outgoing account transfer fees, margin extension fees, margin debit interest, IRA annual maintenance fees, IRA termination fees, amounts charged to produce year-end statements and account reports, and other fees and taxes on brokerage accounts and securities transactions. Clients may obtain a schedule of these additional fees by contacting their IAR or the Adviser.

## **Compensation**

The Adviser's IARs receive a portion of the advisory fee that clients pay to the Firm as a percentage of the client's overall advisory fee. This creates an incentive for IARs to recommend that clients participate in a wrap fee program rather than a non-wrap fee program (where clients pay for trade execution costs) or brokerage account where commissions are charged. In some cases, the Adviser may stand to earn more compensation from advisory fees paid to the Firm through a wrap fee program arrangement if a client's account is not actively traded.

## **Item 5: Account Requirements and Types of Clients**

The Adviser generally provides investment advice to individuals, high net worth individuals, pension and profit sharing plans, pension consulting, foundations, trusts, charitable organizations, corporations or other business entities.

### **MINIMUM ACCOUNT SIZE**

The Adviser will use the minimum of any sub-manager, and will vary. Exceptions may be made, solely at the Adviser's discretion, based on a variety of factors, including but not limited to, prior or anticipated investment activity and family or employment relationships. The Firm may, at its discretion, aggregate related accounts in the same household in determining whether the account minimum has been met. Minimums may be negotiated depending on a client's personal circumstances.

## Item 6: Portfolio Manager Selection and Evaluation

### Selecting and Reviewing Portfolio Managers

Advisor acts as the sponsor and portfolio manager under the Program. Clients' investment portfolios are managed either directly by the Adviser or through the use of certain asset managers (see above).

The Adviser uses a detailed due diligence process to evaluate and approve asset managers for the Program(s). Factors influencing selection of an asset manager include, but are not limited to, accessibility; ability to customize, knowledge of products currently offered, tenure, relative cost, education, and knowledge of general economic and market factors and other criteria. The Adviser also reviews performance numbers provided the asset managers and other third-party reporting sources in its evaluation process. The Adviser will offer the investment management services of numerous professional asset managers.

The Adviser continues to monitor the performance of all asset managers participating in NMAS or other programs to make certain they are continually providing the performance and value for which they were selected. The Adviser seeks to ensure the asset managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests. The Adviser may eliminate an asset manager who is under-performing from the platform at its. In the event that an asset manager needs to be replaced, the Adviser has the sole discretion to hire a new asset manager and adjust the weighting of the allocation accordingly.

### Related Persons as Portfolio Managers

NOVA and its related persons act as portfolio manager(s) for the wrap fee program(s) previously described in this Wrap Fee Program Brochure. This creates a conflict of interest in that portfolio managers could place their own or the Adviser's interests before a client's interest. The Adviser has adopted Compliance Procedures and a Code of Ethics that requires the Firm's portfolio managers and other employees of the firm to adhere to their fiduciary duty and avoid activities, interests and relationships that run contrary (or appear to run contrary) to the best interests of clients.

The Adviser uses the same detailed due diligence process described above to evaluate and approve related portfolio asset managers for the NMAS as it does for outside managers.

### **ADVISORY BUSINESS**

Advisor is an independent investment adviser registered with the SEC since 2015. The Adviser offers a variety of financial services to both existing and prospective clients that are tailored to the client's stated objectives.

#### Investment Management

As part of the investment management service, all aspects of the client's financial affairs are reviewed and realistic and measurable goals are set and objectives to reach those goals are defined.

As goals and objectives change over time, suggestions are made and implemented on an ongoing basis. The Adviser periodically reviews a client's financial situation and portfolio through regular contact with the client which often includes an annual meeting with the client.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. The agreement sets forth the services to be provided, the fees for the service and the agreement may be terminated by either party in writing at any time.

#### Financial Planning

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

The financial planning may be the only service provided to the client and does not require that the client use or purchase the investment advisory services offered by the Adviser or any of the insurance products or other products and services offered by the associated persons of the Adviser. There is an inherent conflict of interest for the Adviser whenever a financial plan recommends use of professional investment management services or the purchase of insurance products or other financial products or services. The Adviser or its associated persons may receive compensation for financial planning and the provision of investment management services and/or the sale of insurance and other products and services. The Adviser does not make any representation that these products and services are offered at the lowest available cost and the client may be able to obtain the same products or services at a lower cost from other providers. However, the client is under no obligation to accept any of the recommendations of the Adviser or use the services of the Adviser in particular.

The goals and objectives for each client are documented in our client relationship management system, Investment Policy Statements, and/or Investor Questionnaires. Clients may impose restrictions on investing in certain securities or types of securities.

#### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

The Adviser 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).

#### **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Security analysis methods may include charting, fundamental analysis, technical analysis or cyclical analysis. Strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

Each IAR may use a different investment methodology when managing client assets based upon the objectives stated by the client. The Adviser does not represent, warrant or imply that the services or methods of analysis used by the Adviser can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections, crashes, or extraordinary events. The Adviser cannot assure clients' goals or objectives will be achieved or its advisory services will provide a better return than other investment strategies. Investing in securities involves risk of loss that clients should be prepared to bear. Past performances of any recommended managers or funds or securities, or the success of a manager is no guarantee of future success. There can be no assurance that clients will not incur losses.

The following risk factors are not intended to be a full or complete listing of all the risks involved in investing, and clients should engage in their own evaluation of such risks.

**Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, the face value on existing bonds becomes less attractive, causing their market values to decline. Similarly, equities may also suffer from a rising interest rates. Therefore, in real terms, client portfolios may not keep up with the rate of inflation.

**Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events that may cause prices to fall.

**Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

**Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk. Investments made in foreign countries may depreciate if the corresponding value of the country's currency goes down.

**Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (e.g., interest rate). This primarily relates to fixed income securities.

**Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of potential profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

**Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many individuals are interested in buying or selling a standard asset or product. For example, Treasury Bills are highly liquid, while real estate properties are not.

**Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability because the company must meet the terms of its obligations in good times and

bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

### **VOTING CLIENT SECURITIES**

The Adviser will not vote nor advise clients how to vote proxies for securities held in client accounts. The client keeps the authority and responsibility for the voting of these proxies. The Adviser does not give any advice or take any action with respect to the voting of these proxies. For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. The custodian will promptly forward any proxy voting information to clients or their representatives.

## **Item 7: Client Information Provided to Portfolio Managers**

The Adviser gathers information (such as financial information, investment objectives, and risk tolerance) regarding clients to aid in providing appropriate and suitable investment advice regarding participation in the NMAS program and selection of the appropriate portfolio. The Adviser shares this information only when necessary for processing or administering your account. Please consult the Adviser’s privacy policy for further details about information sharing.

## **Item 8: Client Contact with Portfolio Managers**

Clients will have limited access to their selected money manager in NMAS, through their selected IAR. Clients should direct any questions regarding their account or participation in the NMAS program to their IAR.

## **Item 9: Additional Information**

### **Disciplinary Information**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

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

Employees may sell other products or provide services outside of their role as investment adviser representatives with the Adviser.

### **Registered Representatives of Broker-Dealer**

IARs are also registered representatives of non-affiliated, securities broker-dealers. Clients may work with their IAR in his or her separate capacity as a registered representative of those broker-

dealers. When acting in his or her separate capacity as a registered representative, the IAR may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to a Client. As such, IARs may suggest that a client implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which a client's investment adviser representative will receive a commission in his or her separate capacity as a registered representative of a securities broker-dealer. Consequently, the objectivity of the advice rendered to clients could be biased.

Clients are under no obligation to use the services of the Firm's representatives in this separate capacity as a registered representative or to use those broker-dealers, and can select any broker-dealer to implement securities transactions. If a client selects the Adviser's representatives to implement securities transactions in their separate capacity as registered representatives, they must use those broker-dealers. Prior to effecting any such transactions, clients are required to enter into a new account agreement with those broker-dealers. The commissions charged those broker-dealers may be higher or lower than those charged by other broker-dealers. In addition, the registered representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that clients maintain the mutual fund investment.

### **Insurance Agents**

Persons providing investment advice on the Firm's behalf are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products to Firm clients. Insurance commissions earned are separate and in addition to the Adviser's advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of the Adviser who are insurance agents may have an incentive to recommend insurance products. However, clients are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with the Firm.

## **Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **Code of Ethics**

The Adviser has adopted a Code of Ethics for the purpose of instructing its personnel in their ethical obligations and to provide rules for their personal securities transactions. The Firm and its personnel owe a duty of loyalty, fairness and good faith towards their clients, and the obligation to adhere not only to the specific provisions of the Code but to the general principles that guide the Code. The Code of Ethics covers a range of topics that may include: general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV and supervisory procedures. The Adviser will provide a copy of the Code of Ethics to any client or prospective client upon request.

### **Participation or Interest in Client Transactions**

The Adviser or individuals associated with the Adviser may buy or sell securities identical to those recommended to clients for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security, which may also be recommended to a client. Under the Firm's Code of Ethics, the Adviser and its managers, members, officers and employees may invest personally in securities of the same classes as are purchased for clients and may own securities of the issuers whose securities are subsequently purchased for clients. If an issue is purchased or sold for clients and any of the Adviser, managers, members, officers and employees on the same day purchase or sell the same security, either the clients and the Adviser, managers, members, officers or employees shall receive or pay the same price or the clients shall receive a more favorable price. The Adviser and its managers, members, officers and employee may also buy or sell specific securities for their own accounts based on personal investment considerations, which the Firm does not deem appropriate to buy or sell for clients.

### **Personal Trading**

The Chief Compliance Officer reviews all employee trades each quarter (except for his own trading activity that is reviewed by another principal or officer of the Firm). The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the Firm receive preferential treatment.

## **Item 12 – Brokerage Practices**

Advisor participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. TD Ameritrade is an independent [and unaffiliated] SEC-registered broker-dealer. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14 below.)

## **Item 13 - Review of Accounts**

IARs provide ongoing advice to clients, routinely review client portfolios and are responsible for communicating with clients at least annually. Additionally, a representative sample of all accounts may be reviewed on a periodic basis by the Adviser's Compliance Department and/or designated supervisors. The Firm may use a series of surveillance, exception and trading reports that are designed to facilitate this review. This review will be based on the client's investment objectives, risk tolerance and financial and personal profile. Supervisory review of these accounts will include general account activity and other triggering factors such as (1) fees charged; (2) account performance and performance reports; (3) products used; (4) securities concentration; and (5) other triggering factors as determined by the reviewing principal.

Clients will receive account statements directly from the account custodian, as well as periodic performance reports. The Firm urges clients to compare the information provided on performance closely to the information presented on the account statements provided by the account custodian. Clients should defer to the custodian's account statements where discrepancies are noted. Clients can direct any questions about account statements to the custodian or the Firm.

## Item 14 - Client Referrals and Other Compensation

As disclosed under Item 12 above, Advisor participates in TD Ameritrade's institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Advisor's participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

### **Incoming Referrals**

The Firm receives client referrals which may come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The Firm does not compensate referring parties for these referrals.

### **Referrals to Third Parties**

The Adviser does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

### **Other Compensation**

NOVA does not receive any additional compensation other than the fees billed from our program.

## Financial Information

The Adviser does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.