DISCLOSURE BROCHURE

THE INVESTMENT ADVISERS ACT OF 1940 RULE 203-1

Part 2A of Form ADV: Firm Brochure

OFFICES OF CONVENIENCE
With Corporate Office Oversight
By Appointment Only

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SEC File #: 801-57836
Firm IARD/CRD #: 108967

Fulton Breakefield Broenniman, LLC
REGISTERED INVESTMENT ADVISOR

This Disclosure Brochure provides information about the qualifications and business practices of Fulton Breakefield Broenniman, LLC, which should be considered before becoming a client. You are welcome to contact us if you have any questions about the contents of this brochure – our contact information is listed to the right. Additional information about Fulton Breakefield Broenniman, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

The information contained in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Administrator. Furthermore, the term "registered investment advisor" is not intended to imply that Fulton Breakefield Broenniman, LLC has attained a certain level of skill or training.

BROCHURE DATED

11 JULY 2022

MATERIAL CHANGES

ITEM 2

The following is a summary of changes made to this Disclosure Brochure (Form ADV Part 2A) since the last filing dated March 25, 2022:

- Item 1 (Cover Page) was updated to reflect the new address for FBB's branch office in Easton, MD.

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ADVISORY BUSINESS

ITEM 4

Who We Are

FBB Capital Partners[1] (hereinafter referred to as "FBB", "the Company", "we", "us" and "our") is a Delaware Limited Liability Company organized in November 2000 as a fee-only registered investment advisor[2] offering comprehensive wealth and risk management services designed to assist you, our client[3], achieve a steady growth of capital and a predictable stream of income that will allow you to lead a more financially secure life.

Owners

The following persons control the Company:

Name	Title	CRD#
Julian, Incorporated	Holding Company & Managing Member of FBB Capital	N/A
Susan B. Fulton	Founder & President of Julian Incorporated	719294
Michael J. Mussio	Managing Member – President	4273011
Stein A. Olavsrud	Managing Member – EVP & Chief Compliance Officer	4055485
Bridget M. Simpson	Managing Member – Director of Operations	4766446

Our Mission

Our mission is to provide you peace of mind and confidence and to be your **trusted partner** as together we explore a financial course to fulfill your monetary needs now and in the future. As your advocate, we want to be **the resource** you turn to for clear, objective, and sound investment advice.

Together we will do our best to **keep you focused** on where you want to go, **offer advice** on how best to get there, and continually remind you of the importance of maintaining a **disciplined financial strategy** to realize your financial goals.

Assets Under Management

As of December 31, 2021, our assets under management totaled:

Discretionary Accounts	$1,806,000,000
Non-Discretionary Accounts	$0

[1] FBB Capital Partners is the doing-business-as name for Fulton Breakefield Broenniman, LLC.

[2] The term "registered investment advisor" is not intended to imply that Fulton Breakefield Broenniman, LLC has attained a certain level of skill or training. It is used strictly to reference the fact that we are "registered" as a licensed "investment advisor" with the United States Securities & Exchange Commission (the "SEC") - and "Notice Filed" with State Regulatory Agencies that have limited regulatory jurisdiction over our business practices.

[3] A client could be an individual and their family members, a family office, a foundation or endowment, a charitable organization, a corporation and/or small business, a trust, a guardianship, an estate, or any other type of entity to which we choose to give investment advice.

What We Do

We provide **financial solutions** designed to accomplish the financial goals you wish to achieve while being mindful of the legacy you wish to leave behind. We do not subscribe to a "one-size-fits-all" model. Instead, we take the time to learn about how you think and what is most important to you and your family or business.

Focus of our advisory services begins with identifying your standards of living and quality of lifestyle expectations. We will accomplish this through an initial **Discovery and Goal Setting** meeting where we will review the financial documents we asked you to bring for discussion. Together questions will be asked, information shared, and an evaluation made as to whether we should move to the next step. During the meeting, we will:

- Learn about your core values and guiding principles
- Seek to understand your financial concerns and how you have been addressing them
- Discover your financial objectives and what success looks like for you
- Create an internal profile consisting of your current income and expenses, assets, career objectives, investment goals, risk tolerance and investment time horizon, targeted rate of return, and prior investment experience, along with personal information about your relationships, your values, and interests

Moving forward, should you choose to engage us for our advisory services, we will begin the process of identifying your life goals (i.e., core values, family, monetary needs, future plans, etc.). We will make every effort to embrace these life goals and develop economic solutions that reflect how ***you*** define true wealth -- not us. Our services include:

Portfolio Management

Our Core Investment Strategy invests primarily in mid- to large-cap U.S. based equities ("stocks") with a goal of providing long-term capital growth and steady income from a well-diversified strategy[4]. We favor companies in the early stages of a long-term transformation where the stock's price has yet to reflect the improving fundamentals of the business.

The FBB Core Investment Strategy also provides clients with portfolio diversification through ownership of international stocks and a range of fixed-income ("bond") asset classes.

Information regarding our management fee structure is disclosed under "Portfolio Management Fee" in Item 5, "**Fees & Compensation**" and further description of our investment strategies under Item 8, "**Methods of Analysis, Investment Strategies & Risk of Loss**".

Financial Planning

In a world dominated by the news of how the market did (or didn't) perform on any given day, it is easy to lose sight of the forest through the trees. For most of our clients, investing is a means to an end, the culmination of a lifetime of saving to achieve a personal or familial goal. It's our job to help our clients define those goals in greater detail including timing and financial specificity as well.

Financial planning is the necessary, yet often overlooked, blocking and tackling of one's holistic financial well-being. It is an essential tool to help navigate unexpected events with the ultimate goal of providing the confidence and security necessary during both the working years (wealth accumulation) and retirement years (wealth distribution) of your life. However, such

[4] You may, at any time, impose restrictions **in writing** on the securities we may recommend (i.e., limit the types/amounts of particular securities purchased for your account, etc.).

planning requires a lifetime commitment, not only from you but from us as well, your financial planner.

Financial Planning Composition

All forms of financial planning are a mutually defined review, analysis and evaluation of your personal financial needs and goals. In general, our financial planning may encompass one or more of the following areas of financial need as communicated by you:

- Identify and clarify personal and family core values, mission, vision, and goals.
- Preparation of the financial plan, which encompasses your:
  - Current financial situation.
  - Liquidity and asset preservation needs.
  - Wealth accumulation and growth.
  - Wealth distribution and transfer.

  More specifically planning may include, but is not limited to, the following modules:
  - Financial Statements – Cash Flow and Balance Sheet.
  - Savings and Emergency Reserves.
  - Asset Allocation and Investment Portfolio Analysis.
  - Potential Income Tax consequences in collaboration with your tax advisor.
  - Risk Management and Insurance Analysis.
  - Retirement Income Analysis.
  - Long-Term Healthcare.
  - Estate and Family Legacy Planning.
  - Business Succession Planning.
- Outline of recommendations, strategies, solutions and resources.
- Prioritizing and implementing the written action plan.
- Investment consultations that allow us to create and implement a customized investment strategy tailored to your long-term investment goals.
  - Prepare a professional investment proposal that can include a written Investment Policy Statement (“IPS”), if requested.
- Facilitate meetings with you and/or other specialists within our network.
- Coordinate and facilitate meetings with family members, business associates, partners or other key individuals to assist with implementing your action plan.

Preparing the Financial Plan

We gather the necessary information to complete our analysis through personal interviews, review of various documents supplied by you, and completion of one or more profile questionnaires. Information gathered may include statements regarding your current financial status, a list of assets, insurance, wills and/or trust documents, income and expenses, Social Security eligibility, and other information[5] based on your financial status and future goals.

We rely upon information provided by you. We do not verify any information obtained from you or your attorney, accountant or other professionals, including information from custodial/investment statements. In the event that any such information provided is inaccurate or incomplete, the corresponding results or recommendations will be inaccurate or incomplete.

We are not a law firm, accounting firm or an insurance agency, and no portion of our services should be construed as comprehensive financial planning or legal, insurance or accounting

[5] All information provided by and to you will be kept entirely confidential. Such information will be disclosed to third parties only with mutual written consent or as may be permitted by law.

advice. Rather, you should seek the advice of your attorney, insurance agent, accountant or other corresponding professional advisor with respect to those issues. We do not prepare estate planning documents or tax returns, nor do we sell insurance products.

For information on our fees for financial planning, see “Financial Planning Fee” under Item 5, “**Fees & Compensation**” and “Financial Planning Compensation” under Item 14, **“Client Referrals & Other Compensation.”**

Miscellaneous Disclosures

Retirement Clients

When it comes to your retirement account, you have four options to consider when transitioning employment from one employer to another, or for when you are seeking full retirement:

- Leave the account assets in the former employer’s plan, if permitted;
- Transfer the assets to the new employer’s plan, if one is available and transfers are permitted;
- Transfer the account assets to an Individual Retirement Account (an “IRA”); or,
- Cash out the retirement account assets (There will be tax consequences and/or IRS penalties depending on your age.).

Should you approach us to advise you on which option would be the best for your particular situation, we have an economic incentive to recommend you transfer your retirement account to a managed IRA account with us where we would earn a management fee on the assets. This can create a potential conflict of interest; the objectivity of the advice we render can be subjective and a cost to you. Therefore, if we recommend you transfer your retirement account to an IRA account, you are under no obligation to engage us to manage your assets. You are free to take your account anywhere.

FBB is a fiduciary, as defined within the meaning of Title I of the Employer Retirement Income Security Act of 1974 (“ERISA”) and/or as defined under the Internal Revenue Code of 1986 (the “Code”) for any asset management and financial planning services provided to a client who is: (i) a plan participant or beneficiary of a retirement plan subject to ERISA or as described under the Code; or (ii) the beneficial owner of an Individual Retirement Account (“IRA”).

Cash Positions

We consider cash to be an asset class and will allocate a portion of your assets among various cash and/or cash equivalent positions for liquidity management, defensive, or other purposes. Therefore, we will include cash and cash equivalents as part of the aggregate fair market value of your portfolio when calculating our portfolio management fee. When assets are invested in cash and/or cash equivalents, our portfolio management fee could exceed the current yield on such cash positions.

FEES & COMPENSATION

ITEM 5

Discovery and Goal Setting

Depending on prior conversations before we schedule the initial Discovery and Goal Setting meeting to review the financial documents requested you bring for discussion, we will inform you on whether we will bill you for our time. Such fee will be **a fixed fee not to exceed $500**. The objectives we strive to accomplish with you during this meeting are to:

- Diagnose your current financial need;
- Address your financial concerns and answer your questions on how we can assist you;
- Recommend financial resolutions aimed at lowering costs, reducing risks, increasing expected returns, and/or increasing tax efficiency to improve the likelihood of successfully achieving your goal;
- Explain our investment methodology and how our investment strategies work; and,
- Explain the benefits of financial planning and how a comprehensive evaluation of wealth management needs is beneficial beyond just managing your investable assets.

Should a fee be negotiated prior to this meeting, such fee will be due at the end of the session. If you wish to engage us for portfolio management or request additional planning, we will **reduce the cost of the Discovery Meeting** from the contracted engagement.

If you wish no further interaction with us, you will be responsible for implementing any recommendations coming out of the Discovery Meeting. Once this session is over, all financial services discussed will have been concluded and we are not responsible to implement the advice or for any on-going supervision, monitoring, and/or reporting.

Portfolio Management Fee

Portfolio management is provided on an **asset-based fee** arrangement. Management fees are calculated based on the aggregate market value of your account on the last business day of the previous calendar quarter multiplied by one-fourth (i.e., 1.00% ÷ 4 = 0.25%) of the corresponding annual percentage rate **for each portion of your portfolio assets that fall within each tier** (see "Billing" below under "Protocols for Portfolio Management" for more information on how the fee is calculated).

We retain **discretion to negotiate the management fee within each tier** on a client-by-client basis depending on the size, complexity, and nature of the portfolio managed. In addition, as your portfolio value exceeds each tier level, either through additional deposits or asset growth, a fee break will occur. The tier breaks are as follows:

Portfolio Value	Annual Fee Rate Not to Exceed
First $1,500,000..	1.00%
Next $1,000,000.......................................	0.85%
Next $2,500,000.......................................	0.75%
Over $5,000,000	0.65%

A **minimum annual fee of $5,000** ($1,250.00 billed quarterly) will be billed to those accounts with portfolio values of **$500,000 or less**, which **may be waived or reduced** if we feel circumstances are warranted.

An account subject to the $5,000 minimum annual fee will continue to pay the quarterly fixed fee amount until such time as the account value exceeds $500,000. Once this happens, the above fee schedule would be applied to the managed account. Keep in mind, **the further an account drops below $500,000, the more expensive our management services become** (e.g., a managed account of $166,500 with a minimum annual fee charge of $5,000, will translate into an annual fee rate of 3.00%.). If this were to happen to your account, you may want to consider other management firms with lower fees.

Certain legacy clients and clients acquired from other investment advisory firms may be subject to a different fee schedule than stated above. Therefore, some clients may be paying different fees for the same level of services provided by us.

Protocols for Portfolio Management

The following protocols establish how we handle our portfolio management accounts and what you should expect when it comes to: (i) managing your account; (ii) your bill for investment services; (iii) deposits and withdrawals of funds; and (iv) other fees charged to your account(s).

Discretion

Unless you request otherwise, we will establish discretionary trading authority on all management accounts to execute securities transactions at any time without your prior consent or advice.

You may, at any time however, impose restrictions, **in writing**, on our discretionary authority (i.e., limit the types/amounts of particular securities purchased for your account, etc.).

Billing

Your account will be billed **a blended fee quarterly in advance** based on the aggregate, fair market value for the portion of your portfolio that **fall within each tier of our fee schedule**. For example:

Account Value: $8,000,000	Annual Fee % (Per Tier)	Tier Fee Contribution (Based on the Account Value Within Each Tier)
First $1,500,000	1.00%	0.1875%
Next $1,000,000	0.85%	0.1062%
Next $2,500,000	0.75%	0.2344%
Next $3,000,000	0.65%	0.2438%
Blended Annual Fee %		0.7719%

For **new managed** accounts opened in mid-quarter, our fee will be based upon **a pro-rated calculation of your assets to be managed** for the current calendar quarter. For **existing management accounts**, depositing additional capital in your investment portfolio between billing cycles will **not** generate a partial, pro-rated management fee to be billed to your account – we do not want to discourage you from investing in your future. However, for withdrawals made from your managed portfolio account between billing cycles, we **do not make partial refunds** of our quarterly fee.

Advisory fees will be deducted first from any money market funds or cash balances. If such assets are insufficient to satisfy payment of such fees, a portion of the account assets will be liquidated to cover the fees.

Fee Exclusions

The above fees for all of our portfolio management services are exclusive of any charges imposed by the custodial firm who has custody of your account; including, but not limited to: (i) any Exchange/SEC fees; (ii) certain transfer taxes; (iii) service or account charges, such as, postage/handling fees, electronic fund and wire transfer fees, auction fees, debit balances, margin interest, certain odd-lot differentials and mutual fund short-term redemption fees; and (iv) brokerage and execution costs associated with securities held in your managed account. There can also be other fees charged to your account that are unaffiliated with our management services.

When beneficial to you, individual fixed-income and/or equity transactions may take place through broker-dealers with whom FBB and/or you have entered into arrangements for prime brokerage clearing services, including completing certain client transactions through other SEC registered and FINRA member broker-dealers (in which event, you generally will incur both the transaction fee charged by the executing broker-dealer and a "trade-away" fee charged by *Schwab, TD Ameritrade, and/or Fidelity*). These fees/charges are in addition to our investment advisory fee, listed in Item 5 below. FBB does not receive any portion of these fees/charges.

In addition, all fees paid to us for portfolio management services are separate from any fees and expenses charged on mutual fund shares by the Investment Company or by the investment advisor managing the mutual fund portfolios. These expenses generally include management fees and various fund expense, such as 12b-1 fees. Redemption fees, account fees, purchase fees, contingent deferred sales charges, and other sales load charges may occur but are the exception within managed accounts at institutional custodians. A complete explanation of these expenses charged by the mutual funds/ETFs is contained in each mutual fund's or ETF's prospectus. You are encouraged to carefully read the fund prospectus.

For more information on the custodial firm that we will recommend to custody your portfolio accounts, see Item 12, "**Brokerage Practices**".

Termination of Portfolio Management Services

To terminate our portfolio management services, either party (you or us), by **written notification to the other party**, may terminate the Investment Advisory Agreement at any time. Such notification should include the date the termination will go into effect along with any final instructions on the account (i.e., liquidate the account, finalize all transactions and/or cease all investment activity).

In the event termination does not fall on the first/last day of a calendar quarter, **you shall be entitled to a pro-rated refund of the unearned quarterly management** fee based upon the number of days remaining in the quarter after the termination notice goes into effect. **Once the termination of portfolio management services has been implemented, neither party has any obligation to the other** – we no longer earn management fees or give investment advice and you become responsible for making your own investment decisions.

Financial Planning Fees

The cost to prepare a financial plan depends on the scope of engagement, complexity of service requested, the nature of your personal and financial situation, and any other factors that may affect the project to perform the services you desire.

Financial planning services are offered for a **fixed fee not to exceed $20,000** based on an **hourly rate not to exceed $450 per hour** for the initial engagement. The fee will be fully disclosed in a Financial Planning Agreement, which will include the cost[6] to review your financial information

[6] Rarely will a fee exceed those costs outlined in the Agreement. However, there can be instances where we did not contract with you to perform a particular task and therefore merits notifying you of the additional cost prior to beginning such services.

and prepare the comprehensive financial plan. Fees may be significantly **reduced, or waived, if we manage over $500,000 of your portfolio account**. We have the option to:

1. Require full payment up-front[7]; or,
2. Require one-half the fee be paid at the time the Agreement is signed, with the remaining balance due upon completion of the financial plan.

Financial Planning Termination

You can terminate the Financial Planning Agreement at any time prior to the presentation of any final planning documents. We will be compensated through the date of termination for time spent in design of such financial documents at the hourly rate agreed to in the Agreement. If you have prepaid any fees, such un-earned fees will be returned on a pro-rata basis. **After the financial plan has been completed and presented to you, termination of the Agreement is no longer an option**.

PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

ITEM 6

We do not charge fees based on a share of capital gains or the capital appreciation of the assets held in your accounts.

TYPES OF CLIENTS

ITEM 7

The types of clients to whom we offer advisory services are described above under "Who We Are" in the Item 4, "**Advisory Business**" section. We do not require a minimum account size for portfolio management services; however, our services do have a minimum fee as disclosed above under "Portfolio Management Fee" in the Item 5, "**Fees & Compensation**" section of this Brochure.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

ITEM 8

We aim to build diversified portfolios tailored to our client's preferences with a low-cost structure. We believe the best way to achieve this is through a combination of broad-based diversification through index exposure complimented by direct ownership in the equity ("stocks") and debt ("bond") structure of individual companies.

Methods of Analysis

In analyzing securities to develop an efficient asset allocation portfolio, we will use a combination of analysis techniques to gather information and to guide us in our management decisions.

Fundamental Analysis

Fundamental analysis considers: efficiency ratios, growth rates, enterprise value, economic conditions, earnings, cash flow, book value projections, industry outlook, politics (as it relates

[7] The recommendations made in a financial plan are generally completed within 30 to 45 days from you signing the Agreement. However, implementing the plan using outside professionals (i.e., attorneys, CPAs, etc...) may require additional time that is out of our control. Therefore, when we refer to the completion of the financial plan, we are referring to us (you and us) finalizing your financial benchmarks/objectives before approaching any outside professional.

to investments), historical data, price-earnings ratios, dividends, general level of interest rates, company management, debt ratios and tax benefits.

RISKS – Fundamental analysis places greater value on the long-term financial structure and health of a company, which may have little to no bearing on what is actually happening in the market place. Investing in companies with sound financial data/strength and a history of healthy returns can be a good long-term investment to hold in your portfolio; however, such fundamental data does not always correlate to the trading value of the stock on the exchanges. In the short-term, the stock can decrease in value as investors trade in other market sectors.

Quantitative Analysis

Quantitative analysis seeks to understand the behavior of a security using mathematical and statistical modeling to measure certain unique characteristics such as, for example, revenues, earnings, margins, and market share. Mathematical and statistical modeling helps us to ascertain security price and risk to ultimately help identify profitable opportunities.

RISKS – The key benefit of quantitative analysis is its ability to reduce complex figures to a single piece of data that is easy to grasp, discuss, and support decision-making and investment recommendations. However, using quantitative analysis alone with no further evaluation is often too narrow and sometime misleading since focus is on financial data while neglecting other details such as management experience, employee attitudes, and brand recognition.

Technical Analysis

Technical analysis utilizes current and historical pricing information to help us identify trends in the broader domestic and foreign equity and fixed income markets, and in the underlying assets themselves. This may involve the use of various technical indicators, such as moving averages and trend-lines, among others.

RISKS – Technical analysis is charting the historical market data of a stock, taking into consideration current market conditions, to forecast the direction of a future stock price rather than using fundamental tools for evaluating a company's financial strength. Technical analysis focuses on the price movement of a security trading in the market place. This is an ideal tool for short-term investing to identify ideal market entry/exit points. However, no market indicator is absolutely reliable, and your investment portfolio can underperform in the short-term should the market indicators be incorrect.

Cyclical Analysis

Market cycles provide historic tried and true timing mechanisms to indicate turning points in future market prices. By tracking historic data through charts and graphs we can improve entry and exit strategies.

RISKS – Cyclical data reveals regular intervals of repeated events that can be forecasted into the future to time the market on when to buy/sell a security. The risk with cyclical analysis is attempting to buy/sell a security based on a future price prediction and missing beneficial movements in price due to an error in timing. This causes harm to the value of the security being bought too high or sold too low.

Fundamental analysis provides us with a broad long-term view of a security that begins with determining a company's value and the strength of its financials while **quantitative analysis** assists us with portfolio optimization techniques. **Technical analysis** is short-term focusing on the statistics generated by market activity; and, **cyclical analysis** provides us with historical data on market trends to focus our technical analysis for ideal entry/exit points.

Investment Strategies

We are not bound to a specific investment strategy or ideology for the management of your investment portfolio. We understand markets and **money made** from increased stock values has greater risk (volatility) than **money earned** from dividends (secure and stable) in income-oriented securities. Our goal is to balance making and earning money by maintaining a disciplined management approach, regardless of the strategy, so as to not sacrifice long-term goals for short-term gains.

Value Investing

Value Investing involves selecting securities that trade for less than their intrinsic values, being more concerned with the business and its fundamentals than other influences on the stock's price. Value investing is about findings stocks that we believe the market has undervalued. We perform fundamental analysis of a company's stock looking at both the qualitative (business model, governance, earning potential, target market factors, etc...) and quantitative (ratios, cash flow, dividends, financial statement analysis, etc...) aspects of the company to determine if the business is currently out of favor with the market and the stock price is deflated. Generally, if we find that a company's fundamentals reveal the stock to be undervalued, we will buy and hold the security for the long term.

Bond Portfolios

The primary investment objective of our bond management strategy is to produce a stable rate of current income, consistent with long-term preservation of capital. This objective is met by investing in fixed-income, investment grade securities, including U.S. government obligations, corporate bonds, mortgage and asset-backed securities, tax-exempt bonds when appropriate, and certificates of deposits. A secondary objective is to take advantage of opportunities to realize capital appreciation by investing in below investment-grade, fixed-income securities and convertible securities. This investment philosophy is a low-risk, passive management technique. We will evaluate the bond portfolio's performance, along with regular evaluations in regard to duration (interest rate sensitivity), industry and sector weightings, convexity, and yield to maturity, liquidity and quality – the key factors that determine fixed income market performance.

Option[8] Investing

Trading options generates income from the premiums received from option contract sales, dividend income, equity appreciation, and enhanced income returns using secured covered call/put options and/or option collars. Option trading is a neutral to bullish investment strategy designed to generate income in exchange for assuming the obligation to sell, or risk of selling, an equity position at a specified price – generally at a price slightly higher to moderately higher than where the stock is currently trading.

Certain options-related strategies (i.e. straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, you must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, you may direct us, in writing, not to employ any or all such strategies for your accounts. There can be no guarantee that an options strategy will achieve its objective or

[8] Prior to any option trading activity, you will receive the "Characteristics and Risks of Standardized Options" produced by the Chicago Board Options Exchange. It is mutually understood between you and us, that you have read this document prior to engaging us to perform option trading activities. The "Characteristics and Risks of Standardized Options" thoroughly explains the risks and rewards associated with option trading.

prove successful. You are under any obligation to enter into any option transactions. However, if you do so, you must be prepared to accept the potential for unintended or undesired consequences (i.e., losing ownership of the security, incurring capital gains taxes).

Asset Allocation

Asset allocation is a broad term used to define the process of selecting a mix of asset classes and the efficient allocation of capital to those assets by matching rates of return to a specified and quantifiable tolerance for risk. From this we may use more narrow and aggressive asset allocation derivatives.

We have developed multiple model portfolio structures that are used as asset allocation guidelines in designing a client's core portfolio. Each model consists of a different "target" asset allocation in various asset classes[9], as well as being diversified into various sectors of the market in order to minimize sector and industry risk. By spreading money among a variety of investments as opposed to investing in just one creates a more prudent approach to asset management.

Typical composition mix classifications:

Asset Allocation Model	Percentage of		
	Stocks	Bonds	Cash
Income Generation	10% - 45%	55% - 90%	0% - 10%
Income and Growth	35% - 60%	40% - 65%	0% - 10%
Balanced Growth	40% - 70%	30% - 60%	0% - 10%
Capital Appreciation	55% - 90%	10% - 45%	0% - 10%
Equity Appreciation	75% - 100%	0% - 25%	0% - 10%

Such allocation guidelines are a representation of a typical account composition but should not be construed as absolute. Ultimately, the exact composition makeup and allocation of securities are determined by your investment parameters, which can compose a more detailed and/or complex structure.

Other features of our asset allocation strategies can utilize these portfolio-modeling structures for analyzing various possible portfolio groupings of securities.

Modern Portfolio Theory

Modern Portfolio Theory ("MPT")[10] is the analysis of a portfolio of stocks as opposed to selecting stocks based on their unique investment opportunity. The objectives of MPT is to determine your preferred level of risk and then construct a portfolio that seeks to maximize your expected return for that given level of risk.

Strategic Allocation Modeling

Strategic asset allocation is a strategy that involves setting target allocations for various asset classes, then periodically rebalancing the portfolio back to the original allocations when target allocations deviate significantly from the initial setting due to differing returns from various assets.

[9] The different asset classes are: Large-Cap U.S. Stocks; Mid-Cap U.S. Stocks; Small-Cap U.S. Stocks; International Stocks; Fixed Income, and Cash.

[10] The "Portfolio Theory" was developed and introduced by Harry M. Markowitz in his paper "Portfolio Selection" published in 1952 by the *Journal of Finance* while he was working on his PhD doctoral thesis at the University of Chicago. Mr. Markowitz further refined his theory during the latter part of the 1950's and on into the 70's. Along the way, his theory became known as the "Modern Portfolio Theory". Mr. Markowitz won the Nobel Memorial Prize in Economic Sciences in 1990 as a co-laureate along with William Sharpe.

Tactical Allocation Modeling

Tactical asset allocation is a dynamic investment strategy that actively rebalances a portfolio allocation mix to take advantage of short-term market pricing anomalies or strong market sectors.

Socially Responsible Investing

Socially Responsible Investing incorporates Environmental, Social and Governance considerations into the investment due diligence process ("ESG). There are potential limitations associated with allocating a portion of an investment portfolio in ESG securities (i.e., securities that have a mandate to avoid, when possible, investments in such products as alcohol, tobacco, firearms, oil drilling, gambling, etc.). There may be less ESG securities compared to those that do not have this mandate and they could underperform broad market investments. If you choose to invest in ESGs, you accept these limitations, including potential for underperformance. There are less ESG mutual funds and exchange traded funds, compared to those that do not maintain such a mandate. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by FBB), we cannot assure that investment in ESG securities or funds will be profitable or prove successful.

Margin Accounts

We **do not** recommend the use of margin for investment purposes. A margin account is a brokerage *account* that allows investors to borrow money to buy securities and/or for other non-investment borrowing purposes. The broker/custodian charges the investor interest for the right to borrow money and uses the securities as collateral. By using borrowed funds, the customer is employing leverage that will increase both account gains and losses. Should you determine to use margin, we will include the entire market value of the margined assets when computing our advisory fee. Our fee will be based on a higher margined account value, resulting in us earning a higher advisory fee. A potential conflict of interest occurs since we may have an economic disincentive to recommend that you terminate the use of margin. The use of margin can cause significant adverse financial consequences in the event of a market correction.

Managing Risk

The biggest risk to you is the risk that the value of your investment portfolio will decrease due to moves in the market. This risk is referred to as the **market risk** factor, also known as variability or volatility risk. Other important risk factors:

- **Interest Rate Risk** – Interest rate risk affects the value of bonds more than stocks. Essentially, when the interest rate on a bond begins to rise, the value (bond price) begins to drop; and vice versa, when interest rates on a bond fall, the bond value rises.
- **Equity Risk** – Equity risk is the risk that the value of your stocks will depreciate due to stock market dynamics causing one to lose money.
- **Currency Risk** – Currency risk is the risk that arises from the change in price of one currency against that of another. Investment values in international securities can be affected by changes in exchange rates.
- **Liquidity Risk** – A financial risk where a company is unable to meet short-term financial obligations without selling either hard-assets or finding another way to reduce the discrepancy between cash flow and debt obligations.
- **Inflation Risk** – The reduction of purchasing power of investments over time.
- **Commodity Risk** – Commodity risk refers to the uncertainties of future market values and the size of future income caused by the fluctuation in the prices of commodities (i.e., grains, metals, food, electricity, etc...).

The risk factors we have cited here are not intended to be an exhaustive list but are the most common risks your portfolio will encounter. Other risks that we haven't defined could be political, and over-concentration to name a few. However, notwithstanding these risk factors, the most important thing for you to understand is that regardless of how we analyze securities or the investment strategy and methodology we use to guide us in the management of your investment portfolio, **investing in a security involves a risk of loss that you should be willing and prepared to bear;** and furthermore, **past market performance is no guarantee that you will see equal or better future returns on your investment**.

DISCIPLINARY INFORMATION

ITEM 9

We have no legal or disciplinary events to report.

OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

ITEM 10

We are a fee-only registered investment advisor; none of our supervised persons are licensed, or are related to, another financial industry participant and therefore no disclosure is necessary for this item.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

ITEM 11

Code of Ethics

As a fiduciary, the Company has an affirmative duty to render continuous, unbiased investment advice, and at all times act in your best interest. To maintain this ethical responsibility, we have adopted a Code of Ethics that establishes the fundamental principles of conduct and professionalism expected by all personnel in discharging their duties. This Code is a value-laden guide committing such persons to uphold the highest ethical standards, rooted in the most elementary maxim. Our Code of Ethics is designed to deter inappropriate behavior and heighten awareness as to what is right, fair, just and good by promoting:

- Honest and ethical conduct.
- Full, fair and accurate disclosure.
- Compliance with applicable rules and regulations.
- Reporting of any violation of the Code.
- Accountability.

To help you understand our ethical culture and standards, how we control sensitive information and what steps have been taken to prevent personnel from abusing their inside position, a copy of our Code of Ethics is available for review upon request.

Client Transactions

We have a fiduciary duty to ensure that your welfare is not subordinated to any interests of ours or of our personnel. The following disclosures are internal guidelines we have adopted to assist us in protecting all of our clientele.

Participation or Interest

It is against our policies for any owners, officers, directors and employees to invest with you or with a group of clients, or to advise you or a group of clients to invest in a private business interest or other non-marketable investment unless prior approval has been granted by our Chief Compliance Officer, and such investment is not in violation of any SEC and/or State rules and regulations.

Insider Trading Policy

We comply with the Insider Trading and Securities Fraud Enforcement Act of 1988. We do not share any non-public information with anyone who does not need to know and have established internal controls to guard your personal information.

Personal Trading

Employees of ours are permitted to personally invest their own monies in securities, which may also be, from time to time, recommended to you. Sometimes, such investment purchases are independent of, and not connected in any way to, the investment decisions made on your behalf. However, there may be instances where investment purchases for you may also be made, at or about the same time, in an employee's account. This practice can create a conflict of interest as our employees may benefit from the sale and purchase of those securities. In these situations, we have implemented the following guidelines in order to ensure our fiduciary integrity:

1. No employee of ours shall prefer his or her own interest to that of yours or any other advisory client.
2. Our Chief Compliance Officer reviews securities holdings for all our access employees on a regular basis.
3. We require that all employees act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
4. Bunched orders (See "Aggregating Trade Orders" below under Item 12, "**Brokerage Practices**") may include employee accounts. In such cases, priority and advantage will be given to satisfy your order first regardless of the situation.
5. Any individual not in observance of the above may be subject to termination.

BROKERAGE PRACTICES

ITEM 12

Custodial Services

The Company has established custodial relationships with the following financial institutions:

- **Charles Schwab & Company, Inc. ("Schwab")** – Schwab is a registered broker-dealer (member FINRA/SIPC), offering custodial services through their division Schwab Advisor Services for financial advisors.
- **TD AMERITRADE, Inc. ("TDA")** – TDA is a licensed broker-dealer (member FINRA/SIPC), offering custodial services through their division TD AMERITRADE Institutional for investment advisors.
- **Fidelity Brokerage Services, LLC and their affiliate National Financial Services, LLC ("Fidelity")** – Fidelity is a registered broker-dealer (member FINRA/SIPC), offering custodial services through their division Fidelity Institutional Wealth Services for investment advisors.

Schwab, TDA, and Fidelity offer us services, which include custody of securities, trade execution, clearance and settlement of transactions.

Our recommendation for you to custody your assets with one, or both, of these financial institutions has no direct correlation to the services we receive and the investment advice we offer you, although **we do receive economic benefits for which we do not have to pay** through our relationship with these institutions that are typically not available to retail clients. This creates an incentive for us to recommend Schwab, TDA, or Fidelity based on the economic benefits we receive rather than on your interest in receiving most favorable execution. These economic 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 and consulting services;
- Access to a dedicated trading desk;
- Access to batch trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to accounts);
- The ability to have advisory fees deducted directly from accounts;
- Access to an electronic communications network for order entry and account information;
- Access to mutual funds and ETFs with no transaction fees and to certain institutional money managers;
- Discounts on compliance, marketing, research, technology and practice management products or services provided to us by third-party vendors; and
- Discounted and/or complimentary attendance at conferences, meetings and other educational events, as well as reimbursement of travel, lodging, meals and entertainment expenses.

Schwab, TDA, and Fidelity may also pay for business consulting and professional services received by our related persons. Some of the products and services made available by Schwab, TDA, and Fidelity may benefit us and not you or your account. These products or services may assist us in managing and administering your accounts. Other services made available by Schwab, TDA, and Fidelity are intended to help us manage and further develop our business enterprise. The benefits received by us or our personnel do not depend on the amount of brokerage transactions directed to these financial institutions.

We are not a subsidiary of, or an affiliated entity of, Schwab, TDA, or Fidelity. We have sole responsibility for investment advice rendered, and **our advisory services are provided separately and independently from these financial institutions**.

Direction of Transactions and Commission Rates (Best Execution)

We have a fiduciary duty to put your interests before our own. The advisory support services we receive from Schwab, TDA, and Fidelity create an economic benefit to us and a potential conflict of interest to you; in that, our recommendation to custody your account(s) with one, or both, of these financial institutions may have been influenced by these arrangements/services. **This is not the case**; we have selected these institutions as our custodian of choice based on:

1. Their competitive transaction charges, trading platform, and on-line services for account administration and operational support.
2. Their general reputation, trading capabilities, investment inventory, their financial strength, and our personal experience in working with the staff for each financial institution.

Since we do not recommend, suggest, or make available a selection of custodians other than Schwab, TDA, and Fidelity, **best execution may not always be achieved**. Therefore, **you do not have to accept our recommendation to use either of these financial institutions as your custodian**. However, if you direct us to use another custodian, **we may not be able to provide you complete institutional services and such service may cost you more in transaction fees**.

Aggregating Trade Orders

Our objective in order execution is to act fairly, impartially, and to take all reasonable steps to obtain the best possible results (known as "best execution") for our clients. Therefore, we typically bunch (aggregate) orders for a block trade when: (i) the bunching of orders is done for the purpose of achieving best execution; and, (ii) no client is systematically advantaged or disadvantaged by bunching the orders.

In consideration of these objectives, we will take into account the unique execution factors of the buy/sell order before bunching accounts for a block trade. A few of those factors are:

- **Security Trading Volume** – Bunching orders in a block trade can secure price parity and continuity for our clients during heavy trading activity.
- **Number of Clients** – The fewer the number of client accounts involved in the bunched order may not yield better pricing or order execution; it may be more advantageous to perform an individual market order for each client. In addition, preparing individual market orders, for the small number accounts involved, may be quicker to complete than preparing a bunch order.
- **Financial Instruments** – The type of security involved as well as the complexity of order can affect our ability to achieve best execution.

Cross Trades

We will, from time to time, direct a "cross trade" of securities between client accounts, whereby we arrange for one client account to purchase a security directly from another client account through the same broker-dealer. In such transactions, the selling account has a need to dispose of the security, while the buying account has a need for the security. We may direct a cross trade when we believe that the transaction is in the best interest of the clients, that no client will be disadvantaged by the transaction, and that the transaction is consistent with our duty to seek best execution. We are not a broker-dealer and will not receive any compensation from a cross trade. However, the broker-dealer facilitating the cross trade will typically charge administrative fees to the client accounts participating in the cross trade.

Cross trades present a conflict of interest because we represent the interests of both the selling client account and the buying client account in the same transaction. Therefore, there is the potential for one client account to be favored over another. To address this and other potential conflicts of interest, we have adopted policies and procedures that, among other things, (i) prohibit cross trades in accounts subject to ERISA, or between client accounts and accounts belonging to us or our employees; (ii) require the cross trade to be consistent with investment restrictions and guidelines of each participating client; (iii) require administrative fees to be equally split between the participating clients; and (iv) require us to instruct the broker-dealer to execute the transaction between the established market bid and ask price at the time of the transaction.

If you have any questions regarding our policy on cross trades, please contact us.

REVIEW OF ACCOUNTS

ITEM 13

Portfolio Management Reviews

Each client account is reviewed on an ongoing basis by the designated portfolio manager with oversight by FBB's Investment Committee. The general economy, market conditions, and/or changes in tax law can trigger more frequent reviews. Cash needs will be adjusted as necessary. Material changes in your personal/financial situation and/or investment objectives will require additional review and evaluation for us to properly advise you on revisions to previous recommendations and/or services. However, it is **your responsibility to communicate these changes** for us to make the appropriate corrections to your management account(s).

You will receive statements, at least quarterly, from the custodian where your account(s) are held in custody that identifies your current investment holdings, the cost of each of those investments, and their current market values.

You are encouraged to review the trading activities disclosed on your account statements which summarizes your portfolio account value, current holdings, and all account transactions made during the quarter. **It is important for you to review these documents for accurate reporting and to determine whether we are meeting your investment expectations**.

Financial Planning Reviews

The financial planner who has designed your financial plan will will work closely with you to be sure the action points identified in the financial plan have been or are being properly executed. Once the action points have been completed, the financial plan should be reviewed at least annually. Material changes in your lifestyle choices, personal circumstances, the general economy, or tax law changes can trigger more frequent reviews. However, **it is your responsibility to communicate these changes** to us so that the appropriate adjustments can be made.

CLIENT REFERRALS & OTHER COMPENSATION

ITEM 14

Referral Compensation

We do not compensate persons/firms for client referrals.

Other Compensation (Indirect Benefit)

The Company receives an indirect economic benefit from Schwab, TDA, and Fidelity (See "Custodial Services" above under Item 12, "**Brokerage Practices**" for more detailed information on what these services and products could be.)

Financial Planning Compensation

There are also potential conflicts of interest when our financial planners suggest the need for outside consultations and professional services (i.e., attorneys, accountants, insurance agents, etc.) to implement certain aspects of a financial plan. Even though they do not share in any fees earned by the outside professionals when implementing a financial plan, or receive any commission in recommending insurance products or brokerage services, it does create an incentive on their part to refer your business to only those professionals that in turn refer potential clients to the Company. This can eliminate the possibility for you to be referred to someone who may provide equivalent professional services, and possibly at a lower cost.

Therefore, to ensure you understand the full relationship between our financial planners and to any outside parties that they may refer business, as well as the choices and risks you have in receiving financial planning along with all other investment recommendations, the following disclosures are provided:

- You are under no obligation to engage any outside professionals (i.e.; financial, estate, tax, insurance agent, registered representative, etc.) we recommend. You are free to choose those outside professionals to implement the recommendations made in the financial or estate plan.

- Certain aspects of a financial plan require the assistance of a Registered Representative of a broker-dealer to execute securities transaction and/or a licensed insurance agent to purchase insurance products. In these situations, regardless of who performs the transaction(s), such person will earn a commission.
- The Company does not receive any economic benefit form referring you to another professional without first notifying you of such possibilities.

Notwithstanding such potential conflicts of interest, we strive to serve your best interest and ensure such disclosures are being properly made to you in compliance with the Investment Advisers Act of 1940, Rule 275.206.

CUSTODY

ITEM 15

Management Fee Deduction & SLOAs

We do not take possession of or maintain custody of your funds or securities but will simply monitor the holdings within your portfolio and trade your account based on your stated investment objectives and guidelines. Physical possession and custody of your funds and/or securities shall be maintained with Charles Schwab & Company, Inc. and/or TD AMERITRADE, Inc. as indicated above in Item 12, "**Brokerage Practices**."

We are however defined as having custody since clients have authorized us to deduct their advisory fees directly from their accounts and to disburse funds from their accounts to a third-party under a Standing Letter of Authorization ("SLOA"). Therefore, to comply with the United States Securities and Exchange Commission's Custody Rule (1940 Act Rule 206(4)-2) requirements, and to protect clients as well as to protect our advisory practice, we have implemented the following regulatory safeguards:

- Client funds and securities are maintained with a qualified custodian (Schwab, TDA, or Fidelity) in a separate account in the client's name.
- Authorization to withdraw our management fees directly from client accounts will be approved by the client prior to engaging in any portfolio management services.
- Any SLOA established with a client to disburse funds to a third-party must adhere to the following conditions:
    1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third-party's address or the third party's account number at a custodian to which the transfer should be directed.
    2. The client authorizes us, in writing, either on the qualified custodian's form or separately, to direct transfers to the third-party either on a specified schedule or from time to time.
    3. The qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
    4. The client has the ability to terminate or change the instruction to the qualified custodian.
    5. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third-party contained in the client's instruction.

6. We maintain records showing that the third party is not a related party of the Company or located at the same address as the Company.
7. The qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Schwab, TDA, and Fidelity are required by law to send you, at least quarterly, brokerage statements summarizing the specific investments currently held in your account, the value of your portfolio, and account transactions. **You are encouraged to compare the financial data contained in our report and/or itemized fee notice with the financial information disclosed in your account statement from Schwab, TDA, or Fidelity to verify the accuracy and correctness of our reporting**.

INVESTMENT DISCRETION

ITEM 16

We have you complete our Investment Advisory Agreement, which sets forth our discretionary trading authority to buy and sell securities in whatever amounts are determined to be appropriate for your account and whether such transactions are with, or without, your prior approval.

You may, at any time, impose restrictions, **in writing**, on our discretionary authority (i.e., limit the types/amounts of particular securities purchased for your account, exclude the ability to purchase securities with an inverse relationship to the market, limit our use of leverage, etc.).

VOTING CLIENT SECURITIES

ITEM 17

We are responsible for voting your proxy solicitations, and shall do so in conjunction with the proxy voting administrative and due diligence services provided by Proxy Edge, an unaffiliated nationally recognized proxy voting service of Broadridge Financial Solutions, Inc. ("Broadridge"). However, you shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the assets, including, but not limited to, class action lawsuits. We, in conjunction with the services provided by Broadridge, shall monitor corporate actions of individual issuers and investment companies consistent with our fiduciary duty to vote proxies in your best interest. With respect to individual issuers, We may be solicited to vote on matters including corporate governance, adoption or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. With respect to investment companies (e.g., mutual funds), We may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. We (in conjunction with the services provided by Broadridge) shall maintain records pertaining to proxy voting as required under the Advisers Act. Information pertaining to how we voted on any specific proxy issue is also available upon written request. If you have any questions regarding our proxy voting policy, you may contact our office.

FINANCIAL INFORMATION

ITEM 18

We are not required to include financial information in our Disclosure Brochure since we will not take physical custody of client funds or securities or bill client accounts six (6) months or more in advance for more than $1,200.

We are not aware of any current financial conditions that are likely to impair our ability to meet our contractual commitments to you. In addition, the Company has not, nor have any of our officers and directors, been the subject of a bankruptcy petition at any time during the past ten years.

END OF DISCLOSURE BROCHURE