

# Williams Financial, LLC

## Firm Brochure - Form ADV Part 2A



*This brochure provides information about the qualifications and business practices of Williams Financial, LLC. If you have any questions about the contents of this brochure, please contact us at (866) 986-4469 or by email at [james@williamsfinancial.net](mailto:james@williamsfinancial.net). 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 Williams Financial, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Williams Financial, LLC's CRD number is: 137038*

204 Union Street  
Bennington, Vermont 05201  
Main: (866) 986-4469  
[www.williamsfinancial.net](http://www.williamsfinancial.net)

28 Clinton Street, Suite 2  
Saratoga Springs, NY 12866

14 Monument Square, Suite 402  
Leominster, MA 01453

*Registration does not imply a certain level of skill or training.*

Version Date: 02/24/2022

## Item 2: Material Changes

The firm has made the following material changes in this brochure from the last annual updating amendment of Williams Financial, LLC on February 22, 2021. Material changes relate to Williams Financial, LLC policies, practices or conflicts of interests only.

- Williams Financial, LLC has transitioned to registration with the United States Securities and Exchange Commission from its prior registration at the state level.
- The firm has updated Item 12 to indicate it does not receive soft dollar benefits and has updated Item 14 to indicate it receives economic benefits from the broker-dealer.
- Williams Financial, LLC has updated its fees and compensation. (Item 5)

## Item 3: Table of Contents

Item 2: Material Changes.....	2
Item 3: Table of Contents.....	3
Item 4: Advisory Business .....	4
Item 5: Fees and Compensation.....	9
Item 6: Performance-Based Fees and Side-By-Side Management.....	12
Item 7: Types of Clients.....	12
Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss .....	12
Item 9: Disciplinary Information.....	16
Item 10: Other Financial Industry Activities and Affiliations.....	17
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	17
Item 12: Brokerage Practices .....	18
Item 13: Reviews of Accounts .....	19
Item 14: Client Referrals and Other Compensation .....	20
Item 15: Custody .....	21
Item 16: Investment Discretion.....	21
Item 17: Voting Client Securities (Proxy Voting) .....	21
Item 18: Financial Information.....	22

## Item 4: Advisory Business

### A. Description of the Advisory Firm

Williams Financial, LLC is a Limited Liability Company organized in the state of Vermont. This firm has been in business since September 05, 2005 and registered as an investment adviser since November 9, 2005. In March 2017, Williams Financial Management, LLC changed its name to Williams Financial, LLC. The principal owner is James J. Williams, CFP®, MBA.

The firm provides financial planning, investment management, and investment advisory services on a “Fee-Only” basis. “Fee-Only” means that we do not sell any financial products for a commission; we offer comprehensive advice and services. We hold to a *fiduciary standard* – at all times. This means that we are required to act in the utmost good faith and will perform in a manner that is in our clients’ best interest. Our position is that the “Fee-Only” method of compensation is the most transparent and objective method available.

### B. Types of Advisory Services

Williams Financial, LLC (hereinafter “WF”) offers the following services to advisory clients:

#### **Introduction Meeting**

We typically conduct an initial, complimentary meeting with each prospective client (“you”). The financial planner will be qualified to determine the scope of services that we will provide. If you decide to engage our services, we will enter into a written agreement together.

#### ***Financial Planning Services***

We believe that everyone should have a dynamic financial plan that is updated throughout their life. A well-crafted comprehensive plan will help take the guesswork out of managing financial decisions and provide a purposeful direction in life.

Depending on each client’s unique circumstances or specific request, our services may be comprehensive, or we may focus on a particular area of interest or need. Our practice includes, though is not limited to, the following areas for:

#### **Individuals and Families**

- retirement planning
- investment advice and review
- tax planning
- risk management (e.g., various types of insurances)
- philanthropic and charitable planning
- intragenerational wealth planning
- estate planning
- education funding
- cash flow and debt management

## ***The Financial Planning Process***

Once we have signed an agreement, we will obtain additional information from you or from anyone else you tell us is legally acceptable (e.g., another adviser, legal counsel, etc.). This information will help us to understand your financial needs, goals, holdings, etc.

We follow the Certified Financial Planner Board of Standards recommended six steps:

1. Agree on how to work together by establishing and defining the client-planner relationship
2. Gather information about your finances and set goals and objectives
3. Analyze and evaluate your current financial status
4. Develop and present financial planning recommendations and/or alternatives
5. Put the financial plan into motion by implementing the recommendations
6. Monitor the progress and update your financial plan on a regular basis

In performing our services, we may independently verify any information you give us, though it is not a requirement that we do so, and sometimes we will simply take you at your word. We base our financial advice and/or plans on the information that you give us, and we incorporate your financial situation as of the time that we present the plan to you.

We typically employ a long-term investment perspective, unless a client specifically requests otherwise. WF may assist you in developing a portfolio we believe is appropriate given your unique investment objectives and tolerance for risk. As a client of WF, you will retain absolute discretion (control) over whether and how to implement the advice we give you. You are always free to accept or reject any recommendation we make. If there is any change in your financial situation or investment objectives, you should let WF know right away so that we may work with you to review and possibly revise our recommendations and stay on track with your goals.

We are an investment advisory firm — we do not provide legal advice. If you would like us to, we will work together with your attorney, insurance agent, or other professional advisers to coordinate and implement the strategies we've agreed on. You should be aware that your other professional advisers will bill you separately for their services, and their fees will be in addition to those of WF. We do not share our fees with these other professionals, and they don't share their fees with us.

When you engage WF only for as-needed financial planning and investment advisory services, that engagement will normally conclude when we deliver the requested service (such as a financial plan). We encourage you to engage with us in the future, so we may review your situation and recommend any changes needed to keep your financial plan in line with your goals. We recommend periodic reviews, and it is each client's responsibility to contact us and initiate a review. Unless we have a written agreement already in place that specifically includes review and updates, a new or amended written agreement may be required. For clients desiring ongoing services after an initial financial plan, we offer both integrated wealth management and professional investment management services. See below for more information about these services. More information regarding our fees is provided in Item 5 of this brochure (Fees and Compensation).

## ***Integrated Wealth Management Services***

Once you have completed your financial plan, it's time to implement and monitor the recommendations. We believe that financial planning is a process, not just a document, and as such, a strong financial plan needs consistent monitoring and updating. Most of our clients want comprehensive wealth management services that include annual reviews of their financial plan and ongoing professional investment management, as well as regular communication with their advisor throughout the year.

Our integrated wealth management process contains four distinct steps, each of which are vitally important to achieving the ultimate goal of helping our clients accomplish not just their financial goals but their life goals as well.

1. **Client Relationship** – Our process starts with establishing a client relationship that is built on mutual communication, education, and trust. This is the most important step. We use engagement standards to clearly outline in writing our communication structure. We ask that you educate us on your past experiences, present needs, and future goals. We educate you on financial matters and explain how we are developing recommendations based on mathematics and science, as well as our own philosophy and biases. Lastly, we believe trust is built over time as we continuously execute our stated service levels and meet the expectations outlined in the engagement standards.
2. **Client Profile** – Understanding our clients' needs, hopes, and wishes is often a detailed and complex matter. It takes time and information to create meaningful life and financial goals and objectives. There is a continuous process of data gathering and analysis. We use this step to explore topics like: client stated goals, client "hidden" goals, client interests, client values, family relationships, risk tolerance, behavioral biases, client constraints, personal income and net worth statements, tax profile, other advisors (CPAs, attorneys, etc.), and market expectations.
3. **Wealth Management Investment Policy Statement** – Building from the now established client relationship and the information gathered and prepared during the Client Profile step, the next step is to develop a customized Investment Policy Statement (IPS). It serves as the governing document for all investment management decisions. It establishes the specific investment objectives (return and risk), as well as any constraints such as liquidity (cash flow needs), time horizon, tax considerations, and unique circumstances. Finally, the IPS establishes the planned tactical asset allocation strategy(ies) and the process and responsibilities for implementing, monitoring, and reviewing.
4. **Professional Investment Management Services, Monitoring, and Market Review** – We move to the fourth step only after we have established a relationship based on communication, education, trust, understanding, data gathering, and analysis. In this step, recommendations are explored and mutually decided upon; then we implement, monitor, and review the financial plan. This is an iterative process that relies on ever-changing information, such as changes in client circumstances, performance, and market conditions. Behavioral tendencies are often exhibited in this step, especially in response to volatile market conditions. This is why we rely on our comprehensive four-

step wealth management process to help guide our client to make good, long-term decisions that help them best achieve their goals.

More information about our methods of analysis, investment strategies and risk of investment loss are provided in Item 8 of this brochure (Methods of Analysis, Investment Strategies, and Risk of Investment Loss). More information regarding our fees is provided in Item 5 of this brochure (Fees and Compensation).

Generally, we meet with each Integrated Wealth Management client annually, upon their request. Further, your financial planner is available throughout the year to answer any financial planning, investment management or account related questions. This service requires a minimum of \$500,000 in discretionary or non-discretionary investable assets.

### ***Professional Investment Management Services***

This service is for clients who seek professional investment management services only and prefer to complete and implement their own financial plan. While WF strongly encourages each client to holistically review their finances and consider using our integrated wealth management service, we understand that not all clients have the need for ongoing financial planning advice and an annual financial plan update.

WF offers ongoing professional investment management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. WF creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Professional investment management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

WF evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. WF will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

More information about our methods of analysis, investment strategies and risk of investment loss are provided in Item 8 of this brochure (Methods of Analysis, Investment Strategies, and Risk of Investment Loss). More information about our fees is provided in Item 5 of this brochure (Fees and Compensation). Generally, we meet with each Professional Investment Management client annually, upon their request. Further, your financial planner is available throughout the year to answer any investment or account related questions. This service requires a minimum of \$500,000 in discretionary investable assets.

### ***Williams Digital Portfolios - Investment Management Services***

This service is for clients who do not meet the investable minimums of our other services but seek help managing their investments. It provides the same institutional-level professional investment

management services available at other service levels but with less face-to-face client services. For example, this service level does not provide annual client meetings. Most services are delivered digitally, through electronic delivery of information, recommendations, documents, and disclosures. Financial planners are available throughout the year to answer any investment or account related questions via email or phone support only.

WF offers ongoing professional investment management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. WF creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Professional investment management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

WF evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. WF will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

More information about our methods of analysis, investment strategies and risk of investment loss are provided in Item 8 of this brochure (Methods of Analysis, Investment Strategies, and Risk of Investment Loss). More information about our fees is provided in Item 5 of this brochure (Fees and Compensation).

This service requires no minimum in discretionary investable assets.

### ***Pension Consulting Services***

WF offers consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans). Pension consulting may include, but is not limited to:

- identifying investment objectives and restrictions
- providing guidance on various assets classes and investment options
- recommending money managers to manage plan assets in ways designed to achieve objectives
- monitoring performance of money managers and investment options and making recommendations for changes
- recommending other service providers, such as custodians, administrators and broker-dealers
- creating a written pension consulting plan

### ***Services Limited to Specific Types of Investments***

WF generally limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, real estate, hedge funds, REITs, insurance products including annuities, private placements, and government securities. WF may use other securities as well to help diversify a portfolio when applicable.

### C. Client Tailored Services and Client Imposed Restrictions

WF offers the same suite of services to all its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent WF from properly servicing the client account, or if the restrictions would require WF to deviate from its standard suite of services, WF reserves the right to end the relationship.

### D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. WF does NOT participate in any wrap fee programs.

### E. Amounts Under Management

WF has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Total AUM	Date Calculated:
\$152,366,787	\$1,947,165	\$154,313,952	12/31/2021

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Financial Planning Fees*

Financial Planning Services are offered and billed based on complexity and unique client needs. Financial Planning Services are flat fees and generally cost \$6,000, however some more complex plans may range from \$6,000 - \$12,000 or more. Prior to the planning process the client will be provided an estimated plan fee. A portion of the fee may be waived if the client engages in additional ongoing services like Integrated Wealth Management, Professional Investment Management, or Williams Digital Portfolio services. Financial Planning services are detailed in the engagement agreement. Services are limited to the engagement agreement and are generally delivered in four (4) to twelve (12) weeks unless delayed by the client. Services conclude 30 days after the delivery of the plan.

The fees are negotiable, and the final fee schedule will be attached to the Financial Planning Agreement. Fees are paid fifty percent in advance, but never more than six months in advance, with the remainder due upon presentation of the plan. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination. Clients may terminate their contracts without penalty within five business days of signing the advisory contract. The fee refunded will be the balance of the fees collected in advance.

***Integrated Wealth Management Services Fees***

(Financial planning, professional investment management, tax planning and estate planning services)

Total Assets Under Management	WF Fee	Software Fee	Total Annual Fee
\$1 to \$1,000,000	1.25%	0.07%	1.32%
\$1,000,001 to \$3,000,000	1.00%	0.07%	1.07%
\$3,000,001 to \$5,000,000	0.85%	0.07%	0.92%
Above \$5,000,001	0.60%	0.07%	0.67%

***Professional Investment Management Services Fees***

(Professional investment management services only)

Total Assets Under Management	WF Fee	Software Fee	Total Annual Fee
\$1 to \$500,000*	1.25%	0.07%	1.32%
\$500,001 to \$1,000,000	1.00%	0.07%	1.07%
\$1,000,001 to \$3,000,000	0.85%	0.07%	0.92%
\$3,000,001 to \$5,000,000	0.65%	0.07%	0.72%
Above \$5,000,001	0.50%	0.07%	0.57%

\*this level is available to legacy clients only. WF has a minimum of \$500,000 in investable assets.

***Williams Digital Portfolios - Investment Management Services Fees***

(Professional investment management services only)

Total Assets Under Management	WF Fee	Software Fee	Total Annual Fee
Above \$1	1.00%	0.07%	1.07%

These fees are negotiable depending upon the needs of the client and complexity of the situation, and the final fee schedule is attached to the Investment Advisory Contract. Fees are paid quarterly in arrears, and clients may terminate their contracts with thirty days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. For accounts that are held at Schwab, advisory fees are withdrawn directly from the client's accounts with client written authorization.

### ***Pension Consulting Services Fees***

The rate for pension consulting services 1% of the plan assets for which WF is providing such consulting services.

## **B. Payment of Fees**

### ***Payment of Integrated Wealth Management Services and Professional Investment Management Services Fees***

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in arrears.

### ***Payment of Financial Planning Fees***

Financial Planning fees are paid via check or credit card fifty percent (50%) in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

### ***Payment of Pension Consulting Services Fees***

Pension Consulting fees are withdrawn directly from client account with client written authorization or may be invoiced and payable via cash, check, or wire. Fees are paid quarterly in arrears.

## **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by WF. Please see Item 12 of this brochure regarding broker/custodian.

## **D. Prepayment of Fees**

WF collects certain fees in advance and certain fees in arrears. Refunds for fees paid in advance will be returned within fourteen days to the client via check or return deposit back into the client's account.

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

## **E. Outside Compensation For the Sale of Securities to Clients**

Neither WF nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

## Item 6: Performance-Based Fees and Side-By-Side Management

WF does not accept performance-based fees or other fees based on a share of capital gains or capital appreciation of the assets of a client.

## Item 7: Types of Clients

WF generally provides investment advice and/or management supervisory services to the following types of clients:

- High net worth individuals and families
- Individuals and families (other than high net worth individuals)
- Trusts, Estates, or Charitable Organizations
- Corporations or Business Entities

### ***Minimum Account Size***

Financial planning services do not have a minimum account size or income level. WF integrated wealth management services and professional investment management services have a minimum investable asset of \$500,000 per household. This minimum may be waived at the discretion of the firm.

## Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss

### **A. Methods of Analysis and Investment Strategies**

#### ***Methods of Analysis***

WF's methods of analysis include fundamental analysis, technical analysis, cyclical analysis and modern portfolio theory.

- **Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.
- **Technical analysis** involves the analysis of past market data; primarily price and volume.
- **Cyclical analysis** involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.
- **Modern portfolio theory** is a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets.

## ***Investment Strategies***

WF uses long-term trading and short-term trading strategies.

- **Tactical Asset Allocation** is about staying in harmony with market trends and countertrends. Tactical Asset Allocation seeks to invest in an asset once it has entered an uptrend and exit once it has entered a downtrend. Tactical Asset Allocation involves using different methodologies - relative strength/momentum, countertrend analysis, inter-market analysis and different time frames (daily, weekly, monthly, etc.). Tactical asset allocation is an active management strategy that allows an adviser to seek extra value by rebalancing the percentage of assets held in various categories to take advantage of strong market sectors.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### ***Methods of Analysis***

#### *Risks Associated with Methods of Analysis*

WF's securities analysis methods rely on the assumption that the companies whose securities the firm purchases and sells, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While the firm is alert to indications that data may be incorrect, there is always the risk that WF's analysis may be compromised by inaccurate or misleading information.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

**Traditional Asset Allocation (Modern Portfolio Theory)** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a

portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

### ***Investment Strategies used in Discretionary Investment Management***

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading generally hold greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

#### ***Risk in General***

Investing in securities involves risk of loss that each client should be prepared to bear. Typical investment risks include market risk typified by a drop in a security's price due to a company specific event (e.g. unsystematic risk), or general market activity (e.g., systematic risk). In addition, certain strategies may impose more risk than others. For example, with fixed-income securities, a period of rising interest rates could erode the value of bonds, since bond values generally fall as bond yields rise. Investment risk with international equities also includes fluctuation in currency values, differences in accounting and economics and political instability. The analysis of securities requires subjective assessments and decision-making by experienced investment professionals, however, there is always the risk of an error in judgment.

#### ***Risk Associated with Specific Securities Utilized***

**Equity Securities** - The major risks associated with investing in equity securities relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk and the company's ability to create shareholder value (e.g., increase the value of the company's stock price).

**Exchange Traded Funds** - ETFs are subject to risks similar to those of stocks. Investment returns will fluctuate and are subject to market volatility, so that when shares are sold they may be worth more or less than their original cost. ETF shares are bought and sold at market price (not Net Asset Value) and are not individually redeemed from the fund.

**Equity Mutual Funds** - The major risks associated with investing in equity mutual funds is similar to the risks associated with investing directly in equity securities, including market risk, which is the risk that investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Other risks include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold their shares in the fund.

**Fixed-Income Mutual Funds** - In addition to the risks associated with investing in equity mutual funds, fixed-income mutual funds also carry the following risks:

- Credit Risk – the risk that a company or bond issuer may fail to pay principal and interest payments in a timely manner.
- Interest Rate Risk – the risk that the market value of the bonds will go down when interest rates rise.
- Prepayment Risk – the risk that a bond will be paid off early.

**Options** - There are numerous risks associated with transactions in options on securities or securities indexes. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. In the case of index options, the client incurs basis risk between the performance of the underlying portfolio and the performance of the underlying index. For example, the underlying portfolio may decline in value while the underlying index may increase in value, resulting in a loss on the call option while the underlying portfolio declines as well.

**Alternative Investments** - The performance of alternative investments (e.g., commodities, futures, hedge funds; funds of hedge funds, private equity or other types of limited partnerships) can be volatile. Alternative investments generally involve various risk factors and liquidity constraints, a complete discussion of which is set forth in the offering documents of each specific alternative investment. Due to the speculative nature of alternative investments a client must satisfy certain income or net worth standards prior to investing.

**Technical Trading Models** - The primary risk of technical trading models is that historical trends and past performance cannot predict future trends and there is no assurance that the mathematical algorithms employed are designed properly, are updated with new data or updated in a timely manner, or can accurately predict future market, industry and sector performance.

#### *Additional Risks*

**Frequent Trading and Investment Performance** - Tactical strategies are actively managed in a daily basis and frequent trading may occur. Strategies involving frequent trading of securities can affect investment performance through increased brokerage and other transaction costs and taxes.

**Concentrated Portfolios** - Concentrated portfolios are an aggressive and highly volatile approach to trading and investing. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic price swings. In addition, the rise or drop in price of any given holding is likely to have a larger impact on portfolio performance, than a more broadly diversified portfolio.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

WF generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

Investing in securities involves risk of loss that clients should be prepared to bear. Clients of the firm first meet with an adviser to determine their specific investment objective, risk tolerance and time horizon. Based on the information communicated during the meeting(s), the adviser recommends an asset allocation strategy. This asset allocation strategy is determined through proprietary research and is generally based on Modern Portfolio Theory. Once the asset allocation is determined, specific investment in each class are chosen. Usually, this consists of allocations represented by stocks (large-cap, mid-cap, and small-cap, domestic, international and emerging), bonds (short-durations, intermediate-duration, long-durations, investment grade, and high-yield, domestic, foreign and inflation-protected) and alternatives (REITs, precious metals, commodities, utilities, as well as others). In each class there is a risk of capital loss. The risk of investing in stocks and alternatives is market volatility that may result in the loss of assets. The risk of investing in fixed income securities is interest rate risk and default, which may result in loss of assets.

### ***Investment Models and Strategies for Tactical, Discretionary Investment Management Services***

The firm uses five different asset allocation strategies as a base to construct individual accounts for clients. These tactical asset allocation strategies are referred to as Aggressive Growth, Moderate Growth, Balanced, Moderately Conservative, or Conservative. At any time, the construction of these strategies may change, as determined by the Chief Investment Officer. In general, the firm uses a blended approach to investing. The firm uses mostly low-cost mutual and exchange traded funds or index funds to give clients a wide array of invest class exposure. Trading securities can affect investment performance, specifically through increases in brokerage commissions and transaction fees. Due to this, the firm may hold investments for the long-term and may not trade frequently.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

## Item 10: Other Financial Industry Activities and Affiliations

### A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither WF nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

### B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither WF nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

### C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

WF also provides accounting, tax preparation and bookkeeping at an hourly rate.

### D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

WF does not share fees with other advisers or managers.

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

### A. Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

### B. Recommendations Involving Material Financial Interests

WF does not recommend that clients buy or sell any security in which a related person to WF or WF has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of WF may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of WF to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. WF will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of WF may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of WF to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. WF will always transact client's transactions before its own when similar securities are being bought or sold.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

WF considers the following factors when determining which custodian to recommend to clients; relatively low transaction fees, name recognition, powerful background and access to mutual funds and ETFs. Based on these factors, Charles Schwab & Co., Inc., CRD # 5393, was chosen to be the recommended custodian. WF will never charge a premium or commission on transactions, beyond the actual cost imposed by the custodian.

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

WF receives no research, products, or services either from its broker-dealer or another third-party in connection with client securities transactions ("soft dollar benefits").

#### ***Brokerage for Client Referrals***

WF receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### ***Clients Directing Which Broker-Dealer/Custodian to Use***

WF will not allow clients to direct WF to use a specific broker-dealer to execute transactions. Clients must use WF's recommended custodian (broker-dealer). Not all advisors require clients to direct brokerage via a specific broker-dealer.

## **B. Aggregating (Block) Trading for Multiple Client Accounts**

WF maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing WF the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

# **Item 13: Reviews of Accounts**

## **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

### ***Reviews for Investment Advisory Services***

Client accounts are reviewed at least quarterly by James J. Williams, CEO and all registered Investment Adviser Representatives as assigned. James J. Williams is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at WF are assigned to this reviewer.

### ***Recommended Reviews Financial Planning***

All financial planning accounts are reviewed upon financial plan creation and plan delivery by James J. Williams, CEO.

You should contact our firm for additional reviews when making decisions about changes in your financial situation (i.e., the loss of a job, retirement, receipt of a significant bonus, an inheritance, the birth of a new child, or other circumstances).

Periodic financial check-ups or reviews are recommended if you are receiving our financial planning and investment advisory services, and we recommend that they occur at least on an annual basis whenever practical.

If your engagement agreement calls for ongoing financial planning and investment advisory services, we encourage you to schedule these meetings in advance or you will be contacted per your plan schedule for continued review.

Reviews will be conducted by your selected investment advisor representative or financial planner and normally involve analysis and possible revision of your previous financial plan or investment allocation.

## **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive at least monthly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian. WF does not provide additional written reports, all required reports will be sent by the custodian.

Clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

Charles Schwab & Co., Inc. provides our firm with access to Schwab's institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab. Schwab's services includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to our firm other products and services that benefit our firm but may not benefit its clients' accounts. These benefits may include national, regional or specific educational events organized and/or sponsored by Schwab. Other potential benefits may include occasional business entertainment of personnel of our firm by Schwab personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist our firm in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of our firm's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of our firm's accounts. Schwab also makes available to our firm other services intended to help our firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to our firm by independent third parties. Schwab may discount or waive fees it would otherwise charge

for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Our firm is independently owned and operated and not affiliated with Charles Schwab & Co., Inc.

## **B. Compensation to Non – Advisory Personnel for Client Referrals**

WF and associated personnel may be members of financial planning professional associations such as NAPFA and FPA. These associations may allow interested parties (prospective clients) to search for participant firms (such as WF) or individual financial planners within a selected state or region via their websites. Online search tools provided by these associations may list advisory firm or individual financial planner contact information, and these passive websites may also provide means for interested persons to contact a firm or planner via electronic mail or telephone number in order to interview the participant firm or planner. Members of the public may also choose to telephone association staff to inquire about a firm or individual planner within their area and would receive the same or similar information. Prospective clients locating WF or an individual associate via an association venue are not actively marketed by these organizations. Clients referred to our firm in this manner do not pay more for their services than other clients who referred in other ways, such as through a personal referral.

## **Item 15: Custody**

WF, with client written authority, has limited custody of client's assets through direct fee deduction of WF's fees only. Actual custody of all client's assets and holdings is maintained at the custodian. Clients will receive all required account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Clients will receive statements from the custodian. WF does not provide account statements to clients in addition to those provided by the custodian.

## **Item 16: Investment Discretion**

WF provides discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Contract established with each client outlines the discretionary authority for trading. When the client grants investment discretion to WF, WF will generally manage the client's account and makes investment decisions without consultation with the client as to what securities to buy or sell, when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, or the price per share.

## **Item 17: Voting Client Securities (Proxy Voting)**

WF will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## Item 18: Financial Information

### A. Balance Sheet

WF does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither WF nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

### C. Bankruptcy Petitions in Previous Ten Years

WF has not been the subject of a bankruptcy petition in the last ten years.

## **Williams Financial, LLC**

EFFECTIVE 2/12/2020

### **PRIVACY POLICY OF WILLIAMS FINANCIAL, LLC**

Williams Financial, LLC has adopted this policy with recognition that protecting the privacy and security of the personal information we obtain about our customers is an important responsibility.

We also know that you expect us to service you in an accurate and efficient manner. To do so, we must collect and maintain certain personal information about you. We want you to know what information we collect and how we use and safeguard that information.

### **WHAT INFORMATION WE COLLECT**

We collect certain nonpublic personal identifying information about you (such as your name, address, social security number, etc.) from information that you provide on applications or other forms as well as communications (electronic, telephone, written or in person) with you or your authorized representatives (such as your attorney, accountant, etc.). We also collect information about your brokerage accounts and transactions (such as purchases, sales, account balances, inquiries, etc.).

### **WHAT INFORMATION WE DISCLOSE**

We do not disclose the nonpublic personal information we collect about our customers to anyone except:

(i) in furtherance of our business relationship with them and then only to those persons necessary to effect the transactions and provide the services that they authorize (such as broker-dealers, custodians, independent managers etc.); (ii) to persons assessing our compliance with industry standards (e.g. Professional licensing authorities, etc.); (iii) our attorneys, accountants, and auditors; or (iv) as otherwise provided by law.

We are permitted by law to disclose the nonpublic personal information about you to governmental agencies and other third parties in certain circumstances (such as third parties that perform administrative or marketing services on our behalf or for joint marketing programs). These third parties are prohibited to use or share the information for any other purpose. If you decide at some point to either terminate our services or become an inactive customer, we will continue to adhere to our privacy policy, as may be amended from time to time.

Prior written permission is required before disclosing a client's personal information to third parties.

### **SECURITY OF YOUR INFORMATION**

We restrict access to your nonpublic personal information to those employees who need to know that information to service your account. We maintain physical, electronic and procedural safeguards that comply with applicable federal or state standards to protect your nonpublic personal information.

### **CHANGES TO OUR PRIVACY POLICY OR RELATIONSHIP WITH YOU**

Our policy about obtaining and disclosing information may change from time to time. We will provide you notice of any material change to this policy before we implement the change.