

HBW Advisory Services LLC overview:

HBW Advisory Services LLC (HBWAS) is a Registered Investment Advisor (RIA) firm that provides money management for clients. At HBWAS the client's best interest always comes first. Our Investment Advisor Representatives rely on the investment expertise of the firm and the strategic partnerships the firm has with experienced, SEC Registered Investment Advisory firms that have developed time-tested, disciplined investment processes to manage investment risk for our clients. At HBWAS we believe it is in our client's best interest to have the full-time, experienced, disciplined, proven money managers managing their money, not their Representative who's role is spending most of their time on client acquisition and client relationships. Consequently, Representatives seeking to be their own money manager (construct, manage and maintain their own investment models with no third party SEC Investment Advisory Firm involvement) will not be a good fit at our firm. HBWAS provides our Representatives with a wide array of investment solutions within a framework that minimizes risk and exposure to our advisors and our firm while at the same time providing superior money management for our clients. Here is an overview of what HBW Advisory Services has to offer our Investment Advisor Representatives:

Trust Company of America:

This Multi-Manager Platform is our flagship platform at HBWAS. All assets on this platform are assets of our firm (and the Representative) and this platform should be our Representative's first choice for their client's accounts. HBWAS has selected and retained some of the top money managers in the industry to sub-advise and manage assets for our firm on this platform at Trust Company of America (TCA). This platform provides tactical, strategic, quantitative and technical investment strategies through 15 different RIA firms and over 40 different investment options from Conservative to Aggressive which include 'Strategic' investment strategies (tactically managed asset allocation strategies) that the firm believes should meet the needs of investors accustomed to more traditional 'buy-and-hold' asset allocations. Each of the RIA sub-advisors and their strategies are under constant due-diligence (monitoring and review) by the firm to make sure they are performing as expected. Strategies that perform poorly are subject to be removed or replaced at the firm's discretion. Client's invested in strategies that are removed or replaced are automatically re-mapped to the replacement strategy or closest available strategy unless the Representative notifies us otherwise. In this way, clients are never left in strategies that are not performing as expected. This platform aggregates all accounts to provide the lowest possible cost of money management to every client, regardless of invested amount while providing a flat 1.0% per year wrap-fee to the Representative so that allocations can be made without conflict of interest (money manager fees range from 0.25% to 1.60% per year). Wrap-fees are paid quarterly in arrears. Custody fees from Trust Company of America range from 29bps to 5bps per year (\$100 per year minimum) depending upon account size as shown on page 2 of the HBWAS Contract for Financial Advice. Any 12b-1 fees received by underlying mutual funds used are passed through and used to reduce the custody fees. This platform has a \$25,000 minimum per account and a \$10,000 minimum per investment strategy. The unique advantage of this platform is that it combines the talents of multiple money managers all within a single account. The platform allows for tremendous diversification resulting in a more consistent, reliable and predictable investment result for our clients. Changing money managers or investment strategies, should that be needed, is as easy as the Representative submitting a new allocation sheet to the firm consistent with the client's risk tolerance and

investment objective (allocation changes are permitted only once every 6 months to avoid Representatives or clients from chasing returns). Individual securities held in an account transferring to TCA that the client does not want to sell can be ACAT 'Transferred-In-Kind' and held separately from their managed account at TCA until the client is ready to sell those securities (the TCA platform cannot be used for buying individual securities). Our Multi-Manager Platform at TCA allows for systematic contributions or withdrawals and provides 24/7 online account access by investors and Representatives.

HBWAS has excellent 'Strategic' investment strategies (tactically managed asset allocation strategies) on our Multi-Manager Platform at TCA that the firm believes should satisfy the needs of those accustomed to 'buy and hold' asset allocations. However, to accommodate Advisors that seek a non-tactical, more traditional 'buy and hold' asset allocation investment strategy, or need to screen for specific securities, industries (socially responsible investing) or desire analysis and proposal software, HBWAS has partnered with Equis Capital (Folio Institutional), Capital Market Consultants (TradePMR platform), Linder Capital (TradePMR Platform) and Curian Capital. For Advisors looking to offer fixed-income strategies with monthly dividend payouts to their clients, HBWAS has partnered with four bond desks (AAM, Crews, FMS and JVB) through TradePMR to custom design laddered bond portfolios and structured note portfolios for our HBWAS Advisors. HBWAS has also partnered with Variable Annuity providers and has 'Solicitor' agreements with numerous SEC Registered Investment Advisory firms to provide additional diversification or manage assets in client's company or publicly sponsored retirement plans. Here are details on each of these options:

Equis Capital:

This platform provides our Representatives with a highly professional way to work with their clients with a mix of traditional asset allocation and tactical money management. Their technology provides our Representatives with professional proposal and CRM software. Their proposal software provides our Representatives with the ability to do a detailed analysis of the client's current portfolio - break it down to the real underlying investments of their holdings, compare it to the asset allocation being recommended, provide a past 10 year comparison and a 20 year Monte Carlo Simulation of how their existing and proposed asset allocation are likely to perform over the next 20 years. Based on the input (client's answers to questionnaire), Equis builds a highly diversified, professional, asset allocation for the client using their extensive back office (they provide the due diligence and monitoring of each recommended position). Our Representatives are able to customize the recommended asset allocation by screening for stocks or industries (tobacco, alcohol, weapons, etc.) that the client may not want to own in their portfolio as well as dial in the percent of alternative (tactically managed) investments. Included in their list of alternative investment money managers is Alpha Investment Management (PIMCO Bond Plus, Mid-Cap Power Index, Seasonal, Formula and E-System) as well as over a dozen other alternative investment firms. The Representative has complete control over which alternative money managers to use or the Equis software can make the selections for the Representative. The Representative has control over how much, if any, alternative money management to include in their clients asset allocation. A customized investment portfolio can be easily be created for each client.

The Equis software is co-branded for HBWAS and it includes an all-important 'Investment

Policy Statement'. The Investment Policy Statement clearly defines the client's Risk Tolerance, Investment Goal, Time Horizon, Investment Selection and how their investment portfolio was constructed. Clients sign a copy to be retained in the Representative's file - the ultimate in compliance.

Their CRM software provides our Representatives with 24/7 access from any internet-connected computer to their client's information. Their CRM software allows our Representatives to keep track of client conversations, emails, important dates, etc., everything our Representatives need to manage their book of business in a highly efficient and professional manner. After the Representative has \$3 million of AUM with Equis, their software provides 'Account Aggregation' tool at no-cost so our Representative can automatically pull in all of their Equis client's accounts held outside Equis into their CRM software at Equis. This allows our Rep to be able to see all of their client's accounts at Equis no matter where the accounts are held.

At Equis, our Representatives can dial in their desired wrap-fee for 0.50% to 1.00% per year. At HBWAS, we recommend our Representatives charge 1% per year, but our Advisors can reduce their fee down to 0.50% if necessary on accounts over \$1 million. The money management fees, custodial fee and trading fees are all included in the base of 1.12% per year at Equis. So with the HBWAS Representative's wrap-fee of 1% added, the total cost to the client on this platform is typically 2.12% per year. Unique to this platform, Equis pays out the fees monthly rather than quarterly and the Representative can charge a one-time upfront consultation fee of up to 1% to bring in revenue upfront to pay for the Representative's time to consult and construct the investment portfolio for their clients.

This platform has a \$25,000 minimum per account.

TradePMR:

This discount brokerage platform has no account minimum. HBWAS has a 'Recommended' Mutual Fund list for accounts under \$10,000.00. For accounts over \$10,000 HBWAS has partnered with Capital Marketing Consultants (CMC) to provide back office support for creating Asset Allocation portfolios for our Representatives. CMC charges 25bps (0.25% per year) for their service. Our Representatives set their desired wrap-fee on each account at TradePMR from 1.0% to 2.0% per year based on the firm's fee schedule found on page 3 of the HBWAS Contract for Financial Advice. Linder Capital is also available to create asset allocation portfolios for our Representatives wishing to use the TradePMR platform. HBWAS has partnered with 4 bond desks - AAM, JVB, Crews and FMS, on this platform to provide ladder bond portfolio design and structured notes for accounts over \$50,000.

Individual securities held in an account transferring to TradePMR that the client does not want to sell can be ACAT 'Transferred-In-Kind' and held separately until the client is ready to sell them. This account can be used for buying individual securities but this activity is available only as an approved exception because HBWAS does not provide advice on speculative or high-risk investments. HBWAS provides clients with advice on how to create well-designed, well-diversified investment strategies to accomplish risk-reward adjusted investment objectives and goals. We recommend that Representatives with clients that want to engage in speculative investments (buying and selling of individual securities) advise their

clients to seek a well-known retail discount broker/dealer or full-service broker/dealer to do those activities outside of HBWAS. HBWAS and their Representatives do not provide individual security analysis and will not provide recommendations to clients on individual securities. This activity has risk exposure to our Representatives and our Firm that is not acceptable.

Curian Capital:

HBWAS specifically partnered with Curian Capital for their expertise on creating tax-efficient portfolios for clients in high-income tax brackets with over \$25,000 in a taxable account. Curian will construct Separately Managed Accounts for our Representatives that are primarily 'buy and hold' where the client owns all the underlying individual securities. In essence, they create for the client their own mutual fund. In the 4th quarter of each year, Curian provides reports and recommendations of securities to be bought or sold in conjunction with their tax accountant in an effort to control or minimize taxable consequences in their account. This platform has a \$25,000 minimum.

Variable Annuities:

HBWAS has partnered with Jefferson National (\$25,000 min) and Security Benefit Life (\$50,000 min) to offer Variable Annuities to tax-sheltered non-qualified accounts for clients. In general, these options are available only for non-qualified monies for clients in high federal income-tax brackets seeking to tax-defer investment gains. A Third-Party Investment Advisor (TPIA) must be added to the account to manage the assets. Only one TPIA can be added per account. The use of multiple TPIA's can only be accomplished by opening multiple accounts. We recommend the use of multiple accounts when it is possible to have at least \$100,000 in each account. Fees are deducted quarterly in arrears and paid to HBWAS by the TPIA. The variable annuities are no-load and pay no fees to the firm or advisor directly. These VA's are strictly low-cost, tax-shelter vehicles and do not offer any living benefit riders.

Solicitor agreements with additional SEC Registered Investment Advisory firms:

HBWAS recognizes that not all SEC Registered Investment Advisory firms that we partner with custody their assets at Trust Company of America or can accommodate HBWAS on our Multi-Manager Platform at TCA even if they do custody assets at there. In order to be able to partner with them and offer our Representatives their services, we have entered into 'Solicitor' agreements with them. These Third Party Registered Investment Advisory (TPRIA) firms can manage money for our Representative's clients on their preferred platform (Fidelity, TD Ameritrade, Charles Schwab, Trust Company of America, MG Trust, etc., to name a few). Our Representatives must meet each TPRIA's minimum for account opened unless they receive an exception. HBWAS actually has 'Solicitor' agreements with nearly all of the TPRIA firms including those on our Multi-Manager Platform at TCA so that our Representatives can use many of the TPRIA firms to manage money in VA's offered through HBWAS as well as VA's offered through our HBW Securities as an overlay (contracts must be in force in at least 2 years) as well as assets in many 401k, 403b and 457 accounts (providing those accounts allow Third Party Money Management and Fee Deduction). Generally, a \$50,000 minimum account size is required for this service. Our Representatives simply need to send a recent statement to the TPRIA of choice to see if they can manage the assets in the account.