Form ADV – Part 2A

Livelsberger Financial Advisory Brochure

Lynn Livelsberger, President/CEO
122 W. Washington Street, Suite D
Ashland, Ohio 44805
Phone: (419) 289-7165
Fax: (419) 281-2108
E-mail: info@livelsbergerfinancial.com
Website: www.livelsbergerfinancial.com

March 12, 2024

This Brochure provides information about the qualifications and business practices of Livelsberger Financial Advisory. If you have any questions about the contents of this Brochure, please contact us at (419) 289-7165 or info@livelsbergerfinancial.com. The information in this Firm Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Livelsberger Financial Advisory is a registered investment adviser. The registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Livelsberger Financial Advisory also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2– Material Changes

The United State Securities and Exchange Commission published "Amendments to Form ADV," which amends the disclosure document that we provide to clients as required by SEC rules. As of March 12, 2024, this Firm Brochure is a document prepared according to the SEC's rules and requirements.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. As of March 12, 2024, the following changes have been made to this brochure:

- Item 4 has been amended to reflect our assets under management as of 12/31/2023.
- Item 5 has been amended to reflect our current fees.
- Item 8 has been amended to expand on the risks associated with our investment strategies.
- Item 12 has been amended to more thoroughly discuss the benefits from our custodial relationships.
- Item 19 has been removed as we are no longer state registered.

Currently, our Brochure may be requested by contacting Lynn Livelsberger, President/CEO, at (419) 289-7165 or info@livelsbergerfinancial.com.

Additional information about Livelsberger Financial Advisory is also available via the SEC's website at www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with Livelsberger Financial Advisory who are registered, or are required to be registered, as investment adviser representatives of Livelsberger Financial Advisory.

Item 3– Table of Contents

Item 1 – Cover Page……..……………………………………………………………………1

Item 2 – Material Changes…………….………………………………………………….....2

Item 3 – Table of Contents……………………………………………………………….3

Item 4 – Advisory Business………………………………………………………….….….4

Item 5 – Fees and Compensation……………………………………………………….…..5

Item 6 – Performance-Based Fees and Side-By-Side Management……………………………..6

Item 7 – Types of Clients…………………………………………………………………...6

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss……………………….…..7

Item 9 – Disciplinary Information……………………………………………………………10

Item 10 – Other Financial Industry Activities and Affiliations…………………………………10

Item 11 – Code of Ethics……………………………………………………………………...11

Item 12 – Brokerage Practices………………………………………………………………...12

Item 13 – Review of Accounts………………………………………………………………..14

Item 14 – Client Referrals and Other Compensation……………………………………………14

Item 15 – Custody……………………………………………………………………………..14

Item 16 – Investment Discretion………………………………………………………………14

Item 17 – Voting Client Securities…………………………………………………………....15

Item 18 – Financial Information………………………………………………………………15

Item 4 - Advisory Business

Livelsberger Financial Advisory has 40 years' business experience in the financial services industry and has designated Lynn Livelsberger as principal owner. Our practice provides comprehensive financial planning services for individuals and families. We also provide advisory services to small businesses in the form of providing analysis, money management as well as setting up company specific retirement plans to meet the needs of each particular business and its employees. The financial planning services for individuals and families focuses on first establishing their needs and goals. The financial planning sub-categories of retirement planning, estate planning, college planning, risk management, and tax planning are discussed in order to create a specific plan of action. In determining an investment portfolio, some education is first provided to the client in regard to investment risk reward, then the client's input is used as a guide in proper investment selection. Client assets and accounts are managed on a discretionary basis; thus, our firm has discretion on the amount as well as types of securities to be invested. Clients are provided with a background education when making decisions on investment choices at all times. Implementation is always based on the client's direction and goals. The calculations of client assets are individually based at the time of the annual review meeting. The collective total of advisory assets under management is calculated at calendar year-end for advisory reporting purposes. At this time, December 31, 2023, the total assets under management are $141,103,850.

MISCELLANEOUS Non-Investment Consulting/Implementation Services

To the extent requested by the client, Livelsberger Financial Advisory *may* provide consulting services regarding non-investment related matters, including estate planning, tax planning, insurance etc. Neither Livelsberger Financial Advisory, nor any of its representatives, serves as an attorney or accountant, and no portion of Livelsberger Financial Advisory's services should be construed as the same. To the extent requested by a client, Livelsberger Financial Advisory may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including Livelsberger Financial Advisory Principal in his separate licensed capacity as discussed below. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Livelsberger Financial Advisory.

Please Note: If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Please Note: It remains the client's responsibility to promptly notify Livelsberger Financial Advisory if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Livelsberger Financial Advisory's previous recommendations and/or services.

Client Obligations
In performing its services, Livelsberger Financial Advisory shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify Livelsberger Financial Advisory if there is every any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Livelsberger Financial Advisory's previous recommendations and/or services.

Please Note: In regard to communication, each client is advised that it is their responsibility to respond to our office scheduling in our annual review process. Proper and effective financial planning requires a periodic client/advisor meeting for updates, analysis, and review.

Disclosure Statement
A copy of Livelsberger Financial Advisory's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to or contemporaneously with the execution of the Investment Advisory Agreement or Financial Planning and Consulting Agreement. Any client who has not received a copy of Livelsberger Financial Advisory's written Brochure at least 48 hours prior to executing the Investment Advisory Agreement or Financial Planning and Consulting Agreement shall have five (5) business days subsequent to executing the agreement to terminate Livelsberger Financial Advisory's services without penalty.

Item 5 – Fees and Compensation
The specific way fees are charged by Livelsberger Financial Advisory is established in a client's written agreement with Livelsberger Financial Advisory. Livelsberger Financial Advisory will generally bill its fees on an annual basis. For example, a client's first year advisory fee is charged for that full year of advisory services provided.

Please note: Due to certain circumstances, some clients are billed in arrears, in which case the fee is billed as one amount to allow the billing to be caught up. Clients may elect to be billed directly for fees or to authorize Livelsberger Financial Advisory to directly debit fees from their client accounts. Management fees shall not be pro-rated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts terminated during a fiscal quarter will be charged a pro-rated fee. In regards to a client who wishes to terminate, said client must notify Livelsberger Financial Advisory in writing by delivering a signed client termination form. At this time, any unearned fees paid to Livelsberger Financial Advisory will be promptly refunded to said client(s). Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Our fee structure is based on 2% of assets under our management during the first year of engagement, due to the required documentation gathering upon initiating our advisory relationship. These fees will be lowered to 1% of assets under management after the first year. Fees are paid annually in arrears based on the value of your account on the date of your annual review. Fees are paid either by our direct fee deduction from your account, or via invoice as designated by the client. Livelsberger Financial Advisory charges a flat $75.00 per hour for financial planning and consulting matters beyond that of assets under our direct management. These fees are also paid in arrears.

Fees are negotiable, at times, depending upon special circumstances. In regards to risk management, we will recommend the need for certain insurance-type products. We conduct the analysis and if an insurance product is purchased through our firm, then we will receive a commission from that insurance company. The specific company product recommended is always based on what is best for the client; it is not based on a commission percentage.

In addition, Livelsberger Financial Advisory may, at times, recommend additional services of other professionals for implementation purposes. The client is under no obligation to engage in or use the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any such recommendation from Livelsberger Financial Advisory.
Please note: If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.
Please note: It remains the client's responsibility to promptly notify Livelsberger Financial Advisory if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Livelsberger Financial Advisory's previous recommendations and/or services.

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

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

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

Item 7 – Types of Clients

Livelsberger Financial Advisory provides investment advice to individuals, corporate pension plans, corporations, and non-profit organizations.

We do not impose account minimums.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Our investment philosophy focuses on the concept of asset diversification. We believe that a well-diversified investment portfolio will help reduce risk but not eliminate it. Our investment planning philosophy centers on identifying the client's needs and goals. The client's portfolio is then constructed using those three criteria as the focal point.

Our strategy involves analyzing and identifying the top mutual fund managers in each asset category. We feel by constructing a portfolio based on mutual funds, this will allow us to be more diversified (i.e. stocks, bonds, hard assets). Thus, identifying top managers in each asset class will allow us the potential to achieve higher returns in each of those classes.

We will also add, at times, single-issue investments to potentially enhance the return. However, we recognize the potential risk for loss with single-issue investments and mutual funds in all types of markets. We monitor the mutual fund market and other various markets on a year-round basis. We do not believe in trying to time the market. We meet on an annual basis with clients to review their portfolios, discuss their individual financial/life status, and discuss market performances and the state of the economy. We attempt to be aware and knowledgeable of various law changes from tax to estates and how they might affect our client's needs and goals. Investing in securities involves risk of loss that clients should be prepared to bear.

<u>General Risks.</u> Investing in securities always involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives can or will be met. Past performance is in no way an indication of future performance. We also cannot assure that third parties will satisfy their obligations in a timely manner or perform as expected or marketed.

<u>General Market Risk.</u> Investment returns will fluctuate based upon changes in the value of the portfolio securities. Certain securities held may be worth less than the price originally paid for them, or less than they were worth at an earlier time.

<u>Common Stocks.</u> Investments in common stocks, both directly and indirectly through investment in shares of ETFs, may fluctuate in value in response to many factors, including, but not limited to, the activities of the individual companies, general market and economic conditions, interest rates, and specific industry changes. Such price fluctuations subject certain strategies to potential losses. During temporary or extended bear markets, the value of common stocks will decline, which could also result in losses for each strategy.

<u>Portfolio Turnover Risk.</u> High rates of portfolio turnover could lower performance of an investment strategy due to increased costs and may result in the realization of capital gains. If an investment strategy realizes capital gains when it sells its portfolio investments, it will increase taxable distributions to you. High rates of portfolio turnover in a given year would likely result in short-term capital gains and under current tax law you would be taxed on short-term capital gains at ordinary income tax rates, if held in a taxable account.

Non-Diversified Strategy Risk. Some investment strategies may be non-diversified (e.g., investing a greater percentage of portfolio assets in a particular issuer and owning fewer securities than a diversified strategy). Accordingly, each such strategy is subject to the risk that a large loss in an individual issuer will cause a greater loss than it would if the strategy held a larger number of securities or smaller positions sizes.

Model Risk. Financial and economic data series are subject to regime shifts, meaning past information may lack value under future market conditions. Models are based upon assumptions that may prove invalid or incorrect under many market environments. We may use certain model outputs to help identify market opportunities and/or to make certain asset allocation decisions.
There is no guarantee any model will work under all market conditions. For this reason, we include model related results as part of our investment decision process but we often weigh professional judgment more heavily in making trades or asset allocations.

ETF Risks, including Net Asset Valuations and Tracking Error. An ETF's performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depository Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

Clients should be aware that to the extent they invest in ETF securities they will pay two levels of advisory compensation – advisory fees charged by Adviser plus any advisory fees charged by the issuer of the ETF. This scenario may cause a higher advisory cost (and potentially lower investment returns) than if a Client purchased the ETF directly. An ETF typically includes embedded expenses that may reduce the ETF's net asset value, and therefore directly affect the ETF's performance and indirectly affect a Client’s portfolio performance or an index benchmark comparison. Expenses of the ETF may include investment advisor management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. ETF tracking error and expenses may vary.

Inflation, Currency, and Interest Rate Risks. Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor’s future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by Adviser may be affected by the risk that currency devaluations affect Client purchasing power.

Liquidity Risk. Liquidity is the ability to readily convert an investment into cash to prevent a loss, realize an anticipated profit, or otherwise transfer funds out of the particular investment. Generally, investments are more liquid if the investment has an established market of purchasers and sellers, such as a stock or bond listed on a national securities exchange. Conversely, investments that do not have an established market of purchasers and sellers may be considered illiquid. Your investment in illiquid investments may be for an indefinite time, because of the lack of purchasers willing to convert your investment to cash or other assets.

Legislative and Tax Risk. Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment advisor or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations, particularly for options, swaps, master limited partnerships, Real Estate Investment Trust, Exchange Traded Products/Funds/Securities. We do not engage in tax planning, and in certain circumstances a Client may incur taxable income on their investments without a cash distribution to pay the tax due. Clients and their personal tax advisors are responsible for how the transactions in their account are reported to the IRS or any other taxing authority.

Foreign Investing and Emerging Markets Risk. Foreign investing involves risks not typically associated with U.S. investments, and the risks maybe exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social, and economic developments affecting one or more foreign countries.

In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be inadequate or irregular.

Information Security Risk. We may be susceptible to risks to the confidentiality and security of its operations and proprietary and customer information. Information risks, including theft or corruption of electronically stored data, denial of service attacks on our website or websites of our third-party service providers, and the unauthorized release of confidential information are a few of the more common risks faced by us and other investment advisers. Data security breaches of our electronic data infrastructure could have the effect of disrupting our operations and compromising our customers' confidential and personally identifiable information. Such breaches could result in an inability of us to conduct business, potential losses, including identity theft and theft of investment funds from customers, and other adverse consequences to customers. We have taken and will continue to take steps to detect and limit the risks associated with these threats.

Tax Risks. Tax laws and regulations applicable to an account with Adviser may be subject to change and unanticipated tax liabilities may be incurred by an investor as a result of such changes. In addition, customers may experience adverse tax consequences from the early assignment of options purchased for a customer's account. Customers should consult their own tax advisers and counsel to determine the potential tax-related consequences of investing.

Advisory Risk. There is no guarantee that our judgment or investment decisions on behalf of particular any account will necessarily produce the intended results. Our judgment may prove to be incorrect, and an account might not achieve her investment objectives. In addition, it is possible that we may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to accounts' custodians' software. Adviser and its representatives are not responsible to any account for losses unless caused by Adviser breaching our fiduciary duty.

Dependence on Key Employees. An accounts success depends, in part, upon the ability of our key professionals to achieve the targeted investment goals. The loss of any of these key personnel could adversely impact the ability to achieve such investment goals and objectives of the account.

Item 9 – Disciplinary Information

Livelsberger Financial Advisory has not been the subject of any disciplinary actions; therefore, it has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Livelsberger Financial Advisory does not believe to have any conflicts of interest in our advisory process. However, in regard to financial planning risk management, certain types of insurance may be recommended at times. Livelsberger Financial Advisory would be paid a commission from said insurance product from said insurance company. Livelsberger Financial Advisory makes every attempt to objectively monitor the selection of insurance based on the client's needs and what is in their best interest (not which product pays the highest commission). The client is not obligated to purchase insurance through Livelsberger Financial Advisory. In addition, insurance-related investment products may be recommended at times. A material conflict of interest potentially could arise. However, once again, our philosophy of what is in the client's best interest is followed completely, versus the highest commission paid products.

Livelsberger Financial Advisory is not registered and does not have an application pending to register, as a broker dealer and its management persons are not registered as broker/dealer representative.
Livelsberger Financial and its management persons are not registered and do not have application pending to register, as a futures commission merchant, commodity pool operator/advisor.

Livelsberger Financial does not recommend or select other investment advisers for its clients.

Item 11 – Code of Ethics

Livelsberger Financial Advisory has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Livelsberger Financial Advisory must acknowledge the terms of the Code of Ethics annually, or as amended.

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

Livelsberger Financial Advisory's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Lynn Livelsberger.

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

Item 12 – Brokerage Practices

Livelsberger Financial Advisory does not accept soft dollar benefits.

The selection and recommendation of custody of client accounts included the study and review of certain criteria. The original selection process involved a thorough review and analysis of many different broker-dealers. The various criteria used to evaluate these broker-dealers included the following: costs of custody, costs of purchase to the client, brokerage-to-client communication, broker-to-advisor communication and support. As a result, we typically recommend Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer, member SIPC, as the qualified custodian.

Livelsberger Financial Advisory is independently owned and operated and is not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as a custodian, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so.

Products and services available to the Firm from Schwab
Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. Schwab provides Livelsberger Financial Advisory and our clients with access to institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services described below are generally available on an unsolicited basis (i.e., we do not have to request them) and at no charge to us. Here is a more detailed description of Schwab's support services:

Services that Benefit Clients Directly
Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit each client.

Services that May Not Directly Benefit Clients
Schwab also makes available to us other products and services that benefit us but may not directly benefit a specific client. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts. In addition to investment research, Schwab also makes available software and other technology that:

- Provides access to client account data (such as trade confirmations and account statements);
- Facilitates trade execution and allocate aggregated trade orders for multiple client accounts;
- Provides pricing and other market data;
- Facilitates payment of our fees from our clients' accounts; and
- Assists with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Only Us
Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include (among others) the following:

- Educational conferences and events
- Technology, compliance, legal, and business consulting
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants and insurance providers

Schwab will provide some of these services itself or will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third-party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

Our Interest in Schwab's Services
The availability of the services described above from Schwab benefits us because we do not have to produce or purchase them. They are not contingent upon Livelsberger Financial Advisory committing any specific amount of business to Schwab in trading commissions or assets in custody. The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate our recommendation of Schwab as a custodian and broker is in the best interest of our clients. Our selection is primarily supported by the scope, quality and price of Schwab's services, and not Schwab's services that benefit only us.

<u>Trade Aggregation Policy</u>: Livelsberger Financial Advisory does not maintain or classify any client account as proprietary. Investment purchases and sells are based on each individual client's financial plan and strategy. Thus, the majority of buys or sells are not conducted on an aggregation basis. On occasion, a few instances have occurred in which an individual stock or mutual fund changed its financial character within the markets, and thus did not meet our clients' investment criteria anymore. As a result, a block sell would have been initiated for those clients who had held those positions. Livelsberger Financial Advisory has never preferred an "order aggregation", a "partial fill", or a "split fill".

<u>Please note</u>: all order purchases or sells are always conducted on an individual client basis.

Item 13 – Review of Accounts

Livelsberger Financial Advisory contacts all financial planning clients on an annual basis. Clients are contacted annually to conduct a personal, financial annual review. Livelsberger Financial Advisory attempts to meet personally with all planning clients. Account statements are mailed to clients on a quarterly basis. All advisory clients are advised that it remains their responsibility to notify and advise Livelsberger Financial Advisory of any changes in their investment objectives, goals, or financial situation.

Item 14 – Client Referrals and Other Compensation

Livelsberger Financial Advisory does not provide compensation for client referrals.

Item 15 – Custody

Livelsberger Financial Advisory uses a non-affiliated custodian to hold client portfolios. The qualified custodian provides quarterly account statements and said custodian sends a copy of these quarterly statements directly to all clients. Clients should carefully review these statements. Livelsberger Financial Advisory's annual review report is provided to clients annually at the time of the client's annual review.

Please note: Livelsberger Financial Advisory has custody, to the extent it has the ability to deduct advisory fees from client accounts if the client elects to be billed by that method.

Please note: To the extent that Livelsberger Financial Advisory provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Livelsberger Financial Advisory with the account statements received from the account custodian.

Please note: The account custodian does not verify the accuracy of Livelsberger Financial Advisory's advisory fee calculation.

Item 16 – Investment Discretion

Livelsberger Financial Advisory usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. However, in all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Investment decisions are based on client needs and goals that have been previously discussed with each client.

Currently, at this time, all clients have authorized Livelsberger Financial Advisory to act in a discretionary manner in regard to selecting the identity and amount of securities to be bought or sold within their accounts. Livelsberger Financial Advisory's annual reviews allow the advisor and client to review the client's portfolio, portfolio design, and strategy with the advisor's discretion being authorized. At this time, Livelsberger Financial Advisory does not have a client with a non-discretionary account. In the future, however, should a non-discretionary client account issue occur Livelsberger Financial Advisory will initiate and instruct said client put in writing and list specific instructions on all investment trades they wish to execute.

Investment guidelines and restrictions must be provided to Livelsberger Financial Advisory, *in writing*.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Livelsberger Financial Advisory does not have any authority to and does not vote for proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Livelsberger Financial Advisory may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Livelsberger Financial Advisory's financial condition. Livelsberger Financial Advisory has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding. The principal, Lynn Livelsberger, and Livelsberger Financial Advisory have not been a part of any bankruptcy petition or proceeding at any time.