Scott Smith Financial, Inc.
Client Brochure

This brochure provides information about the qualifications and business practices of Scott Smith Financial, Inc. If you have any questions about the contents of this brochure, please contact us by phone or e-mail. 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 Scott Smith Financial, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. Scott Smith Financial, Inc.'s CRD number is: 138393

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

Version Date: 3/1/2020

Item 2: Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of our Firm Brochure.

Material Changes since our Last Update

We have moved our offices effective as of September 1, 2019.

Our new address is:

43155 Main Street, Ste 212, Novi, MI 48375

Full Brochure Available

To receive a complete copy of our Firm Brochure, please contact us by telephone at: 248-946-4515 or by email at: scott@SSFin.com

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Item 4: Advisory Business

A. Description of the Advisory Firm

Scott Smith Financial, Inc. (SSF or the Advisor) is an investment advisor registered with the State of Michigan pursuant to the Michigan Uniform Securities Act. Douglas Scott Smith founded the company in 2005 and is 100% owner.

SSF provides personalized financial planning, investment management and consulting to individuals, pension and profit sharing plans, trusts, small businesses and estates. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement and estate planning.

Please note that registration as an investment advisor with the State of Michigan does not imply a certain level of skill or training and other professionals (e.g., lawyers, accountants, trust officers etc.) are engaged directly by the client on an as-needed basis.

B. Types of Advisory Services offered

SSF provides the following types of advisory services:

1. SSF Asset Management Program (SAM)
2. SSF Investment Advisory Services (SSF-IA)
3. SSF Financial Planning Services (SSF-FP)
4. SSF Retirement Plan Services (SSF-RP)
5. SSF Investment Consulting Services (SSF-IC)

1. SSF Asset Management Program (SAM)

The SSF Asset Management Program ("SAM") is a wrap fee asset allocation program sponsored by SSF. The client retains SSF and an Investment Adviser Representative ("IAR") for the purpose of opening an investment advisory account ("Account") and participating in SAM. We will invest participating client assets in one or more diversified asset allocation models consisting of open-end investment companies (commonly referred to as mutual funds) and closed-end investment companies (commonly referred to as exchange-traded funds or ETFs) in exchange for an all-inclusive asset-based wrap fee ("Wrap Fee").

We offer SAM asset allocation models containing mutual funds and ETFs in a broad range of asset classes and market sectors, including domestic stocks, international stocks, global bonds, and alternative investments. Neither SSF nor any of its affiliates serve as investment adviser to any of the investment company products included in portfolio assets. SAM portfolios range from conservative to aggressive. The client's Advisor assists the client in selecting the asset allocation model that best meets the client's needs. Clients' grant SSF limited discretionary authority in the management of their SAM portfolios and individual portfolios may or may not represent the overall objectives of the client's total investment assets. The Advisor considers the client's financial situation, goals and investment objectives, risk tolerance, time horizon, liquidity needs, and other relevant factors, as described by the client, in selecting the client's asset allocation model. SSF does not provide tax or legal advice. The client is instructed to seek advice from a tax or legal adviser before making an investment decision. The client should inform his or her Advisor if changes occur in investment objectives or financial situation.

2. SSF Investment Advisory Services (SSF-IA)

SSF, through its Investment Advisor Representatives (IARs), offers advisory services and portfolio management based on the individual objectives of each specific client portfolio. SSF offers SSF-IA accounts ongoing portfolio management services determined through individual investment goals, time horizons, objectives and risk tolerance. Investment strategies, investment selection, assets allocation, portfolio monitoring and the overall investment program will be based on the above factors. SSF offers both non-discretionary and discretionary authority in the management of our Client's SSF-IA accounts and individual portfolios may or may not represent the overall objectives of the client's total investment assets.

As part of this service, each client portfolio is tailored to their particular investment needs and circumstances. This includes allocating assets based on the client's investment needs and a risk strategy (from conservative to aggressive), which is selected in conjunction with the client and incorporated into the account agreement. The available risk strategies correlate to asset allocation models developed by SSF based on target allocations for various asset classes and sub-classes. SSF selects investments for the client's account that are consistent with the selected risk strategy and that pass a series of quantitative and qualitative filters. Depending on the specific engagement, the types of securities that the IAR may purchase and sell include, but are not limited to, mutual funds, ETFs, equities, and fixed income securities.

3. SSF Financial Planning Services (SSF-FP)

SSF, through its IARs, provides advice in the form of a customized Financial Plan. Clients will receive a written financial plan, providing the client with a detailed outline designed to achieve their stated financial goals and objectives. In general the plan will address any or all of the following:

- *Personal*: Family records, budgeting, personal liability, estate information and financial goals.
- *Tax and Cash Flow*: Income tax spending analysis and planning for past and future years.
- *Death and Disability*: Cash needs at death, income needs of surviving dependents, and estate planning.
- *Retirement*: Strategies and investment plans to help client achieve their retirement goals.
- Investments: Analysis of investment alternatives and their effect on a client's portfolio.

Information on clients will be gathered by in-depth personal interviews and a review of personal financial information. Gathering data concerning current financial status, future requirements, risk appetite and goals is essential. Based upon this thorough review, a written plan is prepared for the client and it is recommended that the client review this plan with tax accountants, attorneys and other professional service providers.

4. SSF Retirement Plan Services (SSF-RP)

SSF-RP provides both fiduciary and non-fiduciary services as a consultant to plan sponsors, named fiduciaries, plan trustees, and plan committees relative to employee benefit plans, including, but not limited to, 401(k) plans, 403(B) plans, defined benefit plans, profit-sharing plans, money purchase pension plans and similar plans offered by sponsoring entities to their employees. In providing services to a plan and/or its participants. In performing fiduciary services, SSF acts as a non-discretionary fiduciary of the Plan as defined in Section 3(21) under ERISA.

As part of these services, SSF will typically advise the plan fiduciaries on matters related to the plan. These consulting services, some of which are discussed below, may be provided separately or in combination with one another, and may involve the coordination of multiple vendors and/or third party advisors to the plan, depending on the needs of the sponsor. The specific details of any engagement to provide consulting services are agreed upon in writing prior to commencement of the engagement and are subject to the terms of the written investment consulting and advisory agreement. SSF may consult on a variety of plan matters, including, but not limited to:

- Plan governance issues, policies and procedures, board resolutions and the development or review of an Investment Policy Statement.
- Plan service provider reviews, evaluations and searches.
- Investment options: searches, recommendations, monitoring and review
- Employee education by providing general information on the funds available under the plan and other general investment information aimed at helping participants make better choices for themselves from among the alternatives available under the plan.
- Fee Benchmarking;
- Fiduciary file development and record keeping.

SSF may also provide other information aimed at assisting plan sponsors or trustees in fulfilling their obligations to the plan. For example: Information on pending or recent legislative changes that may impact the plan, plan participants and beneficiaries.

5. SSF Investment Consulting (SSF-IC)

SSF, through its IARs, offers investment consulting services to clients. As part of its services, selected registered Investment Advisers ("Sub-Advisors") are evaluated by the firm for client use. SSF-IC services may include assisting clients in identifying their investment objectives and matching personal and financial data with a select list of investment Sub-Advisors that meet SSF-IC criteria. The intent of the program is to provide high quality Sub-Advisors to handle the day-to-day management of the client's account(s).

Sub-Advisors selected for use by clients under the SSF-IC program need to meet several quantitative and qualitative criteria. Among the criteria that may be considered are the manager's experience, assets under management, performance record, client retention, the level of client services provided, investment style, buy and sell disciplines, capitalization level and the general investment process. In the case of separate account manager, each client must have a profile that matches the advisors stated objectives.

The terms and conditions under which client shall engage a Sub-Advisor for a wrap account arrangement shall be set forth in separate written agreements between the client and IAR and the client and the designated Sub-Advisor. Clients will generally not come in contact with Sub-Advisor and the IAR shall serve as the communication conduit between the client and Sub-Advisor. IAR shall provide information received from the client to the Sub-Advisors selected, including the client's financial and personal profile as well as any applicable client questionnaires and/or investment policy statements, or other similar documents.

Sub-Advisors are granted investment discretion by the client to exercise discretionary trading authority for the day to day management of client accounts. With client approval, the firm may terminate the relationship with a Sub-Advisor that manages clients' assets. Factors involved in the termination of a Sub-Advisor may include a failure to adhere to management style or clients' objectives, a material change in the professional staff of the Sub-Advisor, unexplained poor performance or the firm's decision to no longer include the advisor as one of its preferred Sub-Advisors.

Clients are advised and should understand that:

- A Sub-Advisor's past performance is no guarantee of future results;
- There is a certain market and/or interest rate risk which may adversely affect any advisor's objectives and strategies, and could cause a loss in a client's account(s); and
- Client risk parameters or comparative index selections provided to the firm are guidelines only – there is no guarantee that they will be met or not be exceeded.

All accounts are managed by the selected independent Sub-Advisors. Information collected by SSF regarding selected Sub-Advisors is believed to be reliable and accurate, but the firm does not independently review or verify it on all occasions.

C. Client Imposed Restrictions

The goals and objectives for each client are documented in our client files and investment strategies are created that reflect the stated goals and objectives. Clients may impose reasonable restrictions on investing in certain securities or types of securities and agreements may not be assigned without client consent.

D. Wrap Fee Programs

SSF offers SAM; a Wrap Fee Program. Clients in the SAM Program ("Program") pay a single annualized fee, based upon a percentage of the market value of all Program assets, for participation in the Program. The Program may cost clients more or less than purchasing such services separately. The wrap fee includes the SSF management fee, trading costs, and annual custodial fees if any. Transaction fees relating to the execution of securities transactions within the Account are paid by SSF.

Additional information on SAM, our wrap fee program, is outlined in item 4B-1 and fees in item 5A-1.

Clients are given our "Wrap Fee Brochure" as part of their initial meeting with SSF if the IAR feels that our Wrap Fee Program is the best fit for their needs.

E. Amounts under Management

As of December 31, 2019, SSF has $99,620,000 in assets under management.

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
$65,522,000	$34,098,000	12/31/2019

Item 5: Fees and Compensation

A. Fee Schedule

1. SSF Asset Management Fees (SAM)

As compensation for participation in SAM, SSF receives a wrap fee based on the value of assets under management. The amount of the fee will be set out in the client agreement executed by the client at the time the relationship is established. The wrap fee is set according to the following fee schedule:

For the Portion of the Account that is:		SSF Annual Fee
At Least:	But less Than:	
$0	$250,000	1.5%
$250,000	$500,000	1.25%
$500,000	$1,000,000	1.00%
$1,000,000	$3,000,000	0.75%
$3,000,000	$10,000,000	0.40%

For Accounts of $5 million or less, SSF does not normally consider its wrap fee to be negotiable, however SSF reserves the right in its discretion, based on factors SSF deems relevant, to agree to a wrap fee for any particular client that varies from the fee set forth in the table above and which may be lower or higher than fees charged to another client with a similar sized account. In certain situations, minimum account fees may apply that may exceed the fees in the schedule above. Relevant factors that may lead to a variation in fees include, for example, the size and scope of the client's overall relationship with SSF and the fees that the client's account was charged at another firm prior to transferring to SSF.

Wrap fees are based on the average daily value of assets managed during the calendar quarter. Quarterly fees deducted from the clients' account by the custodian will be outlined in our fee invoice as fees are withdrawn. The first payment is calculated based on the number of days assets are placed in the account during a calendar quarter. Generally, fees are deducted from the client's account no later than the fifteenth (15th) day after the end of each quarter, in arrears. If an account is terminated prior to the end of a calendar quarter, the terminating client will pay fees due up to the termination date. Clients who cancel services within five business days of the contract date will not be charged a fee.

Wrap fees are automatically deducted from the client's Account. Clients must provide the approved custodian with authorization to have fees deducted directly from the Account and paid to SSF. The authorization shall remain valid until a written revocation of the authorization is received by the approved custodian. Adviser shall submit instructions to custodian to deduct the calculated fee. It is SSF and client's responsibility to verify the accuracy of SSF's fee calculation and custodian will not determine whether the fee has been properly calculated. Account statements sent at least quarterly by custodian and SSF will indicate all amounts disbursed from the Account and the total amount of the advisory management fee paid directly to SSF.

Other Fees

Clients pay a wrap fee as outlined above, which includes all brokerage execution costs without regard to the number of transactions executed during the billing period. SSF has negotiated fees with clearing/custody firms, and the costs do not affect the wrap fee paid by the client.

Transaction costs imposed by the brokerage firms are covered by the wrap fee. The wrap fee does not include fees and expenses typically associated with mutual funds or ETFs. Each mutual fund or ETF in which the client may invest in the Account also bears its own fees (none of which are shared with SSF or our affiliates) and expenses, as disclosed in the applicable prospectus or product description. The Advisory Fee does not cover fees or expenses charged by any mutual fund or ETF held in the Account. In addition, the Advisory Fee does not include debit balances, wire transfer fees, overnight check fees, margin interest, Account transfer fees, IRA and retirement plan fees, SEC fees, 12b-1 fees for certain money market funds, or other fees or taxes required by law.

2. SSF Investment Advisory Fees (SSF-IA)

As compensation for investment advisory services, SSF receives an advisory fee typically based on the value of assets under management. The amount of the fee will be set out in the client agreement executed by the client at the time the relationship is established. The advisory fee is set according to the following fee schedule:

For the Portion of the Account that is:		SSF Annual Fee
At Least:	But less Than:	
$0	$250,000	1.6%
$250,000	$500,000	1.5%
$500,000	$1,000,000	1.00%
$1,000,000	$3,000,000	0.75%
$3,000,000	$10,000,000	0.40%

For Accounts of $5 million or less, SSF does not normally consider its advisory fee to be negotiable, however SSF reserves the right in its discretion, based on factors SSF deems relevant, to agree to a management fee for any particular client that varies from the fee set forth in the table above and which may be lower or higher than fees charged to another client with a similar sized account. In certain situations, minimum account fees may apply that may exceed the fees in the schedule above. Relevant factors that may lead to a variation in fees include, for example, the size and scope of the client's overall relationship with SSF and the fees that the client's account was charged at another firm prior to transferring to SSF.

Advisory fees are based on the average daily value of assets managed during the calendar quarter. Quarterly fees deducted from the clients' account by the custodian will be outlined in our fee invoice as fees are withdrawn. The first payment is calculated based on the number of days assets are placed in the account during a calendar quarter. Generally, fees are deducted from the client's account no later than the fifteenth (15th) day after the end of each quarter, in arrears. If an account is terminated prior to the end of a calendar quarter the terminating client will pay fees due up to the termination date. Clients who cancel services within five business days of the contract date will not be charged a fee.

Advisory fees are automatically deducted from the client's Account. Clients must provide the approved custodian with authorization to have fees deducted directly from the Account and paid to SSF. The authorization shall remain valid until a written revocation of the authorization is received by the approved custodian. Adviser shall submit instructions to custodian to deduct the calculated fee. It is SSF and client's responsibility to verify the accuracy of SSF's fee calculation and custodian will not determine whether the fee has been properly calculated. Account statements sent at least quarterly by custodian and SSF will indicate all amounts disbursed from the Account and the total amount of the advisory management fee paid directly to SSF.

Other Fees
In addition to SSF's advisory fee, clients' Accounts will also incur or bear other charges imposed by the custodian of their account or by other third parties (see Item 12 - Brokerage Practices for more information). Such charges may include, but not be limited to, brokerage commissions, ticket charges, wire transfer charges, custodial fees, activity fees, termination fees, postage and handling fees and other transaction or account related fees and charges.

To the extent a client's assets are invested in mutual funds or other types of funds, the client will also be subject to other fees and charges as a fund shareholder, none of which are refundable and which are in addition to the management fee paid to SSF. Those will include fees and charges imposed on shareholders by the fund or imposed on the fund and borne indirectly by shareholders, as disclosed in the fund's prospectus. All fund shares (including all money market fund shares in which a client's assets may be temporarily invested) bear a management fee charged to the fund by the fund's investment adviser, as well as other internal fees and charges known as the expense ratio, including in some cases 12b-1 fees. In addition, some mutual funds may also impose on shareholders other fees and charges, such as sales loads, purchase or redemption fees, transfer taxes, and wire transfer and electronic fund fees. SSF and/or its IARs do not participate in such fees that are charged to the client.

3. SSF Financial Planning Services Fees (SSF-FP)

Depending upon the scope of the engagement and specific requests by the client, SSF will charge a flat fee ranging from $795 to $2,500. The fee will be negotiated prior to contracting with the client, and the agreed upon fee payable upon completion of the services provided. The client may terminate its arrangement at any time, in writing, and will only be charged a portion of the fee based upon a pro-rated calculation related to the time and expense expended by the firm. The firm typically waives any financial planning fees for investment management and advisory clients. Clients who cancel services within five business days of the contract date will not be charged a fee. Fees charged for Financial Plans are payable by check only.

4. SSF Retirement Plan Services Fees (SSF-RP)

For ongoing consulting services, SSF is paid a fee based on a percentage of assets in the plan, in accordance with the following table:

For the Portion of the Account that is:		SSF Annual Fee
At Least:	But less Than:	
0$	$250,000	1.25%
$250,001	$500,000	1.05%
$500,001	$1,000,000	0.90%
$1,000,001	$10,000,000	0.80%

SSF's fee may be paid by the sponsoring company or from plan assets. For Accounts of $10 million or less, SSF does not normally consider its SSF-RP advisory fee to be negotiable, however SSF reserves the right in its discretion, based on factors SSF deems relevant, to agree to a management fee for any particular client that varies from the fee set forth in the table above and which may be lower or higher than fees charged to another client with a similar sized account. In certain situations, minimum account fees may apply that may exceed the fees in the schedule above. Relevant factors that may lead to a variation in fees include, for example, the size and scope of the client's overall relationship with SSF and the fees that the client's account was charged at another firm prior to transferring to SSF.

The annual Advisory Fee is set each year based on the Market Value of the Plan Assets on December 1st of the preceding year. Notification of the current year's annual Advisory Fee will be communicated to the Trustee in writing by December 31st of the previous year. Fees are payable in arrears based on the average daily value of Included Assets. Fees are billed quarterly and deducted from the clients' account by the custodian and are outlined in our fee invoice. The first payment is calculated based on the number of days assets are placed in the account during a calendar quarter. Generally, fees are deducted from the client's accounts no later than the fifteenth (15th) day after the end of each quarter, in arrears. If an account is terminated prior to the end of a calendar quarter the terminating client will pay fees due up to the termination date. Clients who cancel services within five business days of the contract date will not be charged a fee.

Advisory fees are automatically deducted from the client's accounts. Clients must provide the approved custodian with authorization to have fees deducted directly from their accounts and paid to SSF. The authorization shall remain valid until a written revocation of the authorization is received by the approved custodian. Adviser shall submit instructions to custodian to deduct the calculated fee. It is SSF and client's responsibility to verify the accuracy of SSF's fee calculation and custodian will not determine whether the fee has been properly calculated.

Account statements sent at least quarterly by custodian and SSF will indicate all amounts disbursed from the Account and the total amount of the advisory management fee paid directly to SSF.

Other Fees
In addition to SSF's advisory fee, client's Accounts will also incur or bear other charges imposed by the custodian of their account or by other third parties (see Item 12 - Brokerage Practices for more information). Such charges may include, but not be limited to, brokerage commissions, ticket charges, wire transfer charges, custodial fees, activity fees, termination fees, postage and handling fees and other transaction or account related fees and charges.

To the extent a client's assets are invested in mutual funds or other types of funds, the client will also be subject to other fees and charges as a fund shareholder, none of which are refundable and which are in addition to the management fee paid to SSF. Those will include fees and charges imposed on shareholders by the fund or imposed on the fund and borne indirectly by shareholders, as disclosed in the fund's prospectus. All fund shares (including all money market fund shares in which a client's assets may be temporarily invested) bear a management fee charged to the fund by the fund's investment adviser, as well as other internal fees and charges known as the expense ratio, including in some cases 12b-1 fees. In addition, some mutual funds may also impose on shareholders other fees and charges, such as sales loads, purchase or redemption fees, transfer taxes, and wire transfer and electronic fund fees. SSF and/or its IARs do not participate in such fees that may be charged to the client.

5. SSF Investment Consulting Fees (SSF-IC)

Fees are outlined in each respective sub-advisor's ADV disclosure document or fund's prospectus. The firm will be paid an on-going fee based upon a percentage of each client's assets under management with respect to each sub-advisor or fund. Each client will receive a copy of such an advisory agreement or prospectus which will disclose the fee. For sub-advisors, the sub-advisor's fee may be higher or lower than advisory fees charged directly from SSF under its SSF-IA services or wrap program. As a result, the firm may have a potential conflict of interest to recommend selections of sub-advisors that would result in a lower percentage of advisory fees. The firm will make all recommendations independent of such fee consideration and based solely on its obligations to consider a client's objectives and needs.

The minimum account size will vary from sub-advisor to sub-advisor and such minimums will be disclosed in the respective sub-advisors ADV disclosure document. The firm may have the ability to negotiate such minimums. A client may terminate his relationship in accordance with the respective managers' disclosure documents.

B. Outside Compensation for the Sale of Securities to Clients

SSF does not accept outside compensation for the sale of securities or other investment products.

Item 6: Performance-Based Fees

Sharing of Capital Gains - Fees are not based on a share of the capital gains or capital appreciation of managed securities. SSF does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the advisor to recommend an investment that may carry a higher degree of risk to the client.

Item 7: Types of Clients

SSF generally provides investment advice to individuals, pension and profit sharing plans, estates, small businesses and trusts. Client relationships vary in scope and length of service.

Minimum Account Size – Client minimum account size is $25,000. We may waive the minimum account size at our discretion.

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

A. Methods of Analysis and Investment Strategies

SSF relies on an investment philosophy that is based on academic research and Modern Portfolio Theory. Modern Portfolio Theory says that it is not enough to look at the expected risk and return of one particular asset class. By investing in more than one asset class, an investor can reap the benefits of diversification chief among them, a reduction in the riskiness of the portfolio. Modern Portfolio Theory quantifies the benefits of diversification, also known as “not putting all of your eggs in one basket”. Therefore, by analyzing these factors it becomes easier to evaluate the potential portfolio performance.

The SSF investment philosophy is based on the following basic principles:

- Develop highly diversified portfolios that feature a broad range of asset classes and market sectors;
- Use market-based investments not manager-based investments;
- Hold the investments for long periods of time;
- Periodically reallocate investments as conditions warrant;
- Strategically rebalance as needed.

SSF Investment Advisor Representatives ("Advisors") meet with clients to discuss their needs. The main factors that help us recommend an asset allocation model to clients are their investment objectives and risk tolerance. We also consider the client's personal situation; including age, health, family circumstances, income, expenses, assets, debts, liquidity needs, goals, personal objectives, suitability, time horizon and other relevant factors.

Based on the written SSF agreement that clients execute, SSF is granted limited discretionary authority to implement client-approved investment strategies. Investments are selected based on past performance (as applicable), manager tenure, portfolio turnover, fees and a variety of academic statistics including beta, standard deviation, R-Squared and Sharpe Ratio. These statistics are provided by third-party vendors.

We may obtain and utilize information and data from a wide variety of public sources. Neither SSF nor our Advisors will independently verify or guarantee such information and data. In categorizing the asset classes of investments, we will rely on prospectuses and information obtained from the issuer, its agents or through publicly available sources. Neither SSF nor our Advisors shall be liable for any misstatement or omission contained in the information from these sources, or any loss, liability, claim, damage or expense, incurred, arising out of, or attributable to such misstatement or omission.

B. Material Risks Involved

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes a Suitability Questionnaire and selects a diversified investment portfolio based on their risk tolerance that documents their objectives and their desired investment strategy. Asset allocation/diversification does not assure or guarantee better performance and cannot eliminate the risk of investment losses.

Risks of Specific Securities Utilized

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

• *Interest-rate Risk*: Fluctuations in interest rates may cause investment prices to fluctuate. For example; when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
• *Market Risk*: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example; political, economic and social conditions may trigger market events.
• *Inflation Risk*: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
• *Currency Risk*: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
• *Reinvestment Risk*: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
• *Business Risk*: These risks are associated with a particular industry or a particular company within an industry. For example; oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
• *Liquidity Risk*: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example; Treasury Bills are highly liquid while real estate properties are not.
• *Financial Risk*: Excessive borrowing to finance a business' operations increases the risk of profitability because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Item 9: Disciplinary Information

A. Criminal or Civil Action

The firm and its management have not been involved in any criminal or civil action.

B. Administrative Proceeding before the SEC, any Other Federal Regulatory Agency, or State Regulatory Agency

The firm and its management have not been involved in any administrative enforcement proceedings.

C. Proceeding Before a Self-regulatory Organization (SRO)

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

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer

SSF is not registered as a Broker/Dealer and none its employees are registered representatives of a Broker/Dealer.

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

Neither SSF nor its employees are registered or have an application pending to register as 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

Investment Advisor Representatives of SSF are also licensed to sell insurance products. From time to time they will offer clients advice or insurance products as part of his financial review.

This practice represents a potential conflict of interest because it gives our IAR's an incentive to recommend products based on the commission amount received. This conflict is mitigated by the fact that clients are not required to purchase any products. Clients also have the option to purchase these products through another insurance agent of their choosing.

D. Selection of Other Advisors or Managers and How This Adviser is compensated for Those Selections

SSF offers a wrap fee asset allocation program sponsored by Financial Engines Advisors, LLC (See Item 5A-4 for additional information on sub-advisors). In such circumstances, SSF receives investment advisory fees from Financial Engines Advisors, LLC (FEA).

This situation may create a conflict of interest. However, when referring clients to FEA; the client's best interest will always be the main determining factor for SSF.

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

A. Code of Ethics

SSF has adopted a Code of Ethics ("The Code") that is designed to ensure that all employees adhere to the highest standards of ethical conduct. The Code states that all of our employees must act in the best interest of the client at all times. It also states that employees should avoid any practice that creates or appears to create a material conflict of interest that could potentially harm a client.

In addition, the SSF Code of Ethics requires among other things, that employees:

- Submit their personal and related trading accounts to the Compliance Department for review;
- Refrain from purchasing Initial Public Offerings ("IPOs");

- Refrain from trading on insider information;
- Get approval prior to purchasing a private placement;
- Comply with ethical restraints including restrictions on giving and receiving gifts; and
- Report any conduct that could potentially harm a client.

Any officer or employee of the firm who fails to observe the SSF Code of Ethics risks serious sanctions, including personal liability and/or termination of employment.

A copy of the SSF Code of Ethics is available upon request by contacting us using the information on the cover page.

B. Recommendations Involving Material Financial Interests

SSF and its employees do not recommend to clients, securities in which we have a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

SSF and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades.

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

SSF personnel may invest their personal funds and establish investment accounts for themselves. Our personnel may also participate in the Scott Smith Financial 401(k) Plan, which uses asset allocation models that only offer exchange-traded funds. In that regard, employees may buy and sell for themselves the same underlying securities as clients, and will have interests in securities owned by or recommended to SSF clients, including mutual funds and ETFs. Employee Accounts are not given preferential trading treatment. We have adopted procedures relating to personal securities transactions, insider trading, and internal trading that are designed to prevent client harm as a result of this conflict of interest.

The Chief Compliance Officer of SSF is Douglas Scott Smith. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment. Since most employee trades are in products such as mutual funds, government securities, bonds or are small in size, they do not impact the securities markets.

Item 12: Brokerage Practices

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

Clients who establish an account with SSF must consent to a clearing/custodial relationship with Fidelity Institutional Wealth Services, (Fidelity), (as cleared through National Financial Services LLC) or TD Ameritrade Institutional, a division of TD Ameritrade Inc. (TD Ameritrade) to execute and clear transactions and provide custody services. Both firms are members of FINRA/SIPC.

SSF places all transactions associated with our client accounts for execution through either Fidelity or TD Ameritrade. Both custodial firms provide services which are typically made available to institutional investment managers and generally are not offered to retail customers. These services include duplicate client statements and confirmations, access to block trading — which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts — the ability to have advisory fees deducted directly from client accounts and access to mutual funds with no transaction fees.

In selecting our Custodians, we evaluated all of the services offered, the quality of those services and the cost indirectly borne by clients to determine if the clearing firm provides overall quality of services for the price. While we believe that both Fidelity and TD Ameritrade offer competitive commission rates, we do not otherwise seek to obtain the best combination of price and execution with respect to our clients' accounts. We will periodically compare clearing firm services and prices against other broker-dealers qualified to provide comparable services. While another broker-dealer may offer these services at a lower overall cost, SSF is not required to move all accounts to that broker-dealer.

1. **Transactions and custody functions. Research and Other Soft-Dollar Benefits**

SSF has no formal soft dollar arrangements and does not use soft dollars to acquire any research services. Both Fidelity and TD Ameritrade offer services to SSF including custody of client securities; trade execution; clearance and settlement of transactions; access to platform systems; duplicate client statements; research-related products and tools; access to a trading desk; access to block trading, which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts; the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products and services.

2. Brokerage for Client Referrals

We do not receive client referrals from our custodial firms or any third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

We do not permit our Clients to direct the execution of transactions through a specific broker-dealer.

B. Aggregating (Block) Trading for Multiple Client Accounts

Whenever appropriate and when the price or execution of a security can be impacted favorably by aggregating orders among accounts, SSF aggregates transactions on behalf of all client accounts, including accounts of Advisors and employees. It is our policy that such transactions will be allocated to all participating client accounts in a fair and equitable manner. There is no preferential treatment given to any account. Transactions may be traded together to ensure best execution and to avoid price differential. There is seldom, if ever, a problem finding sufficient mutual fund shares to purchase for our client's accounts. These shares are purchased from the issuer and sold at the net asset value next determined after an order is received. Shares of mutual funds are sold back to the issuer. Since we only buy open-end funds, each issuing mutual fund must stand ready to buy the shares back at the share's net asset value as determined after the redemption order is received. Similarly, we buy and sell highly liquid ETF interests or shares and there is seldom any difficulty finding a sufficient supply of ETFs on the market.

Item 13: Review of Accounts

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

Account reviews are performed quarterly by each advisor. Account reviews are performed more frequently when market conditions dictate. Financial Plans are considered complete when recommendations are delivered to the client. An ongoing review for Financial Plan clients is done only upon request of the client.

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

Other conditions that may trigger a review of clients' accounts are changes in the tax laws, new investment information and changes in a client's own situation.

C. Content and Frequency of Regular Reports Provided to Clients

Clients receive account statements at least quarterly from one of our Custodians. Clients also receive confirmations of each transaction in their account from the Custodian. SSF also provides quarter performance reports to each client.

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)

SSF does not receive any economic benefits from external sources.

B. Compensation to Non –Advisory Personnel for Client Referrals

SSF does not compensate for client referrals.

Item 15: Custody

SSF does not maintain custody of client funds or securities. Our clients' assets are held at either TD Ameritrade or Fidelity who are responsible for taking custody of and maintaining all client funds and securities as discussed in item 12. Both firms provide monthly account statements directly to clients at their address of record. Clients are urged to compare the account statements received directly from our custodial firms to the performance report statements prepared by SSF. Clients authorize the custodian firm, on behalf of SSF, to deduct our fee from their accounts. This direct fee deduction can be viewed as an "indirect" form of custody.

Item 16: Investment Discretion

1. SSF Investment Discretion

SSF may manage accounts on a discretionary basis. SSF's discretionary agreement grants SSF limited discretionary authority to implement client-approved investment strategies.

Investments are selected based on past performance (as applicable), manager tenure, portfolio turnover, fees and a variety of academic statistics including beta, standard deviation, R-Squared and Sharpe Ratio. These statistics are provided by third-party vendors.

SSF is granted limited discretionary authority to:

A) Invest client's accounts into an asset allocation model, as determined by the client and Adviser, consisting of a diversified mix of asset classes and investment securities primarily in the form of shares of open-end registered investment companies (mutual funds) and ETFs.

B) Modify or change the mix of asset classes and investment securities held in our client's account(s), and

C) Rebalance the account(s) periodically.

Item 17: Voting Client Securities (Proxy Voting)

SSF does not accept proxy voting responsibility for client accounts. Therefore, we have no obligation or authority to act or render advice with respect to the voting of proxies solicited by or with respect to issues of securities held by client accounts. We expect clients to expressly retain the authority and responsibility for proxy voting.

With respect to ERISA accounts, we generally expect the plan sponsor to expressly retain the authority and responsibility for proxy voting and to specify, in writing, who has voting authority.

All clients will receive proxies directly from the custodian firm. Clients may direct any questions to their Advisor should the need arise.

Item 18: Financial Information

A. Balance Sheet

A balance sheet is not required to be provided because SSF does not serve as a custodian for client funds or securities and SSF does not require prepayment of fees of more than $500 per client and six months or more in advance.

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

SSF has no condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

C. Bankruptcy Petitions in Previous Ten Years

Neither SSF nor its management has had any bankruptcy petitions in the last ten years.

Item 19: Requirements for State Registered Advisers

A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background

Douglas Scott Smith CFP® is President and Chief Compliance Officer of SSF and was born in 1959. He has not had any legal or disciplinary events material to a client's or prospective client's evaluation.

Prior to his association with Scott Smith Financial, Inc., Mr. Smith held the position of Vice President of Retirement Plan Services at ALCOS, Inc. (January 2000 to December 2005). From July 1993 to January 2000 Scott held the position of President of Allied Retirement Planning, Inc. Scott is a graduate of Michigan Technological University, receiving his Bachelor of Science in Engineering in 1982.

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail. Certified Financial Planner (CFP): The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”). The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

• Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
• Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
• Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
• Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

• Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
• Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct.* The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

B. Other Businesses in Which This Advisory Firm or its Personnel are engaged

SSF is licensed as an Insurance Agency providing insurance brokerage services to its clients in the Life, Disability and Health areas as well as providing third-party pension administration services. SSF IAR's are licensed to sell insurance products. Clients are not required to purchase any insurance products as part of their asset management program or financial planning process.

Douglas Scott Smith is 100% owner of Center Street Holdings LLC, a Real Estate Brokerage firm. As part of the State of Michigan's licensing process for Real Estate Brokerage Firms, Mr. Smith has become licensed as a Real Estate Broker by the State of Michigan.

The firm and its employees spend less than 10% of their time involved in these additional services.

C. How Performance Based Fees are Calculated and Degree of Risk to Clients

SSF does not charge performance based fees.

D. Material Disciplinary Disclosures for Management Persons of this Firm

No Management person been involved in any of the events listed below:

1. An award or otherwise been found liable in an arbitration claiming damages in excess of $2,500, involving any of the following:

    a. an investment or an investment-related business or activity;
    b. fraud, false statement(s), or omissions;
    c. theft, embezzlement, or other wrongful taking of property;
    d. bribery, forgery, counterfeiting, or extortion; or
    e. dishonest, unfair, or unethical practices.

2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving the following:
    a. an investment or an investment-related business or activity;
    b. fraud, false statement(s), or omissions;
    c. theft, embezzlement, or other wrongful taking of property;
    d. bribery, forgery, counterfeiting, or extortion; or
    e. dishonest, unfair, or unethical practices.

E. Material Relationships That Management Persons Have With Issuers of Securities

Management persons do not have any relationship or arrangement with any issuer of securities.

SCOTT Smith
Retirement Planning for Southeast Michigan

(Douglas) Scott Smith

President and Chief Compliance Officer

Scott Smith Financial, Inc.

43155 Mail Street, Ste. 212

Novi, MI 48375

This is a supplement to the Scott Smith Financial, Inc. brochure. Please contact us at 248-946-4515 if you have any questions about our brochure or this supplement.

Educational Background and Business Experience

Year of Birth: 1959

Formal Education: Bachelor of Science in Chemical Engineering,
Michigan Technological University

Business Background: Scott Smith has been an investment advisor for 30+ years, and has been with Scott Smith Financial, Inc. since 2005.

Employment History:

- 2005 - Present; President, Investment Advisor Representative and Chief Compliance Officer at Scott Smith Financial, Inc., A Registered Investment Advisor.
- 2001 - 2005; Vice President - Retirement Planning, ALCOS (Sterling Heights, MI) a pension administration and design firm.
- 2001 - 2005; Registered Representative and Investment Advisor Representative at M Holdings Securities Inc. (Portland, OR). Advised and executed purchases and sales of securities for clients.
- 1994 - 2001; Registered Representative and Investment Advisor Representative at Vestax Securities Corporation (Hudson, OH). Advised and executed purchases and sales of securities for clients.
- 1993 - 2000; President of Allied Retirement Planning, Inc. (Warren, MI) a pension administration and design firm.
- 1985 - 1997; President of Exbenco Administrators, Inc. (Farmington Hills, MI) a pension administration and design firm.

Professional Designation(s)*: CERTIFIED FINANCIAL PLANNER™ (CFP), Certified Life Underwriter (CLU)

Disciplinary Information

Like all Registered Investment Advisors, we are required to disclose all material facts regarding any legal or disciplinary events that could materially influence your evaluation of your advisor.

Scott has no legal or disciplinary events to report.

Other Business Related Activities

Scott holds insurance licenses and as such, he may recommend the purchase of life, health, long-term care and disability insurance products, as well as fixed annuities. There could be a conflict of interest if such recommendation were to generate a commission.

Additional Compensation

Scott is not engaged in any other business activity for compensation.

Supervision

Scott Smith Financial has adopted a formal compliance program designed to prevent, detect and correct any actual or potential violations by the firm or its supervised persons of the Investment Advisers Act of 1940, and other federal and state securities laws.

Investment advisory activity is supervised by the firm's Chief Compliance Officer (CCO). The CCO reviews and approves new accounts, transactions and other advisory-related activities. The current CCO is Scott Smith, Chief Compliance Officer. He can be reached at scott@SSFin.com or by calling (248) 946-4515.

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*Important Information About the CERTIFIED FINANCIAL PLANNER ™ (CFP®) Designation: The CERTIFIED FINANCIAL PLANNER ™ (CFP®) certification represents proven expertise within the financial planning profession. Those with the CFP® designation have demonstrated competency in all areas of finance related to financial planning. Candidates for the CFP® designation must pass a certification exam administered by the Certified Financial Planner Board of Standards Inc. that focuses on over 100 topics of concern to the financial planning field, such as retirement, estate, and investment planning. In addition to passing the CFP® certification exam, candidates must also complete qualifying work experience (three years full-time or equivalent part-time experience in the financial planning field) and agree to adhere to the CFP Board's code of ethics and professional responsibility and financial planning standards. In addition, CFP® must complete 30 hours of continuing education every two years.

Scott Smith Financial, Inc.
Wrap Fee Program Brochure

SCOTT Smith
Retirement Planning for Southeast Michigan

This Wrap Fee brochure provides information about the SSF Asset Management Program (SAM). If you have any questions about the contents of this Brochure, please contact us at (248) 946-4515. 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. Scott Smith Financial, Inc, the sponsor of SAM, is an investment advisor registered with the State of Michigan pursuant to the Michigan Uniform Securities Act. Please note that registration as an investment advisor with the State of Michigan does not imply a certain level of skill or training.

Additional information about SSF is available on the SEC's website at www.adviserinfo.sec.gov. Scott Smith Financial, Inc.'s CRD number is: 138393

43155 Main Street, Ste. 212
Novi, MI 48375
(248) 946-4515
www.ScottSmithFinancial.com
scott@scottsmithfinancial.com

Version Date: 3/1/2020

Material Changes

We're required to tell you about any significant changes in this updated Wrap Fee brochure. Future Wrap Fee brochures will contain similar summaries. You may also receive updates at other times if information changes.

We have moved our offices effective as of September 1, 2019. Our new address is:

43155 Main Street, Ste 212
Novi, MI 48375

You can also find out more about us and receive our current brochure from the SEC's website, www.adviserinfo.sec.gov. The site can also give you information about people who are registered or about to be registered as IARs of our firm.

Full Brochure Available
To receive a complete copy of our SAM Wrap Fee Brochure, please contact us by telephone at: 248-946-4515 or by email at: scott@SSFin.com

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Item 4 - Service, Fees and Compensation

Description of Advisory Firm

Scott Smith Financial, Inc. (SSF or the IAR) is an investment advisor registered with the State of Michigan pursuant to the Michigan Uniform Securities Act. Douglas Scott Smith founded the company in 2005 and is 100% owner.

SSF provides personalized financial planning, investment management and consulting to individuals, pension and profit sharing plans, trusts, small businesses and estates ("Clients"). Advice is provided through consultation with the Client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement and estate planning.

Please note that registration as an investment advisor with the State of Michigan does not imply a certain level of skill or training and other professionals (e.g., lawyers, Accountants, trust officers etc.) are engaged directly by the Client on an as-needed basis.

The SSF Asset Management Program (SAM)

The SSF Asset Management Program ("SAM") is a Wrap Fee asset allocation program sponsored by SSF. The Client retains SSF and an Investment Adviser Representative ("IAR") for the purpose of opening an investment advisory account ("Account") and participating in SAM. SSF will invest participating Client assets in one or more diversified asset allocation models consisting of open-end investment companies (commonly referred to as mutual funds) and closed-end investment companies (commonly referred to as exchange-traded funds or ETFs) in exchange for an all-inclusive asset-based Wrap Fee ("Wrap Fee").

We offer SAM asset allocation models containing mutual funds and ETFs in a broad range of asset classes and market sectors, including domestic stocks, international stocks, global bonds, and alternative investments. SSF does not serve as investment adviser to any of the investment company products included in portfolio assets.

SAM portfolios range from conservative to aggressive. The Client's IAR assists the Client in selecting the asset allocation model that best meets the Client's needs. The IAR considers the Client's financial situation, goals and investment objectives, risk tolerance, time horizon, liquidity needs, and other relevant factors, as described by the Client, in selecting the Client's asset allocation model. Clients' grant SSF limited discretionary authority in the management of their SAM portfolios and individual portfolios may or may not represent the overall objectives of the client's total investment assets.

SSF Asset Management Fees

As compensation for participation in SAM, SSF receives a Wrap Fee based on the value of assets under management. The amount of the Fee will be set out in the Client agreement executed by the Client at the time the relationship is established. The Wrap Fee is set according to the following Fee schedule:

For the Portion of the Account that is:		SSF Annual Fee
At Least:	**But less Than:**	
$0	$250,000	1.5%
$250,000	$500,000	1.25%
$500,000	$1,000,000	1.00%
$1,000,000	$3,000,000	0.75%
$3,000,000	$10,000,000	0.40%

For Accounts of $10 million or less, SSF does not normally consider its Wrap Fee to be negotiable, however SSF reserves the right in its discretion, based on factors SSF deems relevant, to agree to a Wrap Fee for any particular Client that varies from the Fee set forth in the table above and which may be lower or higher than Fees charged to another Client with a similar sized Account. In certain situations, minimum Account Fees may apply that may exceed the Fees in the schedule above. Relevant factors that may lead to a variation in Fees include, for example, the size and scope of the Client's overall relationship with SSF and the Fees that the Client's Account was charged at another firm prior to transferring to SSF.

Wrap Fees are based on the average daily value of assets managed during the calendar quarter. Quarterly Fees deducted from the Clients' Account by the custodian will be outlined in our Fee invoice as Fees are withdrawn. The first payment is calculated based on the number of days assets are placed in the Account during a calendar quarter. Generally, Fees are deducted from the Client's Account no later than the fifteenth (15th) day after the end of each quarter, in arrears. If an Account is terminated prior to the end of a calendar quarter the terminating Client will pay Fees due up to the termination date. Clients who cancel services within five business days of the contract date will not be charged a Fee.

Wrap Fees are automatically deducted from the Client's Account. Clients must provide the approved custodian with authorization to have Fees deducted directly from the Account and paid to SSF. The authorization shall remain valid until a written revocation of the authorization is received by the approved custodian. Adviser shall submit instructions to custodian to deduct the calculated Fee. It is SSF and Client's responsibility to verify the accuracy of SSF's Fee calculation and custodian will not determine whether the Fee has been properly calculated. Account statements sent at least quarterly by custodian and SSF will indicate all amounts disbursed from the Account and the total amount of the Wrap Fee paid directly to SSF.

Other Fees

Clients pay a Wrap Fee as outlined above, which includes all brokerage execution costs without regard to the number of transactions executed during the billing period. SSF has negotiated Fees with clearing/custody firms, and the costs do not affect the Wrap Fee paid by the Client.

Transaction costs imposed by the brokerage firms are covered by the Wrap Fee. The Wrap Fee does not include Fees and expenses typically associated with mutual funds or ETFs. Each mutual fund or ETF in which the Client may invest in the Account also bears its own Fees (none of which are shared with SSF or our affiliates) and expenses, as disclosed in the applicable prospectus or product description. The Wrap Fee does not cover Fees or expenses charged by any mutual fund or ETF held in the Account. In addition, the Wrap Fee does not include debit balances, wire transfer Fees, overnight check Fees, margin interest, Account transfer Fees, IRA and retirement plan Fees, SEC Fees, 12b-1 Fees for certain money market funds, or other Fees or taxes required by law.

Item 5 - Account Requirement and Types of Clients

Account Requirements

The Client may make additions to or withdrawals from the Account at any time, however, SAM is designed as a long-term investment vehicle and asset withdrawals may impair the ability to achieve the Client's investment objectives. Excessive Withdrawals that cause material reductions in the value of the Account could cause SSF to terminate the Account.

Clients who establish a SAM account with SSF must consent to a clearing/custodial relationship with Fidelity Institutional Wealth Services, (Fidelity), (as cleared through National Financial Services LLC) or TD Ameritrade Institutional, a division of TD Ameritrade Inc. (TD Ameritrade) to execute and clear transactions and provide custody services. Both firms (Custodians) are members of FINRA/SIPC and provide the following services to SAM Clients:

- Maintain custody of Account assets;
- Execute and perform clearance of all purchase and sale orders as directed by SSF;
- Perform all custodial functions customarily performed with respect to the Account, including but not limited to the crediting of interest and dividends on Account assets;
- Forward to Client and to SSF purchase and sale confirmations and Account statements;
- Charge and collect Wrap Fees on SSF's behalf; and Accept deposits to and withdrawals from the Account pursuant to our instructions.

Clients pay no commissions for SAM brokerage services and we will not enter into any principal transactions in SAM Accounts. The Custodian does not assist the Client in selecting SSF or any investment or in determining the suitability of investments.

The Custodian, will send statements to the Client at least quarterly detailing all Account activity, including deduction of the Wrap Fee. The Client may elect to receive custodial Account statements and confirmations electronically in lieu of paper confirmations and statements.

Types of Clients

SSF generally provides investment advice to individuals, pension and profit sharing plans, estates, small businesses and trusts. Client relationships vary in scope and length of service.

SSF generally provides investment advice to individuals, pension and profit sharing plans, estates, small businesses and trusts. Client relationships vary in scope and length of service.

Minimum Account Size

Client minimum account size is $25,000. We may waive the minimum account size at our discretion.

Item 6 - Portfolio Manager Selection and Evaluation

We do not select or utilize the services of any third-party portfolio manager for SAM Accounts. The SSF Investment Committee and the IARs oversee the management of the assets for SAM Accounts.

Investment Strategy

SSF relies on an investment philosophy that is based on the latest academic research such as Modern Portfolio Theory and the Fama-French Three-Factor Model, and the latest discoveries in behavioral finance. Modern Portfolio Theory says that it is not enough to look at the expected risk and return of one particular asset class. By investing in more than one asset class, an investor can reap the benefits of diversification, chief among them a reduction in the riskiness of the portfolio. Modern Portfolio Theory quantifies the benefits of diversification, also known as "not putting all of your eggs in one basket." The Fama-French Three-Factor Model is based on research showing that over long periods of time, value stocks outperform growth stocks, and similarly, small cap stocks tend to outperform large cap stocks. Therefore, with analysis of these factors, it becomes easier to evaluate the potential portfolio performance. SSF believes that solid science, backed by decades of academic research, offers one of the smartest approaches to investing.

The SSF investment philosophy is based on the following basic principles:

- Develop highly diversified portfolios that feature a broad range of asset classes and market sectors;

- Use market-based investments, not manager-based investments;

- Hold the investments for long periods of time;

- Periodically reallocate investments as conditions warrant;

- Strategically rebalance as needed.

SAM is highly diversified, invests primarily in mutual funds and ETFs, and features as many as nineteen (19) asset classes and market sectors. This approach is very effective, but of course cannot ensure investment success or prevent loss in a declining market. Past performance is no guarantee of future results.

Methods of Analysis and Investment Selection

Based on the written SSF agreement that clients execute, SSF is granted limited discretionary authority to implement client-approved investment strategies. Investments are selected based on past performance (as applicable), manager tenure, portfolio turnover, fees, and a variety of academic statistics including beta, standard deviation, R-Squared, and Sharpe Ratio. These statistics are provided by third-party vendors and the investment sponsors, and are evaluated by the asset allocation model manager as well as the SSF Investment Committee on both an absolute and relative basis, relying on standards set by SSF.

We may obtain and utilize information and data from a wide variety of public and private sources. Neither SSF nor our Advisors will independently verify or guarantee such information and data. In categorizing the asset classes of investments, we will rely on prospectuses and information obtained from the issuer or its agents, or through publicly available sources. Neither SSF nor our Advisors shall be liable for any misstatement or omission contained in the information from these sources, or any loss, liability, claim, damage or expense incurred arising out of, or attributable to, such misstatement or omission.

Transactions for different Account(s) or for other clients' accounts may not be made at the same time, may be made on different days, and may be made over multiple days. In handling purchases and liquidations, we will execute transactions without regard to pending dividend or capital gains distributions, stock splits, mergers or other corporate or financial events.

The client may impose reasonable restrictions on the management of the account. When imposing restrictions, the client may request that particular securities or types of securities not be purchased, or that such securities are to be sold if held in the account. The client, however, cannot request that particular securities be purchased for the account. Moreover, the client should note that it is impossible for us to influence or change the mix of securities held by any mutual fund or ETF included in the client's account. We reserve the right, at our sole discretion, to reject any account should the client request unreasonable or overly restrictive conditions.

Trading Authorization and Reallocation

Once an asset allocation model portfolio has been selected, the Client grants SSF limited discretionary authority to:

Invest the assets in the SAM Account in a diversified asset mix;
Reallocate assets in the Account; and
Rebalance the assets when needed.

Rebalancing

At the inception of an Account, SAM assets are invested in specific asset types including mutual funds and ETFs. Amounts invested in each asset type are determined in accordance with set target percentages of total assets in the Account. Thereafter, as markets fluctuate and values change, amounts originally allocated to an asset type will either exceed or fall below the original target allocations. SSF periodically adjust Account holdings back to the original asset targets, or "rebalance" the Account. However, we do not rebalance Accounts constantly, and asset allocations may drift away from their original target percentages before SSF, within its authority and judgment, brings those allocations back in line to the original percentages. In a sense, when we rebalance an Account, we sell holdings that are appreciating in value to buy other holdings that may be declining in value. However, the investment philosophy of an asset allocation strategy is to be positioned in various asset types so that when the asset type becomes profitable, the Account is positioned to take advantage of the upturn.

The Client may impose reasonable restrictions on the Account(s) that are not fundamentally inconsistent with the Client's investment objective or the nature or operation of SAM. We will notify the Client quarterly, as a reminder, to contact us regarding any changes in the Client's financial situation or investment objectives. In addition, the IAR will contact the Client at least annually to determine whether any such changes have occurred and the ongoing suitability of SAM.

SSF does not provide tax or legal advice. The Client is instructed to seek advice from a tax or legal adviser before making an investment decision. The Client should inform his or her IAR if changes occur in investment objectives or financial situation.

Reallocating

When reallocating, SSF changes the target percentages of some or all of the asset classes or types relative to the total Account. The Account is monitored on an ongoing basis and assets are reallocated based on market or other conditions, as warranted. Changes in the asset allocation model, which include adding, removing or replacing securities at the discretion of SSF and the Investment Committee, are made based on significant changes in the economic, financial or political climate; changes in the tax code, the management of the securities used by the asset allocation model; and/or the Client's personal circumstances. We may replace a particular security, if it significantly diverges from its relevant index in terms of risk or return, with a security that is more in line with the risk/return profile of the relevant index. Reallocations occur with less frequency than rebalancing, and when we reallocate Accounts, it generally is in anticipation of the impact that expected long-term market volatility could have on specific asset classes or types. Clients are notified of reallocations after the transactions are effected.

Material Risks Involved

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

• *Interest-rate Risk*: Fluctuations in interest rates may cause investment prices to fluctuate. For example; when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

• *Market Risk*: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example; political, economic and social conditions may trigger market events.
• *Inflation Risk*: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
• *Currency Risk*: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
• *Reinvestment Risk*: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
• *Business Risk*: These risks are associated with a particular industry or a particular company within an industry. For example; oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
• *Liquidity Risk*: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example; Treasury Bills are highly liquid while real estate properties are not.
• *Financial Risk*: Excessive borrowing to finance a business' operations increases the risk of profitability because the company must meet the terms of its obligations in good times and bad. During periods of financial stress the inability to meet loan obligations may result in bankruptcy and/or a declining market

Performance-Based Fees and Side-by-Side Management

SSF 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). We do not engage in side-by-side management.

Voting Client Securities

SSF does not accept proxy voting responsibility for client accounts. Therefore, we have no obligation or authority to act or render advice with respect to the voting of proxies solicited by or with respect to issues of securities held by client accounts. We expect clients to expressly retain the authority and responsibility for proxy voting.

With respect to ERISA accounts, we generally expect the plan sponsor to expressly retain the authority and responsibility for proxy voting and to specify, in writing, who has voting authority.

All clients will receive proxies directly from the custodian firm. Clients may direct any questions to their Advisor should the need arise.

Item 7 - Client Information Provided to Portfolio Managers

The Advisor will obtain information, prior to opening an Account, regarding the client's financial situation, goals and investment objectives, risk tolerance, time horizon and other relevant factors, as described by the client, in selected the client's asset allocation model. The Advisor will also inquire as to the client's interest in imposing any reasonable restrictions on the management of the Account. The Advisor will contact the client at least annually to determine if any changes have occurred that may affect the ongoing suitability of the portfolio selected and the determine if any new restrictions should be imposed on the account.

Item 8 - Client Contact with Portfolio Managers

Clients are generally free to contact SSF and their Advisor at any time during normal business hours via telephone, fax, mail or e-mail. In-person meetings should be scheduled in advance to ensure that the Advisor is available. Generally, our custodians and the issuers or sponsors of the investments used in the program are not available to answer questions or discuss specific investment issues. However, if a client has a specific need, we will reasonably attempt to arrange the discussion.

Item 9 - Additional Information

Disciplinary Information

Criminal or Civil Action:

The firm and its management have not been involved in any criminal or civil action.

Administrative Proceeding before the SEC, any Other Federal Regulatory Agency, or State Regulatory Agency:

The firm and its management have not been involved in any administrative enforcement proceedings.

Proceeding Before a Self-Regulatory Organization (SRO)

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

Other Financial Industry Activities and Affiliations

Registration as a Broker/Dealer

SSF is not registered as a Broker/Dealer and none its employees are registered representatives of a Broker/Dealer.

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

Neither SSF nor its employees are registered or have an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

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

Investment Advisor Representatives of SSF are also licensed to sell insurance products. From time to time they will offer clients advice or insurance products as part of his financial review.

This practice represents a potential conflict of interest because it gives our IAR's an incentive to recommend products based on the commission amount received. This conflict is mitigated by the fact that clients are not required to purchase any products. Clients also have the option to purchase these products through another insurance agent of their choosing.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

SSF has adopted a Code of Ethics ("The Code") that is designed to ensure that all employees adhere to the highest standards of ethical conduct. The Code states that all of our employees must act in the best interest of the client at all times. It also states that employees should avoid any practice that creates or appears to create a material conflict of interest that could potentially harm a client.

In addition, the SSF Code of Ethics requires among other things, that employees:

- Submit their personal and related trading accounts to the Compliance Department for review;
- Refrain from purchasing Initial Public Offerings ("IPOs");
- Refrain from trading on insider information;
- Get approval prior to purchasing a private placement;
- Comply with ethical restraints including restrictions on giving and receiving gifts; and
- Report any conduct that could potentially harm a client.

Any officer or employee of the firm who fails to observe the SSF Code of Ethics risks serious sanctions, including personal liability and/or termination of employment.

A copy of the SSF Code of Ethics is available upon request by contacting us using the information on the cover page.

Recommendations Involving Material Financial Interests

SSF and its employees do not recommend to clients' any securities in which we have a material financial interest.

Investing Personal Money in the Same Securities as Clients

SSF and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades.

Trading Securities At/Around the Same Time as Clients' Securities

SSF personnel may invest their personal funds and establish investment accounts for themselves. Our personnel may also participate in the Scott Smith Financial 401(k) Plan, which uses asset allocation models that only offer exchange-traded funds. In that regard, employees may buy and sell for themselves the same underlying securities as clients, and will have interests in securities owned by or recommended to SSF clients, including mutual funds and ETFs. Employee Accounts are not given preferential trading treatment. We have adopted procedures relating to personal securities transactions, insider trading, and internal trading that are designed to prevent client harm as a result of this conflict of interest.

The Chief Compliance Officer of SSF is Douglas Scott Smith. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment. Since most employee trades are in products such as mutual funds, government securities, bonds or are small in size, they do not impact the securities markets.

Reviews of Accounts

Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Account reviews are performed at least annually by each Advisor, however, Account reviews may be performed more frequently when market conditions dictate.

Factors That Will Trigger a Non-Periodic Review of Client Accounts

Other conditions that may trigger a review of clients' accounts are changes in the tax laws, new investment information and changes in a client's own situation.

Content and Frequency of Regular Reports Provided to Clients

Clients receive account statements monthly from one of our Custodians. Clients also receive confirmations of each transaction in their account from the Custodian. SSF also provides quarter performance reports to each client.

Client Referrals and Other Compensation

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

SSF does not receive any economic benefits from external sources.

Compensation to Non –Advisory Personnel for Client Referrals

SSF does not compensate for client referrals.

Item 10 - Requirements for State-Registered Advisors

Principal Executive Officers and Management Persons; Their Formal Education and Business Background

Douglas Scott Smith CFP® is President and Chief Compliance Officer of SSF and was born in 1959. He has not had any legal or disciplinary events material to a client's or prospective client's evaluation.

Prior to his association with Scott Smith Financial, Inc., Mr. Smith held the position of Vice President of Retirement Plan Services at ALCOS, Inc. (January 2000 to December 2005). From July 1993 to January 2000 Scott held the position of President of Allied Retirement Planning, Inc. Scott is a graduate of Michigan Technological University, receiving his Bachelor of Science in Engineering in 1982.

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail. Certified Financial Planner (CFP): The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board"). The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

• Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
• Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
• Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
• Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

• Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
• Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct.* The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Other Businesses in Which This Advisory Firm or its Personnel are engaged

SSF is licensed as an Insurance Agency providing insurance brokerage services to its clients in the Life, Disability and Health areas as well as providing third-party pension administration services. SSF IAR's are licensed to sell insurance products. Clients are not required to purchase any insurance products as part of their asset management program or financial planning process.

Douglas Scott Smith is 100% owner of Center Street Holdings LLC, a Real Estate Brokerage firm. As part of the State of Michigan's licensing process for Real Estate Brokerage Firms, Mr. Smith has become licensed as a Real Estate Broker by the State of Michigan.

The firm and its employees spend less than 10% of their time involved in these additional services.

How Performance Based Fees are Calculated and Degree of Risk to Clients

SSF does not charge performance based fees.

Material Disciplinary Disclosures for Management Persons of this Firm

No Management person been involved in any of the events listed below:

1. An award or otherwise been found liable in an arbitration claiming damages in excess of $2,500, involving any of the following:
    a. an investment or an investment-related business or activity;
    b. fraud, false statement(s), or omissions;
    c. theft, embezzlement, or other wrongful taking of property;
    d. bribery, forgery, counterfeiting, or extortion; or
    e. dishonest, unfair, or unethical practices.

2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving the following:

a. an investment or an investment-related business or activity;
b. fraud, false statement(s), or omissions;
c. theft, embezzlement, or other wrongful taking of property;
d. bribery, forgery, counterfeiting, or extortion; or
e. dishonest, unfair, or unethical practices.

Material Relationships That Management Persons Have With Issuers of Securities

Management persons do not have any relationship or arrangement with any issuer of securities.