Form ADV Part 2A: *Firm Brochure*

Item 1 – Cover Page

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Date of Disclosure Brochure: March 31, 2025

This disclosure brochure provides information about the qualifications and business practices of Retirement Financial Solutions, LLC doing business under the name Blue Ridge Wealth Planners (also referred to as we and us throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact Bradley Fugate at 865-392-4260. The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Blue Ridge Wealth Planners is also available on the Internet at www.adviserinfo.sec.gov. You can view our firm's information on this website by searching for Retirement Financial Solutions, LLC, Blue Ridge Wealth Planners or our firm's CRD number 285347.

*Registration as an investment adviser does not imply a certain level of skill or training.

Item 2 – Material Changes

Since our last annual amendment update dated March 11, 2024, we have:

- Named Torian Johnson as the Chief Compliance Officer of Blue Ridge Wealth Planners effective October 2024.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time, we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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Item 4 – Advisory Business

Blue Ridge Wealth Planners is an SEC registered investment adviser located in Knoxville, Tennessee. The firm is a limited liability company (LLC) formed under the laws of the State of Tennessee.

- Robert Fugate is the Founder of Blue Ridge Wealth Planners. Bradley Fugate is the controlling Managing Member of Blue Ridge Wealth Planners as of January 2017. Full details of the education and business background of Robert and Bradley Fugate are provided in their Form ADV Part 2B Brochure Supplements.

- Blue Ridge Wealth Planners filed its initial application to become registered as an investment adviser in October 2016.

<u>Introduction</u>

The investment advisory services of Blue Ridge Wealth Planners are provided to you through an appropriately licensed and qualified individual who is an investment adviser representative of Blue Ridge Wealth Planners (referred to as your investment adviser representative throughout this brochure).

<u>Description of Advisory Services</u>

The following are descriptions of the primary advisory services of Blue Ridge Wealth Planners. Please understand that a written agreement, which details the exact terms of the service, must be signed by you and Blue Ridge Wealth Planners before we can provide you with the services described below.

Asset Management Services through AE Wealth Management –

We offer discretionary asset management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for asset management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice. We may also consult with you about options available to you in your pension plan. As part of our asset management services, we will customize an investment portfolio for you according to your risk tolerance and investing objectives. We may also invest your assets according to one or more model portfolios developed by an unaffiliated investment adviser firm. Once we select a model portfolio, we will monitor your portfolio's performance on an ongoing basis and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary asset management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account and the commissions to be paid to brokerage firms without your approval prior to each transaction.

Discretionary authority is typically granted by the Investment Advisory Agreement you sign with our firm and the appropriate trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing.

As part of our investment advisory services, we may use one or more third-party money manager(s) to manage a portion of your account on a discretionary basis. Our firm may utilize the services of various third-party money managers for the management of client accounts, allocating client assets among such managers as appropriate. In such cases, the third-party money managers will be responsible for continuously monitoring client accounts and making trades in client accounts when necessary. While the chosen third-party money manager(s) will provide advice on specific securities and/or other investments in connection with this service, our firm has discretionary authority to hire and fire such managers and reallocate assets among them as deemed appropriate. We will assist you with identifying your risk tolerance and investment objectives, and, in turn, retain third-party money managers in relation to your stated investment objectives and risk tolerance. As a result, we allocate a portion of the total fee charged and collected from you to the third-party money managers, if utilized, as compensation for their direct management of your account.

We have a sub-advisory relationship with AE Wealth Management, LLC ("AEWM") to provide investment advisory services to clients. This arrangement allows us to access model portfolios, model managers, strategists, third-party money manager(s), and trading services through AEWM's managed account program. As part of the AEWM program, you will give us and AEWM discretion to select third party, nonaffiliated investment managers ("Model Managers") to design and manage model portfolios for your assets. If we offer you services through AEWM, we will provide you with a copy of AEWM's disclosure brochure which contains a detailed description of AEWM's services. We will regularly monitor the performance of your accounts managed by AEWM or other third-party money manager(s) and may hire and fire any third-party money manager(s) without your prior approval. AEWM has contracted with an unaffiliated service provider to calculate the fee and instruct the qualified custodian(s) to deduct the fee and pay AEWM and our firm in accordance with your agreement. However, you will not pay anything over and above our firm’s advisory fee in order to receive the third-party money manager’s services.

Wrap Fee Programs

A wrap fee program is a program under which the client pays a single fee that covers both receipt of investment advice and the execution of securities transactions. We serve as portfolio manager to a wrap fee program sponsored by AEWM, which is also available to our clients. In the AEWM program, the advisory fee paid by the client includes custody, trades, management expertise and reporting in a bundled format. A client's total cost of each of the services provided through wrap fee programs could be different if purchased separately. Cost factors may include the client's ability to:

1. Obtain the services provided within the programs separately from any of the mutual fund sponsors,
2. Invest and rebalance the selected mutual funds without the payment of a transaction charge, and
3. Obtain performance reporting comparable to those provided within each program.

When comparing costs, the combination of multiple mutual fund investments, advisory services, custodial and brokerage services available through each program may not be available separately. Clients may be required to have multiple accounts, sign numerous documents and incur various fees. If an account is not actively traded or the client qualifies for reduced sales charges, the fees in these programs may be more expensive than if utilized separately.

We believe the charges and fees offered within each fee-based program are competitive and reasonable when compared to alternative programs available through other firms and/or investment sources. However, we make no guarantee that the aggregate cost of a particular program is lower than that which may be available elsewhere.

If you participate in a third-party wrap program, it will be on a discretionary basis. The strategies implemented are based on clients' individual investment objectives. If you participate in a wrap fee program, we will provide you with a separate Wrap Fee Program Brochure from AEWM explaining the program and costs associated with the program

Retirement Plan Rollover Recommendations - To the extent we recommend you roll over your account from a current retirement plan to an individual retirement account (“Rollover IRA”), managed by Blue Ridge Wealth Planners please know that Blue Ridge Wealth Planners and our investment adviser representatives have a conflict of interest.

We can earn increased investment advisory fees by recommending that you roll over your account at the retirement plan to a Rollover IRA managed by Blue Ridge Wealth Planners. We will earn fewer investment advisory fees if you do not roll over the funds in the retirement plan to a Rollover IRA managed by Blue Ridge Wealth Planners.

Thus, our investment adviser representatives have an economic incentive to recommend a rollover of funds from a retirement plan to a Rollover IRA which is a conflict of interest because our recommendation that you open an IRA account to be managed by our firm can be based on our economic incentive and not based exclusively on whether or not moving the IRA to our management program is in your overall best interest.

We have taken steps to manage this conflict of interest. We have adopted an impartial conduct standard whereby our investment adviser representatives will (i) provide investment advice to a retirement plan participant regarding a rollover of funds from the retirement plan in accordance with the fiduciary status described below, (ii) not recommend investments which result in Blue Ridge Wealth Planners receiving unreasonable compensation related to the rollover of funds from the retirement plan to a Rollover IRA, and (iii) fully disclose compensation received by Blue Ridge Wealth Planners and our supervised persons and any material conflicts of interest related to recommending the rollover of funds from the retirement plan to a Rollover IRA and refrain from making any materially misleading statements regarding such rollover.

To the extent we provide you investment advice as a participant in a retirement plan regarding whether to maintain investments and/or proceeds in the retirement plan, roll over such investment/proceeds from the retirement plan to a Rollover IRA or make a distribution from the retirement plan, Blue Ridge Wealth Planners hereby acknowledges our fiduciary obligations to you with regard to our investment advice about whether to maintain, roll over or distribute proceeds from the retirement plan, and as such a fiduciary with respect to its investment advice to you about whether to maintain, roll over or distribute proceeds from the retirement plan.

Our investment advisor representatives shall act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the investment objectives, risk, tolerance, financial circumstances, and a client’s needs, without regard to the financial or other interests of Blue Ridge Wealth Planners or our affiliated personnel.

Newsletters

Blue Ridge Wealth Planners occasionally prepares general, educational and informational newsletters. Newsletters are always offered on an impersonal basis and do not focus on the needs of a specific individual. Newsletters are provided to clients and prospective clients free of charge.

Seminars

Blue Ridge Wealth Planners provides dinner seminars throughout the year. Seminar topics focus on retirement planning issues but can also include other general financial planning topics. Seminars are always offered on an impersonal basis and do not focus on the individual needs of participants. Seminars are offered to clients and prospects free of charge.

Workshops

Blue Ridge Wealth Planners offers educational workshops throughout the year covering retirement planning and financial planning topics. Attendees may receive a course workbook which further details the topic of discussion. See *Item 5 – Fees and Compensation* for the costs associated with the workshops.

Limits Advice to Certain Types of Investments

Blue Ridge Wealth Planners can provide investment advice on the following types of investments:

- Mutual Funds
- Exchange Traded Funds (ETFs)
- Exchange-listed Securities
- Securities Traded Over the Counter
- Foreign Issues
- Warrants
- Corporate Debt Securities
- Commercial Paper
- Certificates of Deposit
- Municipal Securities
- Variable Annuities
- Variable Life Insurance
- US Government Securities
- Options Contracts on Securities
- Options Contracts on Commodities
- Futures Contracts on Tangibles
- Futures Contracts on Intangibles
- Interests in Partnerships Investing in Real Estate
- Interests in Partnerships Investing in Oil and Gas Interests
- Securities Properly Exempted from Registration
- Hedge Funds
- Non-Traded Real Estate Investment Trusts (REITs)
- Business Development Companies

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that can be suitable for each client's specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we can increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We can modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations. *(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)*

Tailor Advisory Services to Individual Needs of Clients

Blue Ridge Wealth Planners advisory services are always provided based on your individual needs. This means, for example, that when we provide asset management services, you are given the ability to impose restrictions on the Accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

When managing client Accounts through our firm's Asset Management Services program, we can manage a client's Account in accordance with one or more investment models. When client Accounts are managed using models, investment selections are based on the underlying model, and we do not develop customized (or individualized) portfolio holdings for each client. However, the determination to use a particular model or models is always based on each client's individual investment goals, objectives and mandates.

Client Assets Managed by Blue Ridge Wealth Planners

As of December 31, 2024, Blue Ridge Wealth Planners had $275,684,151 in discretionary assets under management and $0 in non-discretionary assets under management.

Item 5 – Fees and Compensation

In addition to the information provided in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements. It should be noted that lower fees for comparable service can be available from other sources. The exact fees and other terms will be outlined in the agreement between you and Blue Ridge Wealth Planners.

Fees for Asset Management Services through AE Wealth Management

The total annual advisory fee due to us for Asset Management Services ("Advisory Fee") is negotiable at the sole discretion of our firm and will be outlined in the Investment Advisory Agreement signed by the client and our firm. The maximum annual Advisory Fee charged for these services will be up to 2% of the total assets under management, and will include all fees payable to sub-advisers or third party investment advisers ("TPAs"), unless otherwise agreed by you in a separate written agreement.

Advisory Fees are typically billed monthly in arrears based on each account's average daily balance during the prior calendar month, depending on the sub-adviser recommended. The first monthly fee shall be prorated based on the portion of such month remaining. Advisory Fees are negotiable and will be deducted from client account(s) by either us or a sub-adviser. In rare cases, our firm will agree to direct bill clients.

The portion of the Advisory Fee payable to the sub-adviser or TPA is established and payable in accordance with the brochure provided by each TPA to whom you are recommended. These fees may or may not be negotiable. Because we pay the TPA's advisory fee, our net compensation differs depending upon the individual agreement we have with each TPA. Furthermore, different models made available through TPAs also charge different fees; accordingly, our net compensation also differs depending upon the model selected. Nevertheless, because the costs attributable to supporting the use of each TPA and model varies, you should not assume that the use of any TPA or model that results in a higher net compensation to us is necessarily more profitable to us than using a TPA or model that results in a lower net compensation to us. Whenever we recommend a TPA or model that would result in a higher profit to us than a different TPA or model, a conflict of interest arises where our firm or our Associated Persons may have an incentive to recommend one TPA or model with whom we have more favorable compensation arrangements over other advisory programs offered by TPAs with whom we have less favorable or no compensation arrangements. We address this conflict of interest by ensuring our recommendations of TPAs and models are in our client's best interest.

Services provided through AE Wealth Management, LLC ("AEWM") managed account program are offered through a wrap fee program. In a wrap fee program, you will only pay fees based on assets under management and you will not pay a separate commission, ticket charge, or custodian fee, for the execution of transactions in your account. AEWM and our firm will receive a portion of the fee as compensation for services. When services are provided through AEWM, we are generally entitled to the portion of the Advisory Fee remaining after payment of AEWM's portion of the fee, the portion for each model manager, if applicable, and the portion for the custodian. Our firm's portion of the Advisory Fee is usually 1.0% of assets under management on an annual basis. AWEM's platform fee for wrap accounts is up to .25% annually. The maximum total Advisory Fee is 2%. These annual fees are negotiable and therefore may vary from time to time or client to client. We are responsible for negotiating AEWM's platform fee for wrap accounts with AEWM on behalf of our clients. This presents a conflict of interest, as we have an incentive to negotiate for a lower fee in order to receive a higher percentage of our Advisory Fee. We address this conflict by ensuring our recommendation to use the AEWM platform is in our client's best interest. The actual Advisory Fee charged to you is specified in the separate agreement between you and our firm. A more detailed description of fees related to AEWM's managed account program is located in AEWM's disclosure brochure which will be provided to you if we offer you services through AEWM.

Based on the cumulative value of assets maintained by our firm in the AEWM program, we receive preferential pricing with respect to the fee charged by AEWM to our firm. In order to obtain this preferential pricing we must maintain at least $150 million in assets on the AEWM platform. Furthermore, certain Model Managers on the AEWM platform charge additional fees which are paid by our firm in addition to AEWM's fee. This presents a conflict of interest in that the existence of the $150 million maintenance requirement and additional fees for certain Model Managers creates an incentive for our firm to continue managing clients' assets on the AEWM platform rather than some other platform and to recommend Model Managers on the AEWM platform who do not charge additional fees. We manage this conflict by periodically evaluating and assessing whether maintaining assets on the AEWM platform is in the clients' best interest, taking into consideration the quality of the services provided by AEWM for the clients' benefit, or available to our firm via the platform in connection with services we provide to our clients, costs to the client and other factors. Additionally, we will take steps to assure our recommendations regarding particular Model Managers are based on the needs of the clients and the suitability of the Model Manager recommended, rather than the cost to us of making that recommendation.

BRWP manage some accounts by use of certain ETFs that AEWM considers on par with advisor management, and which therefore results in our maintaining a higher percentage of the Advisory Fees for those clients. That results in a conflict of interest in the form of an incentive to place clients in those ETFs. We manage that conflict by carefully limiting the types of clients and accounts for which those ETFs are recommended, by taking into account, among other things, account values, historical performance, anticipated performance, and the suitability of those ETFs generally when compared to other alternatives.

Other alternatives offered to us by AEWM that would result in our firm receiving a higher percentage of its Advisory Fee (i.e.., by paying a lower percentage to AEWM), are the ability to hold certain assets in accounts that charge transaction fees on a transaction-by-transaction basis ("transaction-based accounts"), and access to certain mutual funds managed by AEWM. We typically do not use these alternatives.

Because our clients do not pay transaction fees, it would not benefit our clients for us to determine whether asset-based or transaction-based pricing is more expensive. Rather, it would only benefit our firm to pay lower transaction fees. However, in order to simplify our business model and eliminate the need for continuous analysis of which transaction pricing models are most profitable to our firm, we have adopted a policy of using only asset-based pricing, which carries a platform fee that is higher than what we would pay for transaction-based pricing. In the absence of this policy, in some situations involving the ETFs referenced above or ETF models managed by AEWM, we would have an incentive to minimize our transaction costs by placing assets in transaction-based accounts and to reduce trading in those accounts. Our policy to use asset-based pricing exclusively eliminates any incentive to recommend those types of accounts to our clients, or to manage the accounts in that manner.

Our receipt of an asset-based fee presents a conflict of interest. This is because the more assets there are in the client's account, the more the client will pay in fees. Therefore, we have an incentive to encourage clients to increase the assets in their accounts. We address this conflict of interest by ensuring any such recommendations are in the client's best interest.

Fees for Workshops

From time to time, Blue Ridge Wealth Planners will charge a minimal fee, as needed, due to costs associated with the content of the workshop and/or course workbook, without notice.

Other Fee Terms

You should notify Blue Ridge Wealth Planners within ten (10) days of receipt of an invoice if you have questions about or dispute any billing entry.

To the extent Blue Ridge Wealth Planners engages an outside professional (i.e., attorney, independent investment adviser or Accountant) while providing advisory services to you, Blue Ridge Wealth Planners will be responsible for the payment of the fees for the services of such an outside professional, and you will not be required to reimburse Blue Ridge Wealth Planners for such payments. To the extent that you personally engage such an outside professional, you will be responsible for the payment of the fees for the services of such an outside professional, and Blue Ridge Wealth Planners will not be required to reimburse Client for such payments. Fees for the services of an outside professional (i.e., attorney, independent investment adviser or Accountant) will be in addition to and separate from the fees charged by Blue Ridge Wealth Planners, and you will be responsible for the payment of the fees for the services of such an outside professional. In no event will the services of an outside professional be engaged without your express approval.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's Account. *Item 6* is not applicable to this Disclosure Brochure because we do not charge or accept performance-based fees.

Item 7 – Types of Clients

Blue Ridge Wealth Planners generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals

You are required to execute a written agreement with Blue Ridge Wealth Planners specifying the particular advisory services in order to establish a client arrangement with Blue Ridge Wealth Planners.

Minimum Investment Amounts Required

Blue Ridge Wealth Planners requires a minimum of $250,000 in order to open an Account. To reach this Account minimum, clients can aggregate all household Accounts. Exceptions can be granted to family members and long-standing clients and referrals.

AEWM may have minimum account and minimum fee requirements in order to participate in their programs. AEWM will disclose its minimum account size and fees in its Form ADV Part 2A Disclosure Brochure and Appendix 1.

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

Methods of Analysis

Blue Ridge Wealth Planners uses the following methods of analysis in formulating investment advice:

Charting - This is a set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Charting is likely the most subjective analysis of all investment methods since it relies on proper interpretation of chart patterns. The risk of reliance upon chart patterns is that the next day's data can always negate the conclusions reached from prior days' patterns. Also, reliance upon chart patterns bears the risk of a certain pattern being negated by a larger, more encompassing pattern that has not shown itself yet.

Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to an unfavorable investment decision.

Technical – This is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

Investment Strategies

Blue Ridge Wealth Planners may employ the following investment strategies when managing client assets and/or providing investment advice:

Long term purchases. Investments held at least a year.

Short term purchases. Investments sold within a year.

Value Investing. Value Investing can be described as a strategy of selecting stocks that trade for less than their intrinsic values. Value investors typically seek stocks of companies that they believe the market has undervalued. They believe the market overreacts to good and bad news, resulting in stock price movements that do not correspond with the company's long-term fundamentals. The result is an opportunity for value investors to profit by buying when the price is deflated. Often, value investors select stocks with lower-than-average price-to-book or price-to-earnings ratios and/or high dividend yields. The risks associated with value-investing include incorrectly analyzing and overestimating the intrinsic value of a business, concentration risk, under performance relative to major benchmarks, macro-economic risks, investing in value traps i.e., businesses that remain perpetually undervalued, and lost purchasing power on cash holdings in the case of inflation.

Tactical asset allocation. Allows for a range of percentages in each asset class (such as Stocks = 40-50%). The ranges establish minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.

Strategic asset allocation. Calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a "buy and hold" strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client's goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.

Investment Model Strategies. Blue Ridge Wealth Planners has created proprietary Model Portfolios. Based on the information you provide us, we consider multiple time horizons (long, medium and short-term) when determining investment strategies. Depending on our clients' needs, we may recommend one or several of our investment management models.

In the development and management of our Model Portfolios, Blue Ridge Wealth Planners uses industry standard techniques that include technical analysis, fundamental analysis and charting. We may engage various types of execution tactics such as long term and short-term buys and value investing as well as asset allocation strategies to achieve the Model Portfolios' objectives. Each model engages in its own type of techniques, execution tactics and use of research tools to enhance the ability to manage its assets effectively to its stated philosophy. Blue Ridge Wealth Planners actively manages each model's investment objective, driven by its investment philosophy and style.

Primarily Recommend One Type of Security

We do not primarily recommend one type of security to clients. Instead, we recommend any product that may be suitable for each client relative to that client's specific circumstances and needs.

Risk of Loss

Past performance is not indicative of future results. Therefore, you should never assume that the future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as an unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

Item 9 – Disciplinary Information

Item 9 is not applicable to this Disclosure Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

Item 10 – Other Financial Industry Activities and Affiliations

Blue Ridge Wealth Planners is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an Accountant or Accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

Insurance Products Sales

Our representatives can sell other products or provide services outside of their role as investment adviser representatives with us. Due to the firm's financial planning philosophy, it is common for our financial professionals to recommend that clients utilize insurance products (for example, a fixed index annuity ("FIA")) as part of the client's overall financial plan in lieu of separately managed accounts (specifically, in lieu of cash and fixed income asset classes).You should be aware that there are a number of conflicts of interests that are present due to our planning philosophy and recommendations to utilize insurance products in this nature.

As an estimate, our financial professionals that are registered as investment advisor representatives spend approximately 30% of their time on insurance sales and services and 70% of their time on investment advisory services in the future. Please refer to Item 5 – Fees and Compensation and Item 14 – Client Referrals and Other Compensation for more details.

You may therefore work with your financial professional in both their capacity as an investment adviser representative of Blue Ridge Wealth Planners, as well as in their capacity as an insurance agent. As such, your Blue Ridge Wealth Planners financial professional, in their dual capacity as an IAR and insurance agent, may advise you to purchase insurance products (general disability insurance, life insurance, annuities, and other insurance products to you), and then assist you in implementing the recommendations by selling you those same products.

When acting as an insurance agent, in exchange for selling you those products, the financial professional will typically be paid a commission. This recommendation that a client purchase an insurance product through them as an insurance agent presents a conflict of interest, as the receipt of commissions is an incentive to recommend products that could potentially be based on commissions rather than your personal needs and objectives.

Furthermore, commissions may vary by product, and each individual product may have different commission rates, encouraging the financial professional to recommend products that may pay higher commissions over the products that make the most sense for you.

In addition, insurance products may also have different payment schedules depending on the nature of the product, and the timing of the payments likely differ from that of the advisory options offered by Blue Ridge Wealth Planners. This timing difference has the potential to create a conflict of interest since some financial professionals may have the incentive to recommend a product that pays commissions now, over an advisory product that pays fees over a relatively longer period. As an example, all other variables held equal, a 5% commission paid by an insurance company upon sale of a $100,000 annuity product, may be more attractive to a financial professional than a one percent (1%) advisory fee charged on a $100,000 account paid over a period of five (5) years, despite the overall pre-tax compensation paid to the financial professional being equal.

There are other conflicts present as well. Blue Ridge Wealth Planners utilizes the services of Advisors Excel, a third-party insurance marketing organization ("IMO") to select the appropriate product for our clients. The purpose of the IMO is to assist us in finding the insurance product that best fits the client's situation, although the IMO and insurance carrier may also offer special bonus or incentive compensation to our firm and our investment adviser representatives when they act in their separate capacities as insurance agents when they meet certain overall sales goals by placing annuities and/or other insurance products through the IMO. This creates a conflict of interest for Blue Ridge and our financial professionals to utilize the products recommended by the IMO.

In addition, each of the individual insurance carriers that our financial professionals work with may also separately provide incentive-based bonuses or awards in exchange for sales-related production over specific periods of time, which is a conflict of interest. Specifically, an affiliate of Advisors Excel, Innovation Design Group, LLC, pays a bonus or incentive for the aggregate amount of all annuity sales through their partner carriers. They may also provide indirect compensation by providing marketing assistance, business development tools, technology, back office/operations support, business succession planning, business conferences, and incentive trips. These incentive programs do not directly affect fees paid by the client. Although some of these services can benefit a client, other services obtained by our IARs such as marketing assistance, business development, and incentive trips, will not benefit an existing client and is a conflict of interest.

At times, our financial professionals receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are the result of informal expense sharing arrangements in which product sponsors will underwrite costs incurred for marketing, such as client appreciation events, advertising, publishing, and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are made by those sponsors for which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of clients.

Advisors Excel is also a related company of AE Wealth Management. Advisors Excel provides affiliate members such as our firm, Blue Ridge Wealth Planners, with marketing assistance and business development tools to acquire new clients, technology with the goal of improving the client experience and our firm’s efficiency, back office and operations support to assist in the processing of our insurance (through Advisors Excel) and investment advisory services (through AE Wealth Management) for clients, and business succession planning for our firm. Although some of these services may directly benefit a client, other services obtained by us from Advisors Excel such as marketing assistance and business development may not benefit an existing client. There is a conflict of interest when we use the sub-adviser and financial planning services of AE Wealth Management because we are influenced to use AE Wealth Management based upon our relationship and services provided and support of Advisors Excel.

We have taken a number of steps to manage these types of conflict of interests. We attempt to control for these sales-related conflicts by always basing investment decisions on the individual needs of clients. As a fiduciary, we expect and require that each investment adviser representative only recommend insurance and annuities when in the best interest of the client. The sale of commission-based products is supervised by the firm’s Chief Operating Officer, and the firm makes periodic reviews of its insurance recommendations to ensure that our financial professionals act in accordance with our fiduciary duty. If you have any questions or concerns about annuity recommendations made during the financial planning process, we encourage you to immediately bring it to the attention of the Managing Director or the CCO.

Finally, you should be aware that there are other insurance products that are offered by other insurance agents other than those recommended by our financial professionals. You are under no obligation to implement any insurance or annuity transaction through Blue Ridge Wealth Planners.

<u>Real Estate Ownership</u>

Robert Fugate, Bradley Fugate and John Vandergriff are also affiliated with Cogdill One, LLC. Cogdill One, LLC owns real estate which includes a commercial building located at 9725 Cogdill Road, Knoxville, TN 37932. Each of them has an equal ownership interest in the real estate property.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

Code of Ethics Summary

An investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Blue Ridge Wealth Planners has established a Code of Ethics to comply with the requirements of the securities laws and regulations that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. Blue Ridge Wealth Planners' Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors and investment adviser representatives are classified as supervised persons. Blue Ridge Wealth Planners requires its supervised persons to consistently act in your best interest in all advisory activities. Blue Ridge Wealth Planners imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of Blue Ridge Wealth Planners. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

Affiliate and Employee Personal Securities Transactions Disclosure

Blue Ridge Wealth Planners or supervised persons of the firm can buy or sell for their personal accounts investments identical to those recommended to clients. This creates a conflict of interest. It is the express policy of Blue Ridge Wealth Planners that all persons supervised in any manner by our firm must place clients' interests ahead of their own when implementing personal investments. As is required by our internal procedures manual, Blue Ridge Wealth Planners and its supervised persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, supervised persons). Any supervised person not observing our policies is subject to sanctions up to and including termination.

Item 12 – Brokerage Practices

Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, we look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back-office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back-office services, technology and pricing of services offered.

At least annually, we will review alternative custodians in the marketplace for comparison to the currently used custodian, evaluating criteria such as overall expertise, cost competitiveness, and financial condition. Quality of execution for custodians will be reviewed through trade journal evaluations.

Currently, we require the use of Fidelity as your qualified custodian. This decision is based on our participation in the Fidelity Intuitional Wealth Services program. For AEWM Programs, Fidelity will also be used as the qualified custodian. Fidelity provides Blue Ridge Wealth Planners with access to their institutional trading and custody services, typically not available to retail investors. The services from Fidelity include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Fidelity and AEWM also make available to Blue Ridge Wealth Planners other products and services that we benefit from but may not benefit your Accounts. Some of these other products and services assist us in managing and administering client Accounts. These include software and other technology that:

- Provide access to client Account data (such as trade confirmation and Account statements)
- Facilitate trade execution (and allocation of aggregated trade orders for multiple client Accounts)
- Provide research, pricing information and other market data
- Facilitate payment of our fees from client Accounts
- Assist with back-office functions, recordkeeping and client reporting.

Many of these services generally may be used to service all or a substantial number of our Accounts. Fidelity also makes available other services intended to help us manage and further develop our business. These services can include:

- Consulting, publications and conferences on practice management
- Information technology
- Business succession
- Regulatory compliance
- Marketing.

In addition, Fidelity will make available, arrange and/or pay for these types of services rendered to Blue Ridge Wealth Planners by independent third parties providing these services to us. As a fiduciary, we endeavor to act in your best interest. Our requirement that you maintain your assets in Accounts at Fidelity may be based in part on the benefit to us of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Fidelity. This creates a conflict of interest.

You are under no obligation to act on our recommendations. You may select a broker/dealer or Account custodian other than Fidelity, although in this case we cannot assist you with asset management services.

Directed Brokerage

Clients should understand that not all investment advisors require the use of a particular broker/dealer or custodian. Some investment advisors allow their clients to select whichever broker/dealer the client decides. By requiring clients to use a particular broker/dealer, Blue Ridge Wealth Planners may not achieve the most favorable execution of client transactions and the practice requiring the use of specific broker/dealers can cost clients more money than if the client used a different broker/dealer or custodian. However, for compliance and operational efficiencies, Blue Ridge Wealth Planners has decided to require our clients to use broker/dealers and other qualified custodians determined by Blue Ridge Wealth Planners.

Block Trading Policy

We may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when Blue Ridge Wealth Planners believes such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client Accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

Blue Ridge Wealth Planners uses the pro rata allocation method for transaction allocation.

Under this procedure, pro rata trade allocation means an allocation of the trade at issue among applicable advisory clients in amounts that are proportional to the participating advisory client's intended investable assets. Blue Ridge Wealth Planners will calculate the pro rata share of each transaction included in a block order and assign the appropriate number of shares of each allocated transaction executed for the client's Account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which Blue Ridge Wealth Planners or our associated persons may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our associated persons receive any additional compensation as a result of block trades.

Item 13 – Review of Accounts

<u>Account Reviews and Reviewers</u>

Managed Accounts are reviewed at least quarterly. While the calendar is the main triggering factor, reviews can also be conducted at your request. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by your Advisor on record, with reviews performed in accordance with your investment goals and objectives.

<u>Statements and Reports</u>

For our asset management services, you are provided with transaction confirmation notices and regular quarterly Account statements in writing directly from the qualified custodian. Additionally, Blue Ridge Wealth Planners may provide position or performance reports to you quarterly and upon request.

You are encouraged to always compare any reports or statements provided by us or a co-adviser against the Account statements delivered from the qualified custodian. When you have questions about your Account statement, you should contact our firm and the qualified custodian preparing the statement.

Item 14 – Client Referrals and Other Compensation

Blue Ridge Wealth Planners does not directly or indirectly compensate any person for client referrals.

As disclosed under the "Fees and Compensation" section in this Brochure, our financial professionals providing investment advice on behalf of our firm are licensed insurance agents and earn commission-based compensation for selling insurance products. In addition, these persons receive certain benefits from AEWM, including sales awards and trips, based on the volume of insurance business referred to Advisors Excel, an affiliate of AEWM. Our representatives who are licensed insurance agents also receive certain benefits from insurance carriers, including small gifts such as fruit baskets or snacks. These practices present conflicts of interest because our representatives who are licensed insurance agents have an incentive to recommend insurance products, as well as insurance products through specific carriers, to you based on the receipt of these benefits. For information on how we address the conflicts associated with the sale of insurance products, please refer to the "Fees and Compensation" and "Other Financial Industry Activities and Affiliations" sections of this Brochure.

The Firm and its supervised persons receive certain benefits from third-party managers, including sales awards and trips, based in part on the amount of advisory business directed to the third-party manager. This presents a conflict of interest because we have an incentive to recommend the services of the third-party manager. We address this conflict by ensuring the recommendation is in your best interest.

Blue Ridge Wealth Planners maintains a YouTube page for advertising purposes. The Firm pays to publish its videos on YouTube and periodically receives a small amount of compensation from YouTube after achieving certain thresholds of viewers and subscribers to its page. The compensation received from YouTube does not present a conflict of interest to the Firm's clients. Blue Ridge Wealth Planners does not pay viewers for watching its videos or subscribing to its page.

Item 15 – Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access to or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

For all of our managed accounts, we have established procedures to ensure all client funds and securities are held by a qualified custodian in a separate account for each client under that client's name. Clients will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Blue Ridge Wealth Planners or AEWM. When clients have questions about their account statements, they should contact Blue Ridge Wealth Planners or the qualified custodian preparing the statement.

Item 16 – Investment Discretion

When providing asset management services, Blue Ridge Wealth Planners maintains trading authorization over your Account and can provide management services on a **discretionary** basis. When discretionary authority is granted, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction. However, it is the policy of Blue Ridge Wealth Planners to consult with you prior to making significant changes in the Account even when discretionary trading authority is granted.

If you decide to grant trading authorization on a **non-discretionary** basis, we will be required to contact you prior to implementing changes in your Account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your Accounts are managed on a non-discretionary basis, you need to know that if we are not able to reach you or you are slow to respond to our request, it can have an adverse impact on the timing of trade implementations, and we may not achieve the optimal trading price.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your Account. You may also place reasonable limitations on the discretionary power granted to Blue Ridge Wealth Planners so long as the limitations are specifically set forth or included as an attachment to the client agreement.

Through the AEWM Program, you give Blue Ridge Wealth Planners and AEWM discretionary authority to select Model Managers. You also grant the AEWM with the discretionary authority (without first consulting with client) to make all decisions to buy, sell or hold securities, cash or other investments for such portion of the account managed by the AEWM. You also grant AEWM the power and authority to carry out these decisions by giving instructions, on your behalf, to the qualified custodian(s) of the account.

Item 17 – Voting Client Securities

Blue Ridge Wealth Planners does not vote proxies on behalf of Clients. We have determined that taking on the responsibility for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in Account.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided.

Item 18 – Financial Information

This *Item 18* is not applicable to this brochure. Blue Ridge Wealth Planners does not require or solicit prepayment of more than $1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Blue Ridge Wealth Planners has not been the subject of a bankruptcy petition at any time.

Customer Privacy Policy Notice

Commitment to Your Private Information: Blue Ridge Wealth Planners has developed a policy of protecting the confidentiality and security information we collect about our clients. We do not, and will not, share nonpublic personal information about you ("Information") with outside third parties without your consent, except for the specific purposes described below. This notice has been provided to you to describe the Information we may gather and the situations under which we may need to share it.

Why We Collect and How We Use Information. We limit the collection and use of Information within our firm to only those individuals associated or employed with us that must have Information to provide financial services to you. Such services include maintaining your accounts, processing transaction requests, providing financial planning, financial advisory, and other services described in our Form ADV.

How We Gather Information. We get most Information directly from you when you provide us with information from any of the following sources:

- Applications or forms (for example: name, address, social security number, birth date, assets, income, financial history)
- Transactional activity in your account (for example: trading history and account balances)
- Information services and consumer reporting sources (for example: to verify your identity or to assess your credit history)
- Other sources with your consent (for example: your insurance professional, attorney, or accountant)

How We Protect Information. Our employees and affiliated persons are required to protect the confidentiality of Information and to comply with our stated policies. They may access Information only when there is an acceptable reason to do so, such as to service your account or provide you with financial services. Employees who violate our Privacy Policy are subject to disciplinary action, up to and including termination from employment with us. We also maintain physical, electronic, and procedural safeguards to protect information, which comply with applicable SEC, state, and federal laws.

Sharing Information with Other Companies Permitted Under Law. We do not disclose Information obtained in the course of our practice except as required or permitted under law. Permitted disclosures include, for instance, providing information to unrelated third parties who need to know such Information in order to assist us with providing services to you. Unrelated third parties may include broker/dealers, mutual fund companies, insurance companies, and the custodian with whom your assets are held. In such situations, we stress the confidential nature of information being shared.

Former Customers. Even if we cease to provide you with financial products or services, our Privacy Policy will continue to apply to you and we will continue to treat your nonpublic information with strict confidentiality.