

# Yaish Financial Services LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Yaish Financial Services LLC. If you have any questions about the contents of this brochure, please contact us at 201-948-4040 or by email at: [ronn@yaishfinancial.com](mailto:ronn@yaishfinancial.com). 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 Yaish Financial Services LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Yaish Financial Services LLC's CRD number is: 269856.*

83 Lee Place Suite 201  
Bergenfield, NJ, 07621  
201-948-4040  
[ronn@yaishfinancial.com](mailto:ronn@yaishfinancial.com)

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

Version Date: 02/20/2023

## **Item 2: Material Changes**

There are no material changes in this brochure from the last annual updating amendment of Yaish Financial Services LLC on 02/25/2022. Material changes relate to Yaish Financial Services LLC policies, practices or conflicts of interests only.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Yaish Financial Services LLC (hereinafter "YFSL") is a Limited Liability Company organized in the State of New Jersey.

The firm was formed in 2015, and the principal owner is Romn Yaish. Reena S. Kinderlehrer is a passive member of the entity and does not provide advisory services to clients of YFSL.

### B. Types of Advisory Services

#### *Portfolio Management Services*

YFSL offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. YFSL creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels). Portfolio management services may include, but are not limited to, the following:

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

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

YFSL seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of YFSL's economic, investment or other financial interests. To meet its fiduciary obligations, YFSL attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, YFSL's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is YFSL's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

For the most part, YFSL manages investment advisory accounts using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal. Through personal communication and completion of relevant suitability

documentation, each client's goals and objectives are established. Based on this information, YFSL will determine which model portfolio is suitable to the client's circumstances. In most cases, each client's objectives and YFSL's recommended portfolio for each client is documented in an Investment Portfolio Statement (IPS). Forum may, if appropriate, suggest modifications to the model or an allocation among two or more of the models to more adequately address the client's individual needs. Once the appropriate portfolio(s) has been determined, the account is generally managed based on the portfolio's goal, rather than on each client's individual needs. Clients will retain individual ownership of all securities. YFSL will manage advisory accounts on a discretionary or nondiscretionary basis. Account supervision is guided by the stated objectives of the client (i.e., Aggressive Growth, Growth, Growth and Income, Income and Growth, and Income).

Depending on the investment objectives of the client and the terms of the engagement, YFSL will create a model portfolio as described below under Investment Strategies. The types of securities employed to fund the various asset classes of the portfolio may include institutional style-specific asset class mutual funds, U.S. government securities and municipal bonds. Institutional style-specific asset class mutual funds are widely, but not exclusively, used to effectively mirror the asset classes in the model portfolio and minimize client costs. YFSL will primarily use Dimensional Fund Advisors, Inc.'s (DFA) institutional mutual funds to implement a client's portfolio. DFA is an institutional investment advisory firm that as of 11/2014 manages over \$347 billion of assets. DFA's mutual funds are generally only available to advisors approved by DFA. DFA's approach is passive and based on the efficient market hypothesis. Unlike an index fund, they generally do not track a specific index and thus avoid the costs of having to buy and sell securities at specific points in time. They are engineered to capture specific risk/return characteristics with reliability and transparency. These characteristics include the small-cap and value effect of the Fama-French Three Factor Model. DFA provides financial advisors with a series of stock and bond funds that serve as building blocks, allowing advisors to construct a diversified portfolio that balances risk and reward. Their advantages include low internal cost, tax efficient and style consistency. YFSL will primarily use DFA funds with the following exceptions:

1. When YFSL believes individual U.S. treasuries or municipal bonds are a better alternative;
2. When there is a benefit to holding high yield bonds; or
3. When YFSL determines that a better alternative is available.
4. YFSL may also, from time to time, enter into additional written agreements with third party registered investment advisers as it deems appropriate and in the best interests of clients.

In addition, YFSL may employ a laddered bond strategy for certain clients, or for a portion of the portfolio of certain clients, in an attempt to reduce portfolio volatility, provide income, and/or extend the maturities of the bond portion of the portfolio, with consideration for the appropriateness of the overall fixed income holdings. Laddering bonds means purchasing individual bonds, typically treasuries or insured municipal bonds, for equal dollars with maturities varying from one to five years.

Each account is reviewed and rebalanced as described below. If YFSL believes that a particular investment or sub-adviser is performing inadequately, or if YFSL believes that a different investment or sub-adviser is in the best interest of the client, then Forum will recommend a different investment or sub- adviser as appropriate and will reinvest the clients' assets accordingly.

### ***Use of Third Party Service Provider***

YFSL has engaged Forum Financial Management, LP ("Forum") as a third party service provider for the provision of back office services for the benefit of Clients' accounts. YFSL pays Forum a fee for its services, which includes, but is not limited to, account administration, technology, and trading. Clients are not charged any additional fees for Forum's services. YFSL will share relevant Client information with Forum. Forum maintains a privacy policy whereby Forum does not disclose non-public information obtained from YFSL to any non-affiliated third parties, except as required to process transactions on Client's behalf.

YFSL will request authority from the client to receive quarterly payments directly from the client's account held by the independent custodian, for example Charles Schwab. Clients may provide written limited authorization to YFSL or its designated service provider, Forum, via a Limited Power of Attorney (LPOA) to provide such back office services, such as withdrawing of fees from the Client's account. In this example of collecting fees, third party administrators will calculate and debit YFSL's fee and remit such fee to YFSL. Clients will receive custodial statements showing the advisory fees debited from their account(s).

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

YFSL offers pension consulting services to employee benefit plans (such as 401(k) plans) and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing consulting. Depending on the agreement entered into with the plan fiduciary, YFSL may act as a 3(38) fiduciary and make investments decisions on behalf of the plan,



including providing access to YFSL managed portfolios. Such services are considered discretionary in nature.

YFSL may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as:

- Diversification
- Asset allocation
- Risk tolerance
- Time horizon

YFSL educational seminars may include other investment-related topics specific to the particular plan. YFSL may also provide additional types of pension consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

YFSL also offers Qualified Plan Services which consists of several advisory services that can be provided separately or in combination depending on the client's needs. While the primary clients for these services will be pension, profit sharing and 401(k) plans, YFSL may also provide these services, where appropriate, to individuals and trusts, estates and charitable organizations. YFSL's Qualified Plan Services are comprised of four distinct services.

1. Selection of Investment Vehicles: YFSL will work closely with the client, the plan administrator and/ or other third parties, to determine if YFSL's investment approach is consistent with the client's IPS. YFSL primarily uses DFA institutional mutual funds as the investment vehicles using model portfolios that are managed by YFSL.

2. Monitoring of Investment Performance: Client investments will be monitored continuously based on the procedures and timing intervals delineated by the client and the IPS. Although YFSL will not be involved in any way in the purchase or sale of these investments, YFSL will supervise the client's portfolio or offerings, as appropriate.

3. Employee Communications: For pension, profit sharing and 401(k) plan clients where there are individual accounts with participants exercising control over assets in their own account ("self-directed plans"), YFSL may provide educational support and investment workshops designed for the qualified plan participants. The nature of the topics to be covered will be determined by YFSL and the client under the guidelines established in the Employee Retirement Income and Securities Act (ERISA) Section 404(c). The educational support and investment workshops will not provide Plan participants with

individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

4. Managed Portfolios: As part of its Qualified Plan Service, limited to participant directed plans, YFSL also offers the sponsors of tax qualified retirement plans managed model portfolios which the sponsor can then offer to its plan participants. Qualified plan sponsors engaging YFSL to provide this service will have daily access to the performance of their plan participant accounts via a website serviced by the plan's record keeper.

### ***Financial Planning***

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

YFSL also provides investment advice on a more limited basis through consultations with the client. This may include advice on an isolated area(s) of concern such specific topic. YFSL provides specific consultation and administrative services regarding investment and financial concerns of the client. Additionally, YFSL may provide advice on non-securities matters. Generally, this is in connection with the rendering of estate planning, insurance, and/or annuity advice.

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

YFSL generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), insurance products including annuities, equities, ETFs, treasury inflation protected/inflation linked bonds and private placements, although YFSL primarily recommends the use of dimensional fund advisors, inc's (DFA) institutional mutual funds to a majority of its clients. YFSL may use other securities as well to help diversify a portfolio when applicable.

### ***Written Acknowledgement of Fiduciary Status***

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);

- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

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

YFSL offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client’s current situation (income, tax levels, and risk tolerance levels). Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

**D. Wrap Fee Programs**

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

**E. Assets Under Management**

YFSL has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$10,912,646.00.00	\$2,316,0475.00	December 2022

**Item 5: Fees and Compensation**

**A. Fee Schedule**

*Asset-Based Fees for Portfolio Management*

Total Assets Under Management	Annual Fee * **
\$100,000 - \$249,000	1.60%
\$250,000 - \$499,999	1.40%
\$500,000 - \$999,999	1.20%
\$1,000,000 - \$1,999,999	1.00%

Total Assets Under Management	Annual Fee * **
\$2,000,000 - \$4,999,999	0.90%
\$5,000,000 - And Up	0.85%

\*Portfolios under \$100,000 may be accepted at the discretion of YFSL.

\*\*YFSL may discount the management fee charged to any client.

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of YFSL's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice.

YFSL uses the value of the account as of the last business day of the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

### ***Use of Third Party Service Provider***

YFSL has contracted with Forum Financial Management, LP, (FORUM), for services including back office services; trade processing, collection of management fees, record maintenance, report preparation, marketing assistance, and research. YFSL pays a fee for FORUM services based on management fees paid to YFSL on accounts which use Forum services. The fee paid by YFSL to FORUM consists of a portion of the fee paid by clients to YFSL and varies based on the total client assets participating in Forum Financial Management, LP through YFSL. These fees are not separately charged to advisory clients. The fee charged by YFSL to its clients includes all fees charged by FORUM or potential sub-advisory relationships.

The specific manner in which fees are charged by YFSL is established in a client's written agreement with YFSL. Generally, Investment Management and Employee Benefit Plan clients will be invoiced in advance at the beginning of each calendar quarter based upon the value (market value based on independent third party sources or fair market value in the absence of market value; client account balances on which YFSL calculates fees may vary from account custodial statements based on independent valuations and other accounting variances, including mechanisms for including accrued interest in account statements) of the client's account at the end of the previous quarter. New accounts are charged a prorated fee for the remainder of the quarter in which the account is incepted or will not be billed until the next quarter.

YFSL will request authority from the client to receive quarterly payments directly from the client's account held by an independent custodian. Clients may provide written limited authorization to YFSL or its designated service provider, FORUM, to withdraw fees from the account. Clients will receive custodial statements showing the advisory fees

debited from their account(s). Certain third party administrators will calculate and debit YFSL's fee and remit such fee to YFSL.

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

#### ***Asset-Based Fees for Pension Consulting***

<b>Total Assets Under Management</b>	<b>Annual Fee * **</b>
\$250,000 - \$499,999	1.50%
\$500,000 - \$999,999	1.30%
\$1,000,000 - \$1,999,999	1.10%
\$2,000,000 - \$4,999,999	1.00%
\$5,000,000 - And Up	0.90%

\*Portfolios under \$250,000 may be accepted at the discretion of YFSL.

\*\*YFSL may discount the management fee charged to any client.

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract.

Clients may terminate the agreement without penalty for a full refund of YFSL's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice. YFSL uses an average of the daily balance in the client's account throughout the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

YFSL uses the value of the account as of the last business day of the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

#### ***General Information - Portfolio Management / Qualified Plan Services***

Collection of Fees: Clients will be billed in arrears at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the account at the end of the quarter. Our firm directly debits advisory fees itself or via our back office partner Forum, from client accounts only after obtaining client authorization via the client agreement and applicable custodial account form, such as LPOA form. Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. The client has the right to terminate an

agreement without penalty within five business days after entering into the agreement. Should a client terminate his/her agreement mid-quarter, the client will be billed pro rata for the number of days during the quarter that services were provided.

### ***General Information - Qualified Plan Services***

As disclosed above, we offer various levels of advisory and consulting services to employee benefit plans ("Plan") and to the participants of such plans ("Participants"). The services are designed to assist plan sponsors in meeting their management and fiduciary obligations to Participants under the Employee Retirement Income Securities Act ("ERISA"). Pursuant to adopted regulations of the U.S. Department of Labor, we are required to provide the Plan's responsible plan fiduciary (the person who has the authority to engage us as an investment adviser to the Plan) with a written statement of the services we provide to the Plan, the compensation we receive for providing those services, and our status (which is described below).

The services we provide to your Plan and our compensation for these services are described above and also in the service agreement. We do not reasonably expect to receive any other compensation, direct or indirect, for the services we provide to the Plan or Participants, unless the plan sponsor directs us to deduct our fee from the plan or directs the plan record-keeper to issue payment for our fee out of the plan. If we receive any other compensation for such services, we will (i) offset the compensation against our stated fees, and (ii) we will promptly disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you. Forum is registered as an investment adviser under the Investment Advisers Act of 1940, and represents that it is not subject to any disqualification as set forth in Section 411 of ERISA. In performing the Fiduciary Services, Forum is acting as a fiduciary of the Plan as defined in Section 3(21) under the Employee Retirement Income Security Act ("ERISA").

### ***Financial Planning Fees***

Clients may terminate the agreement without penalty for a full refund of YFSL's fees within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

### ***Fixed Fees***

The negotiated fixed rate for creating client financial plans is between \$999 and \$15,000, depending upon the level and scope of the services and the professional engaged to render the services. \*Fees are charged 50% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

\*Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

Planning is typically offered in connection with a managed portfolio. As such, some clients, may have the planning fee waived, and therefore will not incur an additional fee charge for Financial Planning Services.

Prior to engaging YFSL to provide separate financial consulting services the client is required to enter into a written agreement with YFSL setting forth the terms and conditions of the engagement. Generally, YFSL requires full payment of the estimated hourly or fixed fee upon execution of the written agreement.

### ***Hourly Fees***

The negotiated hourly fee for these services is \$250 depending upon the level and scope of the services and the professional engaged to render the services. \*Fees are charged 50% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

\*Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

Prior to engaging YFSL to provide separate financial consulting services the client is required to enter into a written agreement with YFSL setting forth the terms and conditions of the engagement. Generally, YFSL requires full payment of the estimated hourly or fixed fee upon execution of the written agreement.

## **B. Payment of Fees**

### ***Payment of Asset-Based Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in arrears.

### ***Payment of Asset-Based Pension Consulting Fees***

Asset-based pension consulting fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in arrears.

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

Financial planning fees may be paid via one or all of the following wire, pay pal or credit card.

Fixed financial planning fees are paid 50% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

Hourly financial planning fees are paid 50% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

### **C. Client Responsibility For Third Party Fees**

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

### **Mutual Fund Fees**

All fees paid to YFSL for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds, and/or exchange-traded funds (ETF), to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

### **Advisory Fees in General**

Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

### **Limited Prepayment of Fees**

Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

### **D. Prepayment of Fees**

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

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



For hourly fees that are collected in advance, the fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination.

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

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

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

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

Performance based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Forum's fees are calculated as described in the Fees and Compensation section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in clients' advisory account(s).

## **Item 7: Types of Clients**

YFSL generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Banks and Thrift Institutions
- ❖ Pension and Profit Sharing Plans
- ❖ Trusts and Estates
- ❖ Charitable Organizations
- ❖ Corporations or Business Entities

### ***Minimum Account Size for Portfolio Management***

There is an account minimum of \$100,000, which may be waived by YFSL in its discretion.

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

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

#### *Methods of Analysis*

YFSL's methods of analysis include modern portfolio theory.

We use the following methods of analysis in formulating our investment advice and/or managing client assets: YFSL analyzes mutual funds by their historical performance, standard deviation, correlation with other mutual funds and the funds' mandate for exposure to the market as explained in the prospectus, among other factors. YFSL primarily recommends mutual funds offered by DFA for use in its managed portfolios. DFA mutual funds follow a passive asset class investment philosophy with low turnover of holdings.

YFSL seeks to design portfolios that have a broad exposure to the total stock market both domestically and internationally. Statistical tests are performed on the portfolios and combinations of asset classes to determine a mix that will provide the client with an appropriate risk-return profile. Testing may include, but is not limited to, an analysis of the historical returns of the different asset class combination scenarios to arrive at an appropriate risk-return profile; analysis of portfolio exposure to different segments of the market to ensure broad market exposure; and analysis of risk factor loads of possible combinations of asset classes to determine appropriate portfolio tilt to one asset class or another.

#### Sources of Information

YFSL relies on DFA, an SEC Registered Investment Advisor, for a significant part of their investment research as well as research papers, professional publications, magazines and professional seminars.

#### *Investment Strategies*

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

YFSL's investment advice is based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. YFSL's investment approach is firmly rooted in the belief that markets are efficient and that investors' returns are determined principally by asset allocation decisions, not by market timing or stock picking. YFSL focuses on developing diversified portfolios, principally through the use of DFA's passively managed, asset class mutual funds that

are available only to institutional investors and clients of a network of selected investment advisers.

The following is a more detailed explanation:

1. Modern Portfolio Theory states that by diversification among investments that have a low or negative correlation the risk of a portfolio may be reduced without necessarily sacrificing the expected return. Simply put, the idea is to combine investments that do not move in the same direction so that when some investments lose value others may increase in value. This should lower the volatility, or risk, of a portfolio.

2. Capital Pricing Model identifies two risks, Market Risk and Non-Market Risk. Market Risk is one risk that is rewarded - it is the inherent risk of investing in the market and cannot be diversified away. NonMarket Risk is the risk in a specific company, sector or industry that can be reduced through a well-diversified portfolio.

3. Efficient Markets Hypothesis states that at all times, markets incorporate all information available and stocks are always fairly priced. As such, stock picking is futile. YFSL uses funds that are "Passive" and does not rely on fund managers who pick stocks.

4. The Three Factor Model based on work performed in the early 1990's American economists, Eugene F. Fama and Kenneth R. French, published research that identifies three factors (The Three Factor Model) that explain 96% of the return of an asset class. The three factors are:

- Equity market - Stocks tend to have higher expected returns than fixed-income securities.
- Company size - Small Company stocks tend to have, on average, a higher expected return than larger company stocks (measured by market capitalization).
- Company price - Lower-priced, out-of-favor value stocks have a higher expected return than higher-priced growth stocks (measured by the ratio of a company's book value to its market equity).

YFSL offers clients several models based on varying stock and bond allocations. YFSL manages portfolios according to five broad mandates: Income, Income & Growth, Growth & Income, Growth, and Aggressive Growth. The five broad mandates are defined as follows:

Income (0-30% equity, 70-100% fixed income)

The portfolio is typically heavily weighted towards mutual funds that have bonds as the primary underlying investment. It is generally designed for investors whose concern is protecting their assets, or who may simply desire a decreased level of market volatility.

#### Income and Growth (40% equities, 60% fixed income)

The portfolio seeks current income with a secondary objective of growth of capital. This portfolio is suitable for investors who want the potential for some growth of assets, but are more concerned with protecting their principal investment.

#### Growth and Income (50% equities, 50% fixed income)

The portfolio seeks growth of capital and current income as near-equal objectives. The portfolio's goal is to balance risk and reward.

#### Growth (60-70% equity, 40-30% fixed income)

The portfolio seeks growth of principal. This portfolio is suitable for investors who are willing to accept risk to have the potential for higher returns over time, and generally have 6-10 or more years until they reach their goal, for example, when they begin withdrawing their savings in retirement.

#### Aggressive Growth (80-100% equity, 0-20% fixed income)

The portfolio's goal is to produce growth of principal and as such will have higher volatility. This portfolio is for investors who are willing to accept risk to have the potential for higher returns over time, and have at least 10 years until they begin withdrawing their retirement savings.

#### Customized Portfolios

YFSL may vary from the model portfolios in certain situations.

#### Client Selected Portfolios

Clients may retain YFSL to manage their portfolio in accordance with a model selected by the client that is different to the model portfolio recommended by YFSL. The client will direct YFSL to invest their accounts according to the client's selected target allocation whether directly or through a sub-adviser. Often, clients have multiple accounts managed as one portfolio. Any purchases or sales of securities made in the accounts will be made in an effort to implement the portfolio specified by the client.

Plan sponsors engaging YFSL to provide Qualified Plan Services with the addition of the Managed Portfolios Option will provide plan participants with access to model portfolios managed by YFSL. Under these circumstances, any purchases or sales of securities made in the portfolios will be made in an effort to implement the portfolio specified by the participant.

#### Changes to Model Portfolios

YFSL, through its Investment Committee, continuously reviews the asset classes included in the model portfolios it recommends. From time to time, the Investment Committee may determine that a new asset class should be added to or removed from the model portfolios the firm recommends. On such occasions YFSL may, at its discretion, determine that such asset classes

should also be introduced into current client accounts. Addition or removal of any asset class will not change the target equity/fixed income proportion of the portfolios.

#### Investments Held Away

YFSL has from time to time advised clients with respect to investment accounts not directly supervised and managed at YFSL. The accounts include, but are not limited to, 401(k), 403(b), and 529 accounts. The fees for such services will be deducted from the accounts managed by YFSL. This advice will include asset allocation and fund selection. The fee for assets held away is the same fee for assets under management, which will be evidenced in the advisory agreement. Funds selected will be primarily chosen on their asset class description and fees in a manner consistent with YFSL's Investment Philosophy.

## **B. Material Risks Involved**

### *Methods of Analysis*

**Modern Portfolio Theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

### *Investment Strategies*

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Selection of Other Advisers:** Although YFSL will seek to select only money managers who will invest clients' assets with the highest level of integrity, YFSL's selection process cannot ensure that money managers will perform as desired and YFSL will have no control over the day-to-day operations of any of its selected money managers. YFSL would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment “style drift” or even regulatory breaches or fraud.

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

### C. Risks of Specific Securities Utilized

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Risk of Loss:** Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

**Real Estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

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

## **Item 9: Disciplinary Information**

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

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

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

There are no self-regulatory organization proceedings to report.

## **Item 10: Other Financial Industry Activities and Affiliations**

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

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

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

Neither YFSL nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

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

Ronn Yaish is a life insurance agent. From time to time, he will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Yaish Financial Services LLC always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients always have the right to decide whether or not to utilize the services of any Yaish Financial Services LLC representative in such individual's outside capacities.

Ronn Yaish is the founder of Yaish Media Group, an online business that offers courses in membership speaking and consultation in leadership, online marketing and education of personal finance. From time to time, he will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Yaish Financial Services LLC always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients always have the right to decide whether or not to utilize the services of any Yaish Financial Services LLC representative in such individual's outside capacities.



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

YFSL may direct clients to third-party investment advisers to manage all or a portion of the client's assets. YFSL will be compensated via a fee share from the advisers to which it directs those clients. This relationship will be memorialized in each contract between YFSL and each third-party advisor. The fees shared will not exceed any limit imposed by any regulatory agency. This creates a conflict of interest in that YFSL has an incentive to direct clients to the third-party investment advisers that provide YFSL with a larger fee split. YFSL will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. YFSL will ensure that all recommended advisers are licensed or notice filed in the states in which YFSL is recommending them to clients.

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

### **A. Code of Ethics**

YFSL strives to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

YFSL has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions.

YFSL's Code of Ethics is available free upon request to any client or prospective client.

## **B. Recommendations Involving Material Financial Interests**

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

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

From time to time, representatives of YFSL may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of YFSL to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. YFSL will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

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

From time to time, representatives of YFSL may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of YFSL to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, YFSL will never engage in trading that operates to the client's disadvantage if representatives of YFSL buy or sell securities at or around the same time as clients.

# **Item 12: Brokerage Practices**

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

Custodians/broker-dealers will be recommended based on YFSL's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and YFSL may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in YFSL's research efforts. YFSL will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

YFSL will require clients to use Schwab Institutional, a division of Charles Schwab & Co., Inc.

Charles Schwab & Company, Inc., a FINRA-member broker dealer, unaffiliated with YFSL (Schwab). YFSL has evaluated Schwab and believes that it will provide YFSL's clients with a blend of execution services, commission costs and professionalism that will assist YFSL in meeting its fiduciary obligations to clients. Clients should note that YFSL participates in the Schwab Institutional Program (SI Program) offered to independent investment advisers by Schwab. As part of the SI Program, YFSL receives certain benefits that it would not receive if it did not offer investment advice to clients.

Schwab provides YFSL with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab. These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, 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.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to our firm other products and services that benefit YFSL but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that provide access to client account data (such as trade confirmations and account statements), that facilitate trade execution and allocate aggregated trade orders for multiple client accounts, that facilitate payment of our fees from clients' accounts and assist with back-office functions, recordkeeping and client reporting.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services may include: compliance, legal and business consulting; publications and conferences on practice management and business

succession; and access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to YFSL. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

YFSL reserves the right to decline acceptance of any client account for which the client directs the use of a broker dealer other than Schwab if YFSL believes that this choice would hinder its fiduciary duty to the client and/or its ability to service the account. In directing the use of another other broker dealer, it should be understood that YFSL will not have authority to negotiate commissions or to necessarily obtain volume discounts, and best execution may not be achieved.

In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients (who may direct the use of another broker dealer).

For Qualified Plan Services, YFSL does not have the discretionary authority to determine the broker dealer to be used or the commission rates to be paid. Clients (including plan sponsors engaging YFSL to provide Qualified Plan Services with the addition of the Managed Portfolios Option) must direct YFSL as to the broker dealer to be used.

Plan sponsors engaging YFSL to provide Qualified Plan Services must select the directed broker in the best interest of plan participants. With respect to Qualified Plan Services, the Plan is not required to use Schwab. YFSL does not choose broker dealers on behalf of a plan sponsor.

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

While YFSL has no formal soft dollars program in which soft dollars are used to pay for third party services, YFSL may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions (“soft dollar benefits”). YFSL may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange

Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and YFSL does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. YFSL benefits by not having to produce or pay for the research, products or services, and YFSL will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that YFSL's acceptance of soft dollar benefits may result in higher commissions charged to the client.

#### Economic Benefits

YFSL may have access to research products and services from account custodians and/or other Registered Investment Advisers. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are generally provided to all Registered Investment Advisers that maintain a relationship with such third parties, and are not considered to be paid for with soft dollars.

### ***2. Brokerage for Client Referrals***

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

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

YFSL will require clients to use a specific broker-dealer to execute transactions. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require clients to use a particular broker-dealer.

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

YFSL does not aggregate or bunch the securities to be purchased or sold for multiple clients. We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading"). Accordingly, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than other clients. This may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

## **Item 13: Reviews of Accounts**

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

All client accounts for YFSL's advisory services provided on an ongoing basis are reviewed at least monthly by Ronn Yaish, CEO, CCO, with regard to clients' respective investment policies and risk tolerance levels. All accounts at YFSL are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Ronn Yaish, CEO, CCO. There is only one level of review for financial planning, and that is the total review conducted to create the financial plan.

Traders are instructed to trade accounts according to established internal protocols and to review accounts to determine whether they should be rebalanced; accounts are generally rebalanced when they are more than 10% out of balance (or a different percentage as may be designated by the Investment Committee and subject to trading costs and other factors) from clients selected asset allocation. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

Qualified Plan Services with Managed Portfolios Reviews: YFSL will review client Investment Policy Statements whenever the client indicates a change in circumstances regarding the needs of the plan. YFSL will also review the investment options of the plan according to the agreed upon time intervals established in the IPS. Such reviews will generally occur at least semiannually. Reviews will be conducted by the account representative for each client.

YFSL will continuously monitor the asset allocations of the model portfolios it recommends to plan sponsors for investment by their plan participants. YFSL's Investment Committee meets semiannually to review the underlying investments. Additionally, when unusual shifts in the financial markets occur, members of the Investment Committee will review the models to determine if changes are necessary.

Plan Sponsors who retain YFSL to provide managed portfolio services to their defined contribution plans, receive regular performance information about their participants' accounts from their selected record keeper. As a result, YFSL does not provide any regular performance reports to defined contribution plan sponsors. Additionally, the Plan Sponsor's selected record keeper may provide the ability to rebalance plan participants accounts automatically every quarter.

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

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

With respect to clients only seeking financial plans via a consultative relationship, YFSL's services will generally conclude upon delivery of the financial plan.

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

Each client of YFSL's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. YFSL will also provide at least quarterly a separate written statement to the client.

In addition to the monthly statements and confirmations of transactions that clients receive from Schwab (or another broker-dealer/custodian), YFSL will provide quarterly reports summarizing account performance, balances and holdings. These reports may be generated by YFSL or may be outsourced to a third party, supervised by YFSL. Additionally, YFSL may periodically deliver a newsletter providing market commentary and other pertinent information to clients.

Clients engage exclusively in financial planning consulting services will receive the financial plan upon completion.

# **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)**

YFSL may receive compensation from third-party advisers to which it directs clients.

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

YFSL may enter into written arrangements with third parties to act as solicitors for YFSL's investment management services. Solicitor relationships will be fully disclosed to each Client to the extent required by applicable law. YFSL will ensure each solicitor is exempt, notice filed, or properly registered in all appropriate jurisdictions.

Our firm may pay referral fees to independent persons or firms (Solicitors) for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the

prospective client with a copy of this document (our Firm Brochure) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

### **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, YFSL will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. Clients will receive all account statements and billing invoices that are required in each jurisdiction, Clients will receive account statements from the qualified custodian(s) holding their funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this brochure.

### **Item 16: Investment Discretion**

YFSL provides discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, YFSL generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. Client will execute a limited power of attorney to evidence discretionary authority.

If Clients enter into non-discretionary arrangements with YFSL, we will obtain your approval prior to the execution of any transactions for your account(s). Clients have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.



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

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. We do not offer any consulting assistance to clients regarding proxy issues.

Class Actions, Bankruptcies and Other Legal Proceedings:

YFSL will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of Proofs of Claim in class action settlements. If desired, clients may direct YFSL to transmit copies of class action notices to the client or a third party. Upon such direction, YFSL will make commercially reasonable efforts to forward such notices in a timely manner.

## **Item 18: Financial Information**

### **A. Balance Sheet**

YFSL neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

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

In light of the COVID-19 coronavirus and historic decline in market values, YFSL has elected to participate in the CARES Act's Paycheck Protection Program ("PPP") to strengthen its balance sheet. YFSL intends to use this loan predominantly to continue payroll for the firm and may ultimately seek loan forgiveness per the terms of the PPP. Due to this and other measures taken internally, YFSL has been able to operate and continue serving its clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

YFSL has not been the subject of a bankruptcy petition 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**

YFSL currently has only one management person: Ronn Yaish. Education and business background can be found on the individual's Form ADV Part 2B brochure supplement.

### **B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)**

Other business activities for each relevant individual can be found on the Form ADV Part 2B brochure supplement for each such individual.

### **C. Calculation of Performance-Based Fees and Degree of Risk to Clients**

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

### **D. Material Disciplinary Disclosures for Management Persons of this Firm**

There are no civil, self-regulatory organization, or arbitration proceedings to report under this section.

### **E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)**

Neither YFSL, nor its management persons, has any relationship or arrangement with issuers of securities.