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## **Form ADV**

### **Part 2A – Firm Brochure**

Dated October 3, 2024

This Brochure provides information about the qualifications and business practices of North Financial Advisors LLC, “NFA”. If you have any questions about the contents of this Brochure, please contact us at (929) 266-3757. 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.

North Financial Advisors LLC is registered as an Investment Adviser with California, Virginia, and the District of Columbia. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about NFA is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the firm’s identification number 281795.

## Item 2: Material Changes

This section describes the material changes since the last filing to North Financial's Form ADV Part 2A. Since the Firm's last update in January 2024, we updated our business address.

A current copy of our Brochure may be requested free of charge by contacting 929-266-3757 or emailing [info@northfinancialadvisors.com](mailto:info@northfinancialadvisors.com).

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# Item 4: Advisory Business

## Description of Advisory Firm

North Financial Advisors LLC is registered as an Investment Adviser with the District of Columbia, Virginia, and California. We were founded in August 2015. Cady North is the principal owner of NFA. NFA reports \$32,732,221 in discretionary assets under management and \$0 nondiscretionary assets as of October 3, 2024.

## Types of Advisory Services

### Investment Advisory Services

We are in the business of managing individually tailored investment portfolios. Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation target. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

When appropriate, we also offer investment advisory services through use of third-party money managers ("Outside Managers"), such as Betterment Securities for portfolio management services. Based on analysis of suitability for the customer, we recommend the appropriate type of account, the appropriate amount of money that should be invested to meet the client's goals, as well as an appropriate asset allocation model. This service also includes ongoing monitoring of the account(s) and client goals, reinvestment of capital gains and dividends, rebalancing and tax optimization. Additionally, we will meet with the client at least twice per year or as needed to discuss changes in personal or financial situation and goals, suitability, and any new or revised restrictions to be applied to the account. We make adjustments to the asset allocation and type of account and recommend changes to the amount invested or disbursed based on client needs should the situation or goals change. Suitability of the asset allocation and type of account will be based on discussions and interviews with the client, an analysis of data and information provided by the client. We may also

interact with an Outside Manager and review the suitability of the Outside Manager. Our review process and analysis of outside managers is further discussed in Item 8 of this Form ADV Part 2A.

Fees pertaining to these services are outlined in Item 5 of this brochure.

### **Comprehensive Financial Planning**

This service involves engaging one-on-one with a financial planner through a long-term, ongoing professional relationship. By paying fixed fees, clients get continuous access to a planner who will work with them to first design their comprehensive financial plan, and then provide assistance in implementing the plan over time. The planner will also monitor the plan and recommend any changes to ensure the plan stays up to date.

As part of this service, the client will establish their goals and values around money with assistance from a planner. North Financial will help the client stay clear on these goals and establish a plan to achieve them by optimizing their budget and savings. A client will be asked to provide information to help complete the following areas of analysis: net worth, cash flow, insurance, credit scores/reports, employee benefits, retirement planning, insurance, investments, business planning, college planning and/or estate planning. A client will also be responsible for reviewing the plan recommendations and implementing the recommendations as they see fit, with assistance from North Financial.

Once the client provides necessary data and information, a planner will review and analyze the data and prepare a comprehensive plan. The plan will be provided to the client at a 60-90-minute plan-delivery meeting where recommendations, action items, and a suggested implementation calendar will be provided. At that time a hard copy and/or electronic copy of the plan will be provided to the client.

Once the plan has been discussed, North Financial will assist the client with updating progress, implementation and monitoring of the plan throughout the year. Included with this implementation process is scenario analysis on financial choices that may arise. As needed, the planner will update the financial plan if the client's needs, circumstances or goals change. The plan will be monitored throughout the year and follow-up phone calls or emails will be made to the client at least quarterly to review any changes, assist with implementation, and confirm that any agreed upon action steps have been carried out. This service includes a suggested asset allocation for retirement and other accounts as part of the initial comprehensive financial plan, but does not include assistance with opening such accounts or in-depth monitoring of those accounts. However, for more in depth investment management services, such as setting up accounts, ongoing monitoring, reporting, rebalancing, and tax planning, see Investment Advisory Services above.

Additionally, as part of the ongoing implementation service, the planner will provide referrals to other professionals to assist with implementation as needed (such as tax, legal and insurance professionals) and provide access to resources, reminders and educational materials throughout the year. On an

annual basis there will be a full review of the financial plan to ensure its accuracy and ongoing appropriateness and to updated action steps.

In general, the comprehensive financial plan and ongoing implementation/support will address some or all of the following areas of concern. The client and advisor will work together to select the specific areas to cover and in what order they will be addressed throughout the year. These areas may include, but are not limited to, the following:

- **Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.
- **Compensation:** We will review your compensation sources such as salary, bonus, employee stock ownership plans (ESOP), employee stock purchase plans (ESPP), restricted stock units (RSUs), stock options, carried interest, and other deferred compensation and help you understand, track, plan, and benchmark your compensation sources.
- **College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren (if appropriate).
- **Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.
- **Estate Planning:** This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts.

We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. We may participate in meetings or phone calls between you and your attorney with your approval or request.

- **Financial Goals:** We will help clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.
- **Insurance:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile. We may provide you with contact information for insurance brokers, as needed, who can assist with coverage changes and policy recommendations. We may participate in meetings or phone calls between you and your insurance brokers with your approval.
- **Investment Analysis:** This may involve developing an asset allocation strategy to meet clients' financial goals and risk tolerance, and providing information on investment vehicles and strategies. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.
- **Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments).

If you are near retirement or already retired, advice will be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significantly adverse effect on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice

may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance (“self-insuring”).

- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their “tax efficiency,” with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may affect your situation.

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We may participate in meetings or phone calls between you and your tax professional with your approval.

### **Business Planning Services**

We provide consulting services for clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives, educate you on potential options for financing and cash flow strategies, and develop a plan aimed at achieving your personal and business goals. We also help develop key performance indicators and assist with decisions related to payroll, tax structure, retirement and investment planning, business insurance, risk management and succession planning. Engagements require working with a financial planner for at least two years.

### **Mini Financial Planning Sessions**

If a client is not ready to work through a comprehensive plan, this is a great option for jumpstarting immediate action on a pressing financial issue. With this service, a client will have access to a financial planner for one 60-90-minute session via phone or web conference. During this session a planner will answer your questions and give you peace of mind related to a specific financial topic such as creating a budget or buying a house. There isn't enough time during this session to provide a retirement plan or investment allocation. In follow-up the planner will provide a summary of recommendations via email. This service does not provide you with access to implementation help or scenario analysis should your situation change. If you desire additional help with other topics or with implementation, you may book another mini-financial planning session.



## Seminars and Public Speaking Engagements

Cady North offers public speaking services on a variety of topics related to personal and business financial planning. Seminars may be arranged by organizations, companies and individuals and can be tailored to meet the needs of the client.

## Client Tailored Services and Client Imposed Restrictions

We offer the same suite of services to all of our clients. However, specific client financial plans and their implementation are dependent upon a client's current needs and situation (income, tax levels, and risk tolerance levels). These variables are used to construct a client-specific plan and/or portfolio(s) that matches restrictions, needs, and targets.

## Wrap Fee Programs

We do not participate in wrap fee programs.

## CCR Section 260.235.2 Disclosure

For clients who receive our Financial Planning services, we must state when a conflict exists between the interests of our firm and the interests of our client. The client is under no obligation to act upon our recommendation. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through our firm.

# Item 5: Fees and Compensation

Please note, unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees and without penalty. How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation information below.

## Investment Advisory Services

The investment advisory fee is based on the market value of the account and is calculated as follows:

| Account Value | Annual Advisory Fee |
|---------------|---------------------|
| All           | 1.00%               |

The annual fees are negotiable and are pro-rated and paid in arrears on a quarterly basis, based on the average balance during the quarter.

Please note, the above fee schedule includes the Outside Manager’s fee if an outside manager is used. The Outside Manager will calculate and debit the client’s account for both the Outside Manager’s fee, and NFA’s advisory fee, and will remit NFA’s fee to NFA. No increase in the annual fee shall be effective without agreement from the client by signing a new agreement or amendment to their current advisory agreement.

When investment advisory services are used, and at least \$800,000 of assets are under management by NFA, comprehensive financial planning services will be included in the investment advisory fee.

Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 30 days in advance.

**Comprehensive Financial Planning**

Comprehensive Financial Planning requires working with a financial planner for a minimum of one year to prepare a financial plan and provide support in implementing the plan.

The financial planning fee is charged on a sliding scale based on net worth. Clients with more net worth have more complexity and require more meetings and analysis on various topics. North Financial charges a higher fee for this complexity calculated as follows:

| <b>Net Worth</b> | <b>First Year<br/>Financial Planning Fee</b>         | <b>Subsequent<br/>Annual Financial Planning Fee</b> |
|------------------|--|---|
| All              | 0.6% of net worth                                    | 0.6% of net worth                                   |
| Minimum Fee      | \$6,625 for individuals, and<br>\$10,500 for couples | \$4,500 individuals<br>\$6,000 couples              |

The minimum first-year fixed fee is \$6,625 for individuals or \$10,500 for couples. \$2,500 per person is due upfront and the remainder may be paid monthly or quarterly. The minimum annual fee in subsequent years is \$4,500 for individuals and \$6,000 for couples and may be paid monthly (\$375 to \$500) or quarterly (\$1,125 to \$1,500) in arrears. When the financial planning fee, based on 0.6% of net worth, exceeds the minimum fee, then that fee will be used in lieu of the minimum fee and clients will be offered a monthly or quarterly payment plan.

- Example 1: The first-year fee for a couple with a net worth of \$1,000,000 would be \$10,500 since that is the minimum fee. The subsequent year annual fee would be \$6,000 per year.
- Example 2: The first year and subsequent year's fee for an individual with a net worth of \$2,000,000 would be \$12,000.

Net worth is defined as a client's total assets (retirement accounts, brokerage accounts, real estate, employer stock options & RSU's) less total liabilities (student loans, mortgages, credit cards) rounded to the closest \$10k. Personal assets such as jewelry, cars, and collectables are not considered part of net worth unless they are material to the planning process. The portion of a client's net worth held in investment accounts managed by North Financial will be charged the 1% investment advisory fee, and these assets will be excluded from net worth when calculating the financial planning fee to avoid double charging. However, minimum financial planning fees will still apply.

The annual fee shall be reviewed and adjusted every two (2) years following client signup. Clients paying the minimum fee shall expect an annual increase in the financial planning fee of approximately 4-8% per year to maintain pace with inflation. Standard notice of any fee increase whether due to net worth or inflation will be communicated with exact increase with 30 days notice.

This service may be terminated by either the client or NFA with 30 days notice. If the client cancels, any unearned fee based on work completed will be refunded to the client. Our fees are negotiable, solely at the discretion of the firm principal based on complexity and needs of the client. NFA does not bill an amount above \$500 more than 6 months in advance.

## **Business Planning Services**

To give Business Planning the time and attention it deserves requires working with a financial planner for a minimum of two years to prepare a financial plan and provide support in implementing the plan. The minimum fee for each year ranges between \$12,000 to \$25,000, depending on complexity. The client has the option of making monthly or quarterly payments after paying an upfront fee of at least 25% of the total first year fee.

This service may be terminated by either the client or NFA with 30 days notice. If the client cancels, any unearned fee based on work completed will be refunded to the client. Our fees are negotiable, solely at the discretion of the firm principal based on complexity and needs of the client. NFA does not bill an amount above \$500 more than 6 months in advance.

## **Mini Financial Planning Sessions- Fixed Fee**

Mini Financial Planning Sessions are a great opportunity to work with a financial planner to map out financial strategies related to one goal of the client's choice. The fixed fee ranges from \$749-2,000,

depending on complexity and needs of the client. It includes a 60-90-minute financial planning session and written summary of recommendations. Each session is a separate fee and is due at the time of the session. We'll provide unbiased and actionable advice related to your financial question, and at the conclusion of the meeting, we will provide a short summary of the recommendations via email. Our fees are negotiable, solely at the discretion of the firm principal based on complexity and needs of the client.

## **Hourly Fee**

For any other type of financial planning services or projects, clients may request North Financial's services at the rate of \$375 per hour, with a minimum charge of \$750. Fees are billed at the beginning of the month for work provided the prior month (i.e. arrears). Our fees are negotiable, solely at the discretion of the firm principal.

## **Meeting Cancellation Fee**

North Financial may charge a cancellation fee of \$100 for any meeting canceled within 24 hours of a scheduled meeting time. The fee will be invoiced directly to the client. Our fees are negotiable, solely at the discretion of the firm principal.

## **Seminars and Public Speaking Engagements**

Cady North provides public speaking services and seminars to the public as well as organizations on a variety of business and financial topics. In general fees for public speaking engagements and seminars range from free to \$30,000 plus travel expenses, depending upon the sponsor, date, location and program requested. In general, payment is due at the time of booking, however specific payment terms may be negotiable at the discretion of North Financial. The fee range is based on the content, amount of research conducted, number of hours of preparation needed, and the number of attendees. In the event of inclement weather or a flight cancellation, the Speaker shall make all reasonable attempts to make alternative travel arrangements to arrive in time for the presentation. If travel proves impossible, or the event is otherwise cancelled, the Speaker's fee is waived, but the Client will still be responsible for reimbursement of any nonrefundable travel expenses already incurred. In the event that the Client decides to cancel or change the date of the event for any reason besides weather or similar unforeseen causes, the Client will still be responsible for reimbursement of any nonrefundable travel expenses already incurred, and will provide payment for 50% of the Speaker's fee if the cancellation occurs within 30 days of the event. In the event that the Speaker must cancel due to health or similar unforeseen circumstances, the Speaker will make all attempts to find a reasonable alternative engagement date and will absorb any incremental additional costs for obtaining alternative travel arrangements. If an alternative date cannot be obtained, the Client will not be responsible for any travel costs already incurred by the Speaker or any portion of the Speaker's fee.

## Other Types of Fees and Expenses

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

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for client's transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not accept compensation for the sale of securities or other investment or insurance 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

We do not offer performance-based fees.

## Item 7: Types of Clients

We offer financial planning services to individuals, charitable organizations and corporations or other businesses. We do not have a minimum account size or minimum income level requirements.

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

Our primary investment strategy is passive investment management.

### **Passive Investment Management**

We primarily practice passive investment management. Passive investing involves building portfolios that are comprised of various distinct asset classes. The asset classes are weighted in a manner to achieve a desired relationship between correlation, risk and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio. The funds that are used to build passive portfolios are typically index mutual funds or exchange traded funds.

Passive investment management is characterized by low portfolio expenses (i.e. the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and relative tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal).

In contrast, active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark. Academic research indicates most active managers underperform the market.

We may use third-party investment advisers (“outside managers”). Our analysis of outside managers involves the examination of the experience, expertise, investment philosophies, and past performance of the outside managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager’s underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager’s compliance and business enterprise risks. A risk of investing with an outside manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in an outside manager’s portfolio. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager’s daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

## **Material Risks Involved**

**All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear.** Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment’s current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer’s operations or its financial condition.

**Strategy Risk:** The Adviser’s investment strategies and/or investment techniques may not work as intended.

**Small and Medium Cap Company Risk:** Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and

medium cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.

**Concentration Risk:** Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Inflation:** Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

**Passive Market Strategies:** Should a portfolio employ a passive, efficient markets approach, an investor will need to consider the potential risk that the broader allocation may at times generate lower-than-expected returns than that from a specific asset, and that the return on each type of asset is a deviation from the market return for the asset class. It is felt that this variance from the "expected return" is generally low under normal market conditions if the portfolio is made up of diverse, low or non-correlated assets. Correlation refers to the extent in which prices move in the same direction, therefore, non-correlated investment strategies may be used within a portfolio to neutralize or counterbalance the risk should one or more types of holdings fall in value.

**"Socially Responsible" Investing Risk:** Including "socially responsible" investments in a portfolio, should the client request to do so, involves special additional risks. "Socially responsible" investments tend to be more volatile and may be less liquid than comparable investments that are not "socially responsible," due to factors including reduced diversification and overweighting in certain securities, asset classes, industry sectors, and/or countries in order to meet "socially responsible" objectives.

**Socially Conscious Investing:** If you require your portfolio to be invested according to socially conscious principles, you should note that returns on investments of this type may be limited and because of this limitation you may not be able to be as well diversified among various asset classes. The number of publicly traded companies that meet socially conscious investment parameters is also limited, and due to this limitation, there is a probability of similarity or overlap of holdings, especially among socially conscious mutual funds or ETFs. Therefore, there could be a more pronounced positive or negative impact on a socially conscious portfolio, which could be more volatile than a fully diversified portfolio.

## Risks Associated with Securities

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Common stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

**Corporate Bonds** are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

**Municipal Bonds** are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

**Exchange Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected.

**Investment Companies Risk.** When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which clients invest.



## Item 9: Disciplinary Information

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of NFA or the integrity of our management. We have no legal or disciplinary events to report.

## Item 10: Other Financial Industry Activities and Affiliations

No NFA employee is registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

No NFA employee is registered, or have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

NFA does not have any related parties. As a result, we do not have a relationship with any related parties.

NFA only receives compensation directly from clients. We do not receive compensation from any outside source. We do not have any conflicts of interest with any outside party.

### **Recommendations or Selections of Other Investment Advisers**

As referenced in Item 4 of this brochure, NFA may recommend clients to Outside Managers to manage their accounts. In the event that we recommend an Outside Manager, please note that our stated fee includes the Outside Manager's compensation (as noted in Item 5) and will be described to you prior to engagement. You are not obligated, contractually or otherwise, to use the services of any Outside Manager we recommend. Additionally, NFA will only recommend an Outside Manager who is properly licensed or registered as an investment adviser.

### **Disclosure of Material Conflicts**

All material conflicts of interest under CCR Section 260.238(k) are disclosed regarding NFA, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

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

As a fiduciary, our firm and its associates have a duty of utmost good faith to act solely in the best interests of each client. NFA will not recommend investments in which our advisers or related persons has a material financial interest. Our clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings.

This code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory clients. North Financial will work to limit conflicts of interest and will disclose any that exist. Conflicts of interest may include, but are not limited to: (a) compensation arrangements connected with advisory services which are in addition to the advisory fees; (b) other financial industry activities or affiliations; and (c) participation of interest in client transactions. A summary of the Code of Ethics' Principles is outlined below.

A summary of the Code of Ethics' Principles is outlined below.

- Integrity - Associated persons shall offer and provide professional services with integrity.
- Objectivity - Associated persons shall be objective in providing professional services to clients.
- Competence - Associated persons shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.
- Fairness - Associated persons shall perform professional services in a manner that is fair and reasonable to clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.
- Confidentiality - Associated persons shall not disclose confidential client information without the specific consent of the client unless in response to proper legal process, or as required by law.
- Professionalism - Associated persons' conduct in all matter shall reflect credit of the profession.
- Diligence - Associated persons shall act diligently in providing professional services.

We will, upon request, promptly provide a complete code of ethics.

A recommendation made to one client may be different in nature or in timing from a recommendation made to a different client. Clients often have different objectives and risk tolerances. At no time, however, will our firm or any related party receive preferential treatment over our clients.

In an effort to reduce or eliminate certain conflicts of interest involving the firm or personal trading, our policy may require that we restrict or prohibit associates' transactions in specific securities transactions. Any exceptions or trading pre-clearance must be approved by our Chief Compliance Officer in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

## Item 12: Brokerage Practices

### Factors Used to Select Custodians and/or Broker-Dealers

North Financial Advisors LLC does not have any affiliation with Broker-Dealers. Specific custodian recommendations are made to client based on their need for such services. We recommend custodians based on the reputation and services provided by the firm.

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

We may receive soft dollar benefits such as proprietary research, software tools, and access to sponsored seminars from custodians or broker-dealers.

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

We receive 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**

We do recommend a specific custodian for clients to use, however, clients may custody their assets at a custodian of their choice. Clients may also direct us to use a specific broker-dealer to execute transactions. By allowing clients to choose a specific custodian, we may be unable to achieve most favorable execution of client transaction and this may cost clients' money over using a lower-cost custodian.

### The Custodian and Brokers We Use

NFA does not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw advisory fees from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank.

North Financial participates in Schwab's institutional customer program and may recommend Schwab to clients for custody and brokerage services. There is no direct link between NFA's participation in the program and the investment advice it gives to its clients, although NFA receives economic benefits through its participation in the program that are typically not available to Schwab retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving NFA participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to NFA by third party vendors. Schwab may also have paid for business consulting and professional services received by NFA's related persons. Some of the products and services made available by Schwab through the program may benefit NFA but may not benefit its client accounts. These products or services may assist NFA in managing and administering client accounts, including accounts not maintained at Schwab. Other services made available by Schwab are intended to help NFA manage and further develop its business enterprise. The benefits received by NFA or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to Schwab. As part of its fiduciary duties to clients, NFA endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by NFA or its related persons in and of itself creates a potential conflict of interest and may indirectly influence NFA's choice of Schwab for custody and brokerage services.

We may recommend that our clients use MTG, LLC dba Betterment Securities ("Betterment Securities"), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Betterment Securities. Betterment Securities will hold your assets in a brokerage account and buy and sell securities when we and/or you instruct them to. While we may recommend that you use Betterment Securities as custodian/broker, you will decide whether to do so and will open your account with Betterment Securities by entering into an account agreement directly with them. We may assist you in opening your account(s). If you do not wish to place your assets with Betterment Securities, then we cannot manage your account on Betterment for Advisors (defined below).

## **Your Brokerage and Custody Costs**

For our clients' accounts that Betterment Securities maintains, Betterment Securities generally does not charge you separately for custody services, but is compensated as part of the Betterment for Advisors

(defined below) platform fee, which is a percentage of the dollar amount of assets in the account in lieu of commissions. This fee is not paid separately by the client, it's included in the fee paid to North Financial as listed in Item 5. We have determined that having Betterment Securities execute trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "Factors Used to Select Custodians and/or Broker-Dealers").

## **Services Available to Us via Betterment for Advisors**

Betterment Securities serves as broker dealer to Betterment for Advisors, an investment and advice platform serving independent investment advisory firms like us ("Betterment for Advisors"). Betterment for Advisors also makes available various support services which may not be available to Betterment's retail customers. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Betterment for Advisors' support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Betterment for Advisors' support services:

1. **SERVICES THAT BENEFIT YOU.** Betterment for Advisors includes access to a range of investment products, tools, execution of securities transactions, and custody of client assets through Betterment Securities. Betterment Securities' services described in this paragraph generally benefit you and your account.
2. **SERVICES THAT MAY NOT DIRECTLY BENEFIT YOU.** Betterment for Advisors also makes available to us other products and services that benefit us, but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts, such as software and technology that may:
  - a. Assist with back-office functions, recordkeeping, and client reporting of our clients' accounts.
  - b. Provide access to client account data (such as duplicate trade confirmations and account statements).
  - c. Provide pricing and other market data.
3. **SERVICES THAT GENERALLY BENEFIT ONLY US.** By using Betterment for Advisors, we will be offered other services intended to help us manage and further develop our business enterprise. These services include:
  - a. Educational conferences and events.
  - b. Consulting on technology, compliance, legal, and business needs.
  - c. Publications and conferences on practice management and business succession.

## **Our Interest in Betterment Securities' Services**

The availability of these services from Betterment for Advisors benefits us because we do not have to produce or purchase them. In addition, there are no transaction fees for trading. These services may be contingent upon us committing a certain amount of business to Betterment Securities in assets in custody. We may have an incentive to recommend that you maintain your account with Betterment Securities, based on our interest in receiving Betterment for Advisors and Betterment Securities' services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Betterment Securities as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Betterment Securities' services and not Betterment for Advisors and Betterment Securities' services that benefit only us.

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

NFA or an Outside Manager used by NFA may block client trades at their discretion. The specific practices are further discussed in their ADV Part 2A, Item 12.

Block trading involves combining the buy or sell orders of the same security for two or more clients. We may use block trades if we have determined, on an individual basis, that the securities order is in the best interest of each client participating in the order and consistent with our duty to seek best execution. When we use block trading, each participating account pays an average price per share for all transactions and pays a proportionate share of transaction costs. Accounts owned by our firm, or persons associated with our firm pay participate in block trading, however, they will not be given preferential treatment.

# Item 13: Review of Accounts

## ***Investment Management Clients***

Client accounts with the Investment Management Service will be reviewed regularly on at least a quarterly basis by Cady North, CEO and CCO. The account is reviewed with regards to the client's investment policies and risk tolerance levels. Events that may trigger a special review would be unusual performance, addition or deletions of client imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per client's needs.

Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest.

NFA will provide written reports to Investment Management clients on an annual basis. We urge clients to compare these reports against the account statements they receive from their custodian.

### *Comprehensive Financial Planning Clients*

During initial financial planning process and at least annually (if the client continues to engage NFA as financial planner) all client accounts will be reviewed Cady North, CEO and CCO. Accounts may be reviewed more frequently if there are changes to the client's situation to ensure the financial plan's accuracy and ongoing appropriateness, and to update action steps. Clients will be given access to an online financial planning portal where all accounts and action items may be reviewed by the client at any time. From this portal, clients may download a written report summarizing their accounts. Comprehensive financial planning doesn't include ongoing monitoring or performance reporting for client investment accounts. The adviser shall not have any responsibility to directly disseminate account statements to the client.

## Item 14: Client Referrals and Other Compensation

We do not receive any economic benefit, directly or indirectly from any third party for advice rendered to our clients. Nor do we directly or indirectly compensate any person who is not advisory personnel for client referrals.

We receive a non-economic benefit from Schwab, Betterment for Advisors and Betterment Securities in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at one of these custodians. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices). The availability of products and services from Schwab, or Betterment is not based on us giving particular investment advice, such as buying particular securities for our clients.

## Item 15: Custody

NFA does not accept custody of client funds. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment

assets. We urge you to carefully review such statements and compare such official custodial records to the account statements or reports that we may provide to you. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

For client account in which NFA directly debits their advisory fee:

- i. NFA will send a copy of its invoice to the custodian at the same time that it sends the client a copy.
- ii. The custodian will send at least quarterly statements to the client showing all disbursements for the account, including the amount of the advisory fee.
- iii. The client will provide written authorization to NFA, permitting them to be paid directly for their accounts held by the custodian.

## Item 16: Investment Discretion

For those client accounts where we provide investment management services, we maintain discretion over client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold.

For those client accounts where we use Outside Managers for investment management, we do have discretion over the types of securities and asset allocation (i.e. the percent of funds allocated to each asset type), but we do not have discretion over the precise timing or number of shares of securities bought and sold in the account.

Investment discretion is explained to clients in detail when an advisory relationship has commenced and outlined in the advisory contract signed by the client. Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the client. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

## Item 17: Voting Client Securities

We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.



In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

## Item 18: Financial Information

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and we have not been the subject of a bankruptcy proceeding. We do not have custody of client funds or securities or require or solicit prepayment of more than \$500 in fees per client six months in advance.

# Item 19: Requirements for State-Registered Advisers

## Cady North

Born: 1982

### Educational Background

- 2020 – Registered Life Planner®
- 2016 – CERTIFIED FINANCIAL PLANNER™ Professional
- 2015 – Masters of Business Administration, Georgetown University, Washington, DC
- 2004 – Bachelor of Arts, The University of Texas at Austin

### Business Experience

- 08/2015 – Present, North Financial Advisors LLC, CEO and CCO
- 11/2010 – 05/2015, Bloomberg LP, Senior Analyst
- 09/2008 – 11/2010, Financial Executives International, Senior Manager
- 02/2005 – 09/2008, Texas Department of Transportation, Analyst
- 07/2001 – 05/2004, Capital Consultants, Analyst

### Professional Designations

**Registered Life Planner®** - an RLP® is a financial planner that has completed the Seven Stages of Money Maturity Workshop, a 5-day Life Planning Training, and a six-month mentorship program. Certificates must complete 8 hours of continuing education every two years.

**Certified Financial Planner™** - CFP® certificants must have a minimum of three years' workplace experience in financial planning and develop their theoretical and practical financial planning knowledge by completing a comprehensive course of study approved by CFP® Board. They must pass a comprehensive CFP® Certification Examination that tests their ability to apply financial planning knowledge in an integrated format. As a final step to certification, CFP® practitioners agree to abide by a strict code of professional conduct. Individuals who become certified must complete the following ongoing continuing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- **Continuing Education** – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional

Conduct, to maintain competence and keep up with developments in the financial planning field.

- **Ethics** – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

### **Other Business Activities**

Cady North is author of two books and offers teaching, speaking and coaching services. Approximately 10% of her time is spent on these outside activities.

### **Performance Based Fees**

NFA is not compensated by performance-based fees.

### **Material Disciplinary Disclosures**

No management person at North Financial Advisors LLC has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

### **Material Relationships That Management Persons Have With Issuers of Securities**

North Financial Advisors LLC, nor Cady North, have any relationship or arrangement with issuers of securities.



[www.northfinancialadvisors.com](http://www.northfinancialadvisors.com)

[info@northfinancialadvisors.com](mailto:info@northfinancialadvisors.com)

(929) 266-3757

Dated January 2, 2024

## Form ADV Part 2B – Brochure Supplement

*For*

### **Cady North**

CEO, and Chief Compliance Officer

This brochure supplement provides information about Cady North that supplements the North Financial Advisors LLC (“NFA”) brochure. A copy of that brochure precedes this supplement. Please contact Cady North if the NFA brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about Cady North is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the identification number 6573064.

4648 Park Blvd, San Diego, CA 92116

# Item 2: Educational Background and Business Experience

## Cady North

Born: 1982

### Educational Background

- 2020 – Registered Life Planner®
- 2016 – CERTIFIED FINANCIAL PLANNER™ Professional
- 2015 – Masters of Business Administration, Georgetown University, Washington, DC
- 2004 – Bachelor of Arts, The University of Texas at Austin

### Business Experience

- 08/2015 – Present, North Financial Advisors LLC, CEO and CCO
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Conduct, to maintain competence and keep up with developments in the financial planning field.

- **Ethics** – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

## Item 3: Disciplinary Information

No management person at North Financial Advisors LLC has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

## Item 4: Other Business Activities

Cady North is author of two books, and offers teaching, speaking and coaching services. Approximately 10% of her time is spent on these outside activities.

## Item 5: Additional Compensation

Cady North earns outside income from book sales, workshops and courses, speaking engagements, and coaching. She does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through NFA.

## Item 6: Supervision

Cady North, as CEO and Chief Compliance Officer of NFA, is responsible for supervision. She may be contacted at the phone number or email on this brochure supplement.

## Item 7: Requirements for State Registered Advisers

Cady North has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.