

Cover Page



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Firm Brochure

(Part 2A of Form ADV)

This brochure provides information about the qualifications and business practices of Financial Focus, Inc. If you have any questions about the contents of this brochure, please contact us at: (603) 569-1994, or by email at: info@yourfinancialfocus.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 Financial Focus, Inc. is available on the SEC's website at www.adviserinfo.sec.gov. The firm's CRD number is 117327.

February 1, 2018

Material Changes

Annual Update

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

Material Changes since the Last Update February 1, 2017

We have had no material changes since our last update on February 1, 2017.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at (603) 569-1994 or by email at info@yourfinancialfocus.com.

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Advisory Business

Firm Description

Financial Focus, Inc. was founded in 1995 by Susan MacMichael John. There are currently eight employees, including four Certified Financial Planner™ designees, one Investment Adviser, two administrative staff, and one financial planning assistant. The firm is federally registered with the SEC (Securities and Exchange Commission) as a Registered Investment Adviser. Registration with the SEC and other state securities authorities as a registered investment adviser does not imply a certain level of skill or training.

Financial Focus, Inc. provides personal financial planning and investment management to individuals, families and their related entities, trusts and estates, and family businesses. Financial Focus, Inc. works with clients to define financial objectives and to develop strategies for reaching those objectives, some of which may include: identification of financial problems, cash flow and budget management, tax planning, risk exposure review, investment management, education funding, retirement planning, estate planning, charitable goals, special needs planning, family business succession issues, fringe benefits, and/or other issues specific to the client.

The firm's compensation is solely from fees paid directly by clients. The firm does not receive commission based on the client's purchase of any financial product, including insurance. No commissions in any form are accepted. No referral fees are paid or accepted. No benefits are received from custodians/broker-dealers based on the number or amount of client securities transactions ("ineligible soft dollar benefits").

Assets under the direct management of Financial Focus, Inc. are held by independent custodians, including Fidelity Investments, TD Ameritrade, or others, in the client's name. Financial Focus, Inc. does not act as a custodian of client assets, although we may at times be considered by the SEC to technically have "custody" over certain types of accounts held at independent custodians. This occurs primarily when a staff member of Financial Focus, Inc. is the trustee of an unrelated trust and Financial Focus, Inc. is the investment adviser on the trust's investment accounts.

We may recommend other professionals (e.g., lawyers, accountants, insurance agents, real estate agents, etc.) at the request of the client. Other professionals are engaged directly by the client on an as-needed basis even when recommended by the Advisor. Conflicts of interest will be disclosed to the client and managed in the best interest of the client.

Principal Owners

Susan MacMichael John is a 78% stockholder of Financial Focus, Inc. Kristen Madden is a 10% stockholder, Daosith Lemay is a 10% stockholder, Thomas Goodwin is a 2% stockholder. There are no intermediate subsidiaries.

Types of Advisory Services

The primary type of advisory service offered by Financial Focus, Inc. is financial planning. Financial Focus, Inc. also provides investment supervisory services (i.e., "asset management") and furnishes investment advice, but only as part of an ongoing financial planning relationship.

In performing its services, Financial Focus, Inc. is not required to verify any information received from the client or from the client's other professionals. Each client is advised that it remains his/her responsibility to promptly notify Financial Focus, Inc. when there is any change in his/her financial

situation and/or financial objectives for the purpose of reviewing, evaluating, or revising previous recommendations and/or services.

As a result of a change effective June 9, 2017, to the Employment Retirement Income Security Act (ERISA), Financial Focus, Inc. hereby acknowledges that it is a "fiduciary" when the firm's services are subject to the provisions of ERISA of 1974, as amended.

The following are typical financial planning arrangements offered to clients:

Financial Planning Services

Financial planning may include identification of financial problems, cash flow and budget management, tax planning, risk exposure review, investment management, education funding, retirement planning, estate planning, charitable goals, small business planning issues, fringe benefits, special needs planning, or other issues specific to the client. A written evaluation of the client's current situation and their goals is provided to the client. Recommendations are given in each area specifically requested by the client. This service includes two meetings in addition to the introductory meeting. This service includes financial planning only. No implementation services or ongoing asset management services are provided. Financial planning services are provided on a fixed fee basis.

At the conclusion of the initial planning process, clients may engage Financial Focus, Inc. to provide implementation services and or Asset Management and Monitoring. This engagement may be in the form of our hourly fee Concierge Services for limited engagements; or through an Annual Financial Planning and Investment Management Retainer.

Concierge Services and Special Projects

Projects may be undertaken that are not described in other types of agreements, including implementation of Financial Snapshot recommendations, periodic investment portfolio review, assistance with tax planning, or other services specifically described in an engagement letter.

Annual Financial Planning and Investment Management Services

Ongoing Financial Planning services may include cash flow and budget management, tax planning, periodic reviews of risk exposure, estate and retirement planning and education planning as dictated by client objectives or current issues. Our investment advisory and management program includes: asset allocation, investment manager selection and specific investment selection and to use investment authorization/limited trading authority to implement recommended investment plans. Quarterly or semi-annual reviews are provided depending on the size of the asset base. Unscheduled reviews may be provided whenever a client circumstance triggers a review.

Investment management is not provided as a stand-alone service. However, occasionally, members of a client's family or related charitable organization may receive investment management services as part of the client's financial planning objectives.

Clients may elect to retain Financial Focus, Inc. solely to provide ongoing Financial Planning Services. A separate engagement letter describing the services to be provided and the fees to be charged is required.

Retirement Rollovers-No Obligation/Conflict of Interest: A client leaving an employer typically has four options (and may engage in a combination of these options): 1) leave the money in his former employer's plan, if permitted, 2) roll over the assets to his/her new employer's plan, if one is available and rollovers are permitted, 3) rollover to an Individual Retirement Account (IRA), or 4) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences).

Financial Focus, Inc. may recommend an investor roll over plan assets to an IRA managed by Financial Focus, Inc. As a result, Financial Focus, Inc. may earn an asset-based fee; however, a recommendation that a client or prospective client leave their plan assets with their old employer will generally result in no change to compensation. In some circumstances, Financial Focus, Inc. may have an economic incentive to encourage an investor to roll plan assets into an IRA that Financial Focus, Inc. will manage.

There are various factors that Financial Focus, Inc. may consider before recommending a rollover, including but not limited to: i) the investment options available in the plan versus the investment options available in an IRA, ii) fees and expenses in the plan versus the fees and expenses in an IRA, iii) the services and responsiveness of the plan's investment professionals versus those of Financial Focus, Inc., iv) required minimum distributions and age considerations, vi) employer stock tax consequences, if any, and v) availability of different beneficiary options for IRAs. No client is under any obligation to roll over plan assets to an IRA managed by Financial Focus, Inc.

Smart Start Program

Smart-Start is intended to be an on-going financial planning program for young professionals or individuals with insufficient assets to warrant individual asset management services. Financial planning services may include analysis of cash flow, taxes, investment asset allocation, portfolio holdings, retirement plan options and specific investment recommendations, insurance, education funding, estate plans, goal and objective setting, and special needs planning. Specific recommendations are given in each area as requested. This service includes up to two meetings annually in addition to the introductory meeting and telephone support as requested. **Under this arrangement, no implementation services are provided.**

Tailored Relationships

At Financial Focus, Inc., advisory services are tailored to the individual needs of clients. Client goals and objectives are clarified in meetings and via correspondence, and are used to determine the course of action for each individual client. The goals and objectives for each client are documented in our client relationship management system and in client files, either in hard copy or in electronic files.

Clients may impose restrictions on investing in certain securities or types of securities. This must be done in writing and be signed by the client, Financial Focus, Inc. and the separate account manager if applicable. Agreements may not be assigned without client consent.

Wrap Fee Programs

Financial Focus, Inc. does not participate in any wrap fee programs.

Managed Assets

As of December 31, 2017, Financial Focus, Inc. managed approximately \$286.7 million in assets for 824 accounts. Approximately \$278.9 million is managed on a discretionary basis and \$7.8 million on a non-discretionary basis.

Fees and Compensation

Description

Financial Focus, Inc. bases its fees on a percentage of Assets Under Management, hourly charges, fixed fees, and/or a retainer that is not calculated on an Assets Under Management basis or on an hourly estimate. All fees are negotiable.

Financial Planning Services

The fee for Financial Planning shall be: \$3,500 for persons with total assets under \$3 million; \$5,000 for persons with total assets of \$3-6 million; and \$9,500 for clients with assets in excess of \$6 million. An annual review and plan update is available for 50% of the first year fee. Unless otherwise stated in an engagement letter, Financial Planning engagements are billed as follows: 25% upon signing the agreement, 25% within 30 days of the date of the agreement, and 50% on completion of specified work.

Concierge Services and Special Projects

Special projects involving principal Susan John are billed at the rate of \$450/hour. Special projects involving a senior planner (with the CFP® designation) are billed at \$350/hour. Special projects involving an associate planner (without the CFP® designation) are billed at \$150/hour. Non-planner staff time for special projects is billed at \$50/hour. Estimates are provided and a deposit requested. Since the nature of the work often involves variables or circumstances unknown at the start of the engagement, estimates are not guaranteed.

Annual Financial Planning and Investment Management Retainer

Fees are currently based on 0.75% of client assets managed or monitored. Financial Focus may reduce fees where another is involved in management of the account. Financial Focus may reduce fees on charitable accounts, or other special purpose accounts as defined by the annual rate schedule. Fees will be calculated annually and billed quarterly in arrears. Investment management is not provided as a stand-alone service and is not billed separately as such.

Clients electing to retain Financial Focus, Inc. for financial planning services only, will be charged 50% of their original fee. The fee is payable following the annual client meeting.

Smart Start Program

The Initial annual fee is \$2,000, billed quarterly in four equal payments. This rate is in effect until Financial Focus and the client agree that a different level of service is required, or when the client's net worth reaches \$1 million, whichever is sooner.

Fee Billing

Clients may choose to have fees deducted quarterly from a designated brokerage account at their qualified custodian to facilitate billing, or to be invoiced quarterly. The client must consent in advance to direct debiting of their investment account for financial planning fees.

Initially, Financial Planning clients are billed 25% of the quoted financial planning fee upon signing a contract and an additional 25% within 30 days of the contract date, with the balance due on completion of specified work, or by other written arrangement. These fees cannot be paid by direct debit of a brokerage account.

Clients using Concierge Services and Special Projects services are billed monthly in arrears, or as otherwise specified in an engagement letter. These fees cannot be paid by direct debit of a brokerage account.

Clients using Smart Start Program are billed quarterly, in arrears, in four equal payments.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds, stocks, bonds, and exchange-traded funds. These transaction charges are usually relatively small and are incidental to the purchase or sale of a security. In some cases, custodians also charge monthly, quarterly, or annual custody fees. Fees for custody are disclosed to clients when this type of arrangement is recommended. Financial Focus, Inc. does not receive any of these fees.

Mutual funds and exchange traded funds (ETFs) generally charge a management fee for their services as investment managers. The management fee is included in the expense ratio. Mutual fund fees also include transaction charges for the purchase or sale of securities within the fund and may charge other fees as disclosed in the fund prospectus. These fees are in addition to the fees paid by the client to Financial Focus, Inc.

Please see the section entitled “Brokerage Practices” on page 6 for more information.

Past Due Accounts and Termination of Agreement

Financial Focus, Inc. reserves the right to stop work on any account that is more than 60 days overdue. In addition, Financial Focus, Inc. reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate to providing proper financial advice, per the judgment of Financial Focus, Inc., or has revealed information about illegitimate activities in which they have been involved.

Clients may terminate their agreement at any time by providing written notice.

Terminating clients will receive an itemized bill based on hourly rates (see Concierge Services and Special Projects above) for work completed. Any unused portion of fees collected in advance will be refunded within 30 days.

Compensation for Sales of Investment Products

The firm’s compensation is solely from fees paid directly by clients. The firm does not receive commission based on the client’s purchase of any financial product, including insurance. No commissions in any form are accepted.

Performance-Based Fees

Sharing of Capital Gains

Financial Focus, Inc. does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client. However, the nature of asset-based fees allows Financial Focus, Inc. to participate in the growth of the client’s wealth. This also means that our fees can decline when the client’s portfolio declines in value.

Types of Clients

Description

Financial Focus, Inc. generally provides investment advice to individuals, families, trusts, and estates. Advice may extend to entities related to the client such as small businesses and charitable organizations, including foundations and endowments. Client relationships vary in scope and length of service.

Financial Focus, Inc. does not impose a minimum dollar value of assets or other condition for opening or maintaining an account.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods at Financial Focus, Inc. include fundamental analysis. The main sources of information includes Morningstar reports, fund prospectuses, S&P reports, Argus reports, Thomson Reuters Stock Reports, financial newspapers and magazines, research materials prepared by others, filings with the Securities and Exchange Commission, and annual reports. Employees of Financial Focus, Inc. also attend on- and off-site visits with fund and portfolio managers, conference calls, and industry conferences.

Investment Strategies

The primary investment strategy we use for client accounts is strategic asset allocation. We may use passively managed index and exchange-traded funds when appropriate for the client and actively managed funds, dividend paying stocks, and individual municipal bonds where there are opportunities to make a difference by security selection. Portfolios are generally globally diversified to control the risk associated with traditional markets. We may also at times recommend unrelated, third-party investment managers who have a greater expertise in certain disciplines when appropriate for the client.

The investment strategy for a specific client is based upon the objectives, income needs, and tax situation stated by the client during consultations. The client may change these objectives at any time. The client's goals and objectives are recorded during meetings and via correspondence with the client. Each client portfolio is constructed solely for that client. We do not use model portfolios, and we do not utilize composites to illustrate results.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach keeps the risk of loss in mind. However, as with all investments, clients face investment risks including the following:

- **Interest-rate Risk:** The risk that investment returns will be affected by changes in the level of interest rates. When interest rates increase, the prices and values of bonds decrease. When interest rates decrease, the prices and values of bonds increase.
- **Market Risk:** The risk that investment returns will be affected by changes in the overall level of the stock market. When the stock market as a whole increases or decreases, virtually all stocks are affected to some degree.

- **Inflation Risk:** The risk that inflation will affect the return of an investment in real dollars. In other words, the amount of goods that one dollar will purchase decreases with time. Investments that have low returns, such as savings accounts, are not likely to keep up with inflation. Investments with fixed returns, such as bonds, will decrease in value because their purchasing value will decrease with inflation.
- **Currency Risk:** The risk that a change in the value of a foreign currency relative to the U.S. dollar will negatively affect a U.S. investor's return.
- **Reinvestment Risk:** The risk incurred when an investment's income is reinvested at a lower rate than the rate that existed at the time the original investment was made. This risk is most prevalent when interest rates fall.
- **Business Risk:** The risk associated with a particular industry or firm. These are factors that affect the industry or firm, but do not affect the whole market. They include government regulations, management competency, or local or regional economic factors.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** The risk associated with the mix of debt and equity used to finance a firm. The greater the financial leverage, the greater the financial risk.

Disciplinary Information

Legal and Disciplinary

Financial Focus, Inc. is required to disclose the facts of any legal or disciplinary events that are material to the client's evaluation of its advisory business or the integrity of its management. Neither Financial Focus, Inc. nor any of its management persons have any required disclosures to report.

Other Financial Industry Activities and Affiliations

Activities

Financial Focus, Inc. does not participate in any other industry business activities.

Affiliations

Financial Focus, Inc. does not have arrangements that are material to its advisory business or its clients with any related person. We may at times recommend unrelated, third-party investment managers who have greater expertise in certain disciplines when appropriate for the client. We do not receive any compensation for the recommendation or selection of these investment advisors.

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

Code of Ethics

The employees of Financial Focus, Inc. have committed to a Code of Ethics and Fiduciary Oath as outlined by the National Association of Personal Financial Advisors (NAPFA), with additional points as

necessary to comply with SEC regulations. The key points are: putting the clients' interest first, objectivity, confidentiality, competence, fairness and suitability, integrity and honesty, regulatory compliance, full disclosure, professionalism, the fiduciary oath, and reporting of violations. CFP® designees are also held to a Code of Ethics as outlined by the CFP Board of Standards. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

All employees are required to treat all clients and each other with respect. Employees are required to treat all clients equally and with the objectivity, prudence and trustworthiness they should expect from someone with whom they have a professional relationship.

Participation or Interest in Client Transactions

Financial Focus, Inc. and its employees may at times buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the Financial Focus, Inc. "Policies & Procedures Manual."

The Chief Compliance Officer of Financial Focus, Inc. is Thomas Goodwin. Thomas reviews or facilitates the review of *applicable* employee trades each quarter. The personal trading reviews ensure that the personal trading of employees was not based on inside information and that clients of the firm receive preferential treatment.

Brokerage Practices

Selecting Brokerage Firms

Financial Focus, Inc. does not have any affiliation with product sales firms. Specific custodian recommendations are made to clients based on their need for such services. Financial Focus, Inc. recommends custodians based on the proven integrity and financial responsibility of the firm, best execution of orders at reasonable commission rates, and the quality of client service.

Financial Focus, Inc. recommends discount brokerage firms and trust companies (qualified custodians), including Fidelity Investments ("Fidelity") and TD Ameritrade ("TD Ameritrade"). Financial Focus, Inc. does not receive fees or commissions from any of these arrangements.

Financial Focus, Inc. reviews the execution of trades at each custodian annually. The review is documented in the Financial Focus, Inc. "Policies & Procedures Manual." Trading fees charged by the custodians are also reviewed at least annually during visits with them. Financial Focus, Inc. does not receive any portion of the trading fees.

Financial Focus, Inc. participates in the institutional program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SEPC/NFA, an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services that include custody of securities, trade execution, clearance, and settlement of transactions. Financial Focus, Inc. receives some benefits from TD Ameritrade through its participation in the Program. (Please see the disclosure under Item 14 below.)

Directed Brokerage

As disclosed under Item 12 above, Financial Focus, Inc. participates in TD Ameritrade's Institutional advisor program and Financial Focus, Inc. may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Financial Focus, Inc.'s participation in the Program and the investment advice it gives to its clients, although Financial Focus, Inc. receives economic benefits through its participation in the program that are typically not available to TD Ameritrade 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 Advisor 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 Financial Focus, Inc. by third-party vendors. TD Ameritrade may also have paid for business consulting and profession services received by Financial Focus, Inc.'s related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Financial Focus, Inc. but may not benefit its client accounts. These products or services may assist Financial Focus, Inc. in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Financial Focus, Inc. manage and further develop its business enterprise. The benefits received by Financial Focus, Inc. or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Financial Focus, Inc. endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Financial Focus, Inc. or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Financial Focus, Inc.'s choice of TD Ameritrade for custody and brokerage services.

Financial Focus, Inc. may receive succession planning, practice valuation, and equity management services from third-party vendors through Financial Focus, Inc.'s participation in the TD Ameritrade Institutional Equity Management Program. In addition to meeting the minimum eligibility criteria for participation in the TD Ameritrade Institutional Equity Management Program, Financial Focus, Inc. may have been selected to participate in the TD Ameritrade Institutional Equity Management Program based on the amount and potential profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained at TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with Financial Focus, Inc. and there is no employee or agency relationship between TD Ameritrade and Financial Focus, Inc. TD Ameritrade has established the TD Ameritrade Institutional Equity Management Program as a means of assisting independent unaffiliated Advisors to grow and maintain their respective investment advisory business. TD Ameritrade does not supervise Financial Focus, Inc. and has no responsibility for Financial Focus, Inc.'s management of client portfolios or other advice or services to clients.

Financial Focus, Inc.'s participation in TD Ameritrade Institutional Equity Management Program raises potential conflicts of interest. Financial Focus, Inc. may encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to participate in the TD Ameritrade Institutional Equity Management Program, Financial Focus, Inc. may have an incentive to recommend to clients that the assets under management be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. Financial Focus, Inc.'s participation in the TD Ameritrade Institutional Equity Management Program does not relieve the firm of the duty to seek best execution of trades for client accounts.

Financial Focus, Inc. also participates in Fidelity Investments Institutional Services Program. Financial focus, Inc. may recommend Fidelity Investments to clients for custody and brokerage services. There is no direct link between Financial Focus, Inc.'s participation in the Program and the investment advice it gives to its clients, although Financial Focus, Inc. receives economic benefits through its participation in the program that are typically not available to Fidelity Investment's 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 Advisor 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 Financial Focus, Inc. by third-party vendors.

Financial Focus, Inc.'s participation in Fidelity Investment's Institutional Services Program may raise potential conflicts of interest. Financial Focus, Inc. may encourage their clients to custody their assets at Fidelity Investments and whose client accounts are profitable to Fidelity Investments. Consequently, in order to participate in Fidelity's Institutional Service program, Financial Focus, Inc. may have an incentive to recommend to clients that the assets under management be held in custody with Fidelity Investments and to place transactions for client accounts with Fidelity Investments. Financial Focus, Inc.'s participation in the Fidelity Investments Institutional Service program does not relieve the firm of the duty to seek best execution of trades for client accounts.

Financial Focus, Inc. may direct brokerage on individual municipal bond trades, for which we select the broker-dealer with the best pricing on each trade.

Financial Focus, Inc. may also service some clients' 401(k)s or other accounts held outside of our main custodians, Fidelity and TD Ameritrade, including directing transactions in those accounts on our clients' behalf. In cases where clients have control over where their accounts are held, Financial Focus, Inc. may be unable to achieve the most favorable execution of client transactions, which may cost clients more money. For example, in these types of accounts, the client may pay higher brokerage commissions because we are not able to aggregate orders to reduce transactions costs, or the client may receive less-favorable prices.

Securities transactions at our main custodians are generally effected on an individual level. However, when more than one client account is trading a particular stock or ETF on the same day, order aggregation or "block trading" may be used to allow for identical pricing and reduced commissions on the trades. Under this procedure, transaction price and commissions will be averaged and allocated among our clients pro rata to the purchase and sale orders placed for each client on any given day.

Review of Accounts

Periodic Reviews

The frequency of reviews is individually negotiated with each client. Comprehensive Financial Planning clients are provided with quarterly, semi-annual, or annual reviews, which vary in focus by quarter and may include asset allocation updates and rebalancing, performance reviews, tax and estate plan reviews, investment reviews, cash flow monitoring, and more.

Financial Snapshot clients are given the option to return annually at their expense for an update of their financial plan.

Account reviews are performed by Kristen Madden, Thomas Goodwin, Daosith Lemay, Landon Fritch or Susan John. The number of households for which each reviewer is responsible varies. The current total number of households is approximately 245.

Review Triggers

Account reviews for Comprehensive Financial Planning clients are performed more frequently when market conditions dictate, or when a client's objectives change. A review may be triggered by client

request, changes in market condition, new information about an investment, changes in tax laws, or other important changes.

Regular Reports

Written reports are sent to Comprehensive Financial Planning clients based on their negotiated frequency of reviews. The reports may consist of an individualized letter summarizing the results of the review and our general thoughts on the economy, a statement of holdings from our portfolio accounting software, a Morningstar “Snapshot” report or other such portfolio reports, asset allocation analysis, tax-related information, updates to financial plan reports, portfolio graphs, or other reports as needed.

Client Referrals and Other Compensation

Incoming Referrals

Financial Focus, Inc. has been fortunate to receive many client referrals over the years. The referrals have come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other sources. The firm does not pay for referrals.

Referrals to Other Professionals

Financial Focus, Inc. does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Custody

Account Statements

All assets are held at qualified custodians, who provide account statements directly to clients at their address of record at least quarterly. Occasionally, qualified clients may invest in private placements which are not held at qualified custodians. In these cases, statements are generally provided directly by the investment principal at least annually. Clients are encouraged to carefully review the statements provided by their custodians.

Statements Provided by Financial Focus, Inc.

Clients are at times provided account statements, net worth statements, and net worth graphs that are generated from our portfolio accounting and financial planning software. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land, real estate, limited partnerships, and other hard-to-price assets. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks. The book values of hard to price assets are reviewed whenever supplemental information relating to valuation is received. Otherwise, these assets are priced at client cost. Clients are urged to compare the statements they receive from us to those they receive from their qualified custodians.

SEC “Custody”

According to a recent ruling by the SEC, investment advisers are deemed to have “custody” of client funds if certain conditions are met. From time to time, Financial Focus, Inc. may be technically considered to have “custody” of certain types of accounts, such as when a staff member acts as a trustee of an unrelated trust and Financial Focus, Inc. acts as the investment adviser to that trust. In this case, the

SEC requires an annual surprise audit of those “custodied” accounts by an independent CPA firm. Financial Focus, Inc. complies with this requirement.

Investment Discretion

Discretionary Authority for Trading

Financial Focus, Inc. accepts discretionary authority to manage securities accounts on behalf of clients. Financial Focus, Inc. has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, if discretionary authority or a limited power of attorney has not been given, Financial Focus, Inc. consults with the client prior to each trade to obtain concurrence. Discretionary trading authority facilitates placing trades in clients’ accounts on their behalf so that we may promptly implement the investment policy that they have approved. In most cases, clients are provided with an opportunity for review and discussion prior to implementation of recommendations.

Third-party investment managers have full discretion over trades and do not consult with Financial Focus, Inc. or with clients before placing trades.

Limited Power of Attorney

Clients must sign a limited power of attorney before Financial Focus, Inc. is given discretionary authority. The limited power of attorney is included in the qualified custodian’s account application for our primary custodians. For accounts not held with our primary custodians, clients may sign a separate limited power of attorney document giving discretionary authority to Financial Focus, Inc.

Voting Client Securities

Proxy Votes

Unless the client designates otherwise, Financial Focus, Inc. votes proxies for securities over which it maintains discretionary authority consistent with its proxy voting policy. In accordance with SEC Rule 206(4)-6, Financial Focus, Inc. has established the following policies and procedures:

- I. Voting Mutual Fund Shares:
 - a. Funds recommended by Financial Focus:
 - i. Financial Focus monitors the activity of funds it recommends to clients.
 - ii. Financial Focus will review the issues on a case-by-case basis and vote proxies when the proxies are delivered to Financial Focus or when a client requests information on how to vote. The primary purpose and fiduciary responsibility of Financial Focus in voting proxies is to maximize shareholder value.
 - iii. Financial Focus does not vote proxies that are based solely on social issues.
 - b. Funds in client portfolios that were not recommended by Financial Focus:
 - i. Financial Focus due diligence on funds not recommended by us is limited to performance review relative to peers.

- ii. In the case where we recommend other funds in a fund family, but not the specific fund requiring voting, we will make recommendations based on our knowledge of general issues and procedural changes common to funds we do recommend.

II. Voting Shares of Equities

- a. For individual equities we have directly recommended, we review the issues on a case-by-case basis to determine how to vote, with the knowledge that the primary purpose and fiduciary responsibility of Financial Focus in voting proxies is to maximize shareholder value.
- b. When we receive proxy statements for equities recommended by a third-party investment manager, we will call the investment manager for voting instructions or will mail the proxies to the investment manager.
- c. When clients request advice on proxy voting for shares of stock in their portfolios that Financial Focus has not recommended, we will review the material provided by the client and educate the client on the issues involved. It is the client's responsibility to understand the issues and to vote the shares.

III. Records of Proxy Votes

- a. Financial Focus maintains a separate file recording the history of all proxy votes. Clients may obtain, free of charge, a record of how Financial Focus voted proxy issues on their behalf by submitting a written request or calling us at (603) 569-1994.

IV. Conflicts of Interest

- a. Should a conflict of interest exist between Financial Focus and client(s) regarding the outcome of certain proxy votes, Financial Focus is committed to resolving the conflict in the best interest of clients before it votes the proxy in question. Financial Focus may take any of the following courses of action to resolve the conflict:
 - i. Disclose the conflict to clients and obtain consent before voting
 - ii. Suggest that client(s) engage another party to determine how the proxy should be voted
 - iii. Vote according to the recommendation of an independent third party, such as a proxy consultant, research analyst, proxy voting department of a mutual fund or pension fund, or compliance consultant.

Clients may direct a proxy vote at any time by calling or writing to us to inform us of their desired vote. A copy of Financial Focus, Inc.'s proxy voting policy is available upon request. A client may also call or write to us at any time to obtain information about how we voted their securities.

Financial Information

Financial Condition

- a. Financial Focus, Inc. does not currently have any financial impairment that will preclude the firm from meeting contractual commitments to clients. A balance sheet is not required to be provided because Financial Focus, Inc. does not require prepayment of investment advisory fees of more than \$1,200 per client, six months or more in advance.

Brochure Supplement (Part 2B of Form ADV)

Supervised Persons

Susan John, Kristen Madden, Daosith Lemay, Thomas Goodwin and Landon Fritch

Financial Focus, Inc.
PO Box 2250, 40 Mill Street
Wolfeboro NH 03894
(603) 569-1994

As of February 1, 2018

This brochure supplement provides information about Susan John, Kristen Madden, Daosith Lemay, Thomas Goodwin and Landon Fritch that supplements the Financial Focus, Inc. brochure. You should have received a copy of that brochure. Please contact Valerie Brown, Administrative Assistant, if you did not receive Financial Focus, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Susan John, Kristen Madden, Daosith Lemay, Thomas Goodwin, or Landon Fritch is available on the SEC's website at www.adviserinfo.sec.gov.

Education and Business Standards

Financial Focus, Inc. requires that any employee whose function involves determining the investment advice to be given to clients must be a graduate of a four-year college and must:

1. Have at least three years' experience in insurance, investments, accounting, or financial planning;
2. Hold the Series 65 Investment Adviser Representative license or its equivalent;
3. Be an attorney, or hold or be pursuing one of the following designations: Certified Financial Planner™ (CFP®), Certified Public Accountant (CPA), Certified Financial Analyst (CFA), Chartered Mutual Fund Counselor (CMFC);
4. Subscribe to the Code of Ethics of the National Association of Personal Financial Advisers (NAPFA) and the CFP® Board of Standards;
5. Be properly licensed for all advisory activities in which they are engaged.

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

CERTIFIED FINANCIAL PLANNER™

CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”). The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification.

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

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and effective in 2007, attain a bachelor’s degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes multiple-choice questions, including stand-alone questions and sets of questions associated with short scenarios or more lengthy case histories;
- Experience – Effective in 1989, complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

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

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

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

Chartered Mutual Fund Counselor:

Individuals who hold the CMFC® designation have completed a course of study encompassing all aspects of mutual funds and their uses as investment vehicles. Additionally, individuals must pass an end-of-course examination that tests their ability to synthesize complex concepts and apply theoretical concepts to real-life situations.

All designees have agreed to adhere to Standards of Professional Conduct and are subject to a disciplinary process.

Designees renew their designation every two-years by completing 16 hours of continuing education, reaffirming adherence to the Standards of Professional Conduct and complying with self-disclosure requirements.

Susan MacMichael John, CFP®, President

Educational Background:

- Year of birth: 1948
- Colby-Sawyer College, 1966–1968
- Plymouth State College, Bachelor of Science, 1970
- College for Financial Planning, 1989

Business Experience:

- Prior to founding Financial Focus, Inc. in 1995, Susan was a fee-only Financial Planner and Investment Advisor at Ballentine & Co. in Wolfeboro, NH, from 1985–1995. She received her CFP® designation in July 1989 and she holds the Series 63 (State Uniform Securities Agent) license. She is a member of the Financial Planning Association (FPA), has been a member of NAPFA since 1991, and is a NAPFA Registered Financial Advisor. Susan was appointed to the CFP Board in January 2016 and currently serves as 2018 chair-elect of the CFP Board. She was

Chairperson of NAPFA from September, 2010-August, 2012. She was a participant on the TD Ameritrade Advisor Panel January 2011-January 2012 a Corporator of the Meredith Village Savings Bank; and a Director, Central New Hampshire Visiting Nurse Association and Hospice. She is also an AICPA Associate member and the American Association of Individual Investors.

Disciplinary Information: None

Other Professional Activities: Trustee Services

Additional Compensation: Susan provides Private Trustee Services and for this she receives a fee directly from the trust. Financial Focus, Inc. employees may be engaged from time to time to provide incidental services for which financial Focus, Inc. charges her a fee.

Supervision: Susan John is supervised by Thomas Goodwin, Chief Compliance Officer. He reviews Susan's work through frequent office interactions. He also reviews Susan's activities through our client relationship management system.

Thomas Goodwin's contact information: (603) 569-1994 • tom@yourfinancialfocus.com

Kristen Madden, CMFC[®], Vice President

Educational Background:

- Year of birth: 1962
- Plymouth State College, BS Business Marketing, 1984
- Boston University, 2009–present

Business Experience:

- Kristen has served as Client Service Manager (1997–present), Chief Compliance Officer (2002–2008), Investment Adviser (2006–present), and Vice-President (2008–present) for Financial Focus, Inc. She is a member of the National Association of Professional Women (NAPW). She holds the Series 65 (Investment Adviser Representative) license and has previously passed the Series 7 and 63 license exams. She received the CMFC[®] designation through the College for Financial Planning in 2012.

Disciplinary Information: None

Other Professional Activities: None

Additional Compensation: None

Supervision: Kristen Madden is supervised by Thomas Goodwin, Chief Compliance Officer. He reviews Kristen's work through frequent office interactions. He also reviews Kristen's activities through our client relationship management system.

Thomas Goodwin's contact information: (603) 569-1994 • tom@yourfinancialfocus.com

Daosith Lemay, CFP[®], Financial Planner**Educational Background:**

- Year of birth: 1981
- University of New Hampshire, BS Business Administration, 2004
- Boston University, Certificate in Financial Planning, 2009–2011

Business Experience:

- Daosith was formerly an Advisor (2004–2008) with Ameriprise Financial Advisors, Portsmouth, NH. He joined Financial Focus, Inc. in July 2008 and serves as a Financial Planner (2008–present) and Research Analyst (2008–present). Daosith has previously passed the Series 7 and 66 exams, and the NH Life, Health & Accident insurance license exam. Daosith is also a NAPFA-Registered Financial Advisor. He became a CFP[®] designee in January 2012.

Disciplinary Information: None

Other Professional Activities: None

Additional Compensation: None

Supervision: Daosith Lemay is supervised by Thomas Goodwin, Chief Compliance Officer. He reviews Daosith's work through frequent office interactions. He also reviews Daosith's activities through our client relationship management system.

Thomas Goodwin's contact information: (603) 569-1994 • tom@yourfinancialfocus.com

Thomas Goodwin, CFP[®], EA, Financial Planner/Investment Advisor/Chief Compliance Officer**Educational Background:**

- Year of birth: 1958
- Rensselaer Polytechnic, BS Computer Engineering, 1980
- Boston University, MS Computer Science, 1995
- Merrimack College, Certificate in Financial Planning, 1998

Business Experience:

- Thomas was formerly an Advisor with Integrity Financial Planners (2006-2012) in Brookings, Oregon; a Registered Investment Advisor, Thomas Goodwin & Associates (2003-2006) in Hudson, New Hampshire. Prior to that time Thomas worked at MML Investors Services, Inc. and MassMutual Financial Group in Nashua, New Hampshire. Thomas has previously passed the Series 7, 63, 65 and 66 exams and holds the Certified Financial Planner[™](CFP[®]) designation and enrolled to practice before the Internal Revenue Service as an Enrolled Agent. Thomas is also a NAPFA-Registered Financial Adviser.

Disciplinary Information: None

Other Professional Activities: None

Additional Compensation: None

Supervision: Thomas Goodwin is supervised by Susan John, President. She reviews Thomas' work through frequent office interactions. She also reviews Thomas' activities through our client relationship management system.

Susan John's contact information: (603) 569-1994 • susan@yourfinancialfocus.com

Landon Fritch, CFP[®], Associate Financial Planner

Educational Background:

- Year of birth: 1992
- Suffolk University, BS Finance, 2016

Business Experience:

Landon has served as Associate Financial Planner (2016–present) for Financial Focus, Inc. He holds the Series 65 (Investment Adviser Representative) license. Prior to joining Financial Focus, Inc. Landon worked at Lincoln Financial Group in Boston, MA as a Financial Services intern. Landon is a student member of NAPFA. Landon became a CFP[®] designee in February, 2018.

Disciplinary Information: None

Other Professional Activities: None

Additional Compensation: None

Supervision: Landon Fritch is supervised by Thomas Goodwin, Chief Compliance Officer. He reviews Landon's work through frequent office interactions. He also reviews Landon's activities through our client relationship management system.

Thomas Goodwin's contact information: (603) 569-1994 • tom@yourfinancialfocus.com