

# DISCLOSURE BROCHURE

THE INVESTMENT ADVISERS ACT OF 1940 RULE 203-1  
**Part 2A of Form ADV: Firm Brochure**



## Financial Life Designs<sup>LLC</sup>

*Your personalized guide to security and peacefulness*

**Firm IARD/CRD #: 285241**

**Financial Life Designs, LLC**  
REGISTERED INVESTMENT ADVISOR

1540 International Parkway  
Suite 2000  
Lake Mary, Florida 32746

Tel: 407.590.9372  
Fax: 407.699.0921

[www.FinancialLifeDesigns.net](http://www.FinancialLifeDesigns.net)

This Disclosure Brochure provides information about the qualifications and business practices of Financial Life Designs, LLC, which should be considered before becoming a client. You are welcome to contact us if you have any questions about the contents of this brochure - our contact information is listed to the right. Additional information about Financial Life Designs, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The information contained in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Administrator. Furthermore, the term "registered investment advisor" is not intended to imply that Financial Life Designs, LLC has attained a certain level of skill or training.

BROCHURE  
DATED

**1**  
**JANUARY**  
**2021**



## MATERIAL CHANGES

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ITEM 2

There are no material changes to report. This Disclosure Brochure has been reviewed and is current as of the date indicated on the cover.



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## ADVISORY BUSINESS

### Who We Are

Financial Life Designs, LLC<sup>1</sup> (hereinafter referred to as “the Company”, “we”, “us” and “our”) is a fee-only registered investment advisor<sup>2</sup> offering financial services<sup>3</sup> designed to assist you, our client<sup>4</sup>, achieve the financial stability, security, and independence you desire.

#### Owners

The following persons control the Company:

Name	Title	CRD#
Audrey W. Jones	Managing Member & Chief Compliance Officer	2445467

#### Mission

Our mission is to **hold in trust** your financial future as if it were our own; to be **the resource** you turn to for clear, objective, and sound financial advice; and to **guide you** as together we explore what you value and identify as your life goals to then set a course to fulfill **today’s needs, tomorrow’s dreams**, and a strategy to build a **lasting legacy** for future generations.

As your advocate, we will do everything in our power to **keep you focused** on where you want to go, **offer advice** on how best to get there, and continually remind you of the importance of **maintaining a disciplined financial strategy** to realize your dreams.

### Assets Under Management

As of January 1, 2021, our assets under management totaled:

Discretionary Accounts.....	\$29,452,017
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### What We Do

We provide **financial solutions** that stress the importance of you making fiscally responsible decisions and disciplined economic choices in your personal life so we can effectively help you achieve your monetary goals.

**Focus of all our advice begins with financial planning** to identify your standards of living and quality of life expectations. We will accomplish this through an initial Discovery Meeting where we will review the financial documents we asked you to bring for discussion. Together

<sup>1</sup> Financial Life Designs was founded in March of 2010 by Audrey W. Jones to brand and market herself as a financial planner. In February of 2015, Financial Life Designs was organized as a Florida Limited Liability Company. In October of 2016, Financial Life Designs, LLC became licensed as an advisory firm.

<sup>2</sup> The term “registered investment advisor” is not intended to imply that Financial Life Designs, LLC has attained a certain level of skill or training. It is used strictly to reference the fact that we are “Registered” as an “Investment Advisor” with the Florida Office of Financial Regulation - and with such other regulatory agencies that may have limited regulatory jurisdiction over our business practices.

<sup>3</sup> Financial Life Designs, LLC is a **fiduciary**, as defined within the meaning of the Employer Retirement Income Security Act of 1974 (“ERISA”) and/or as defined under the Internal Revenue Code of 1986 (the “Code”) for any financial services provided to a client who is: (i) a plan participant or beneficiary of a retirement plan subject to ERISA or as described under the Code; or, (ii) the beneficial owner of an Individual Retirement Account (“IRA”).

<sup>4</sup> A client could be an individual and their family members, a foundation or endowment, a charitable organization, a corporation and/or small business, a trust, a guardianship, an estate, or any other type of entity to which we choose to give investment advice.





questions will be asked, information shared, and an evaluation made as to whether we should move to the next step. During the meeting, we will:

- ❖ Learn about your core values and guiding principles
- ❖ Seek to understand your financial concerns and how you have been addressing them
- ❖ Discover your financial objectives and what success looks like for you
- ❖ Create an internal profile consisting of your concerns, objectives, relationships, values, interests, assets, professional advisors and process preferences

Moving forward from the Discovery Meeting, should you choose to engage us for our advisory services, we will begin the process of identifying your life goals (i.e., core values, family, monetary needs, future plans, etc.). The best advice we could offer you is that success, achievement, and contentment in life have little to do with personal wealth but are instead related to your life goals. We will make every effort to embrace these life goals and develop economic solutions that reflect how *you* define true wealth -- not us. Our services include:

## Financial Planning

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Financial planning is an essential tool to help navigate unexpected events with the ultimate goal of providing the confidence and security necessary during both the working years (wealth accumulation) and retirement years (wealth distribution) of your life. However, such planning requires a lifetime commitment, not only from you but from us as well, your Financial Planner.

### What is a Financial Plan?

Financial planning is an evaluation of the investment and financial options available to you based upon your defined life goals and choices. A well-designed plan is a step-by-step process intended to identify and clarify purpose, personal and family core values, needs, and priorities to align your financial decisions with your goals in all areas of your life and business. Planning includes:

1. Arriving at a series of decisions and action items based on current and future financial circumstances and defined goals and objectives;
2. Projecting the consequences of these decisions for you in the form of an economic plan - a **working blueprint**; and,
3. Implementing the protocols outlined in the plan to achieve the plan objectives.

Once complete, the financial plan, or working blueprint, becomes the benchmark that is used to help us evaluate where you are in achieving your financial goals, needs, and objectives.

### Financial Planning Composition

All forms of financial planning are a mutually defined review, analysis and evaluation of your personal financial needs and goals. In general, our financial planning may encompass one or more of the following areas of financial need as communicated by you:

- ❖ Identify and clarify personal and family core values, mission, vision, and goals.
- ❖ Preparation of the financial plan, which encompasses your:
  - Current financial situation.
  - Liquidity and asset preservation needs.
  - Wealth accumulation and growth.
  - Wealth distribution and transfer.

More specifically planning may include, but is not limited to, the following modules:





- Financial Statements - Cash Flow and Balance Sheet.
- Savings and Emergency Reserves.
- Asset Allocation and Investment Portfolio Analysis.
- Potential Income Tax consequences in collaboration with your tax advisor.
- Risk Management and Insurance Analysis.
- Retirement Income Analysis.
- Long-Term Healthcare.
- Estate and Family Legacy Planning.
- Business Succession Planning.
- ❖ Outline of recommendations, strategies, solutions and resources.
- ❖ Prioritizing and implementing the written action plan.
- ❖ Investment consultations that allow us to create and implement a customized investment strategy tailored to your long-term investment goals.
  - Prepare a professional investment proposal that can include a written Investment Policy Statement (“IPS”), if requested.
  - Access to our open-architecture platform with a variety of investment management solutions.
- ❖ Facilitate meetings with you and/or advisors or specialists within our professional network.
- ❖ Coordinate and facilitate meetings with family members, business associates, partners or other key individuals to assist with implementing your action plan.

### Preparing the Financial Plan

In the development of your unique plan we will follow the **six (6) step Financial Planning Practice Standards** process established by the Certified Financial Planner Board of Standards, Inc. These steps are defined as follows:

#### **Step 1: *Establish and define a mutual relationship.***

The first step is to conduct an introductory Discovery Meeting. During this meeting we will learn about each other and whether we can work together to achieve your financial objectives. We will listen as you share your needs, concerns, priorities, and what success looks like for you. We will in-turn, share how we can help you meet your stated personal and financial objectives, and the responsibilities we have as a fiduciary to guide you on this journey. In the end, we will explain the cost of completing the desired financial planning service for you to decide whether you want to move forward with the next step in the planning process.

#### **Step 2: *Gathering data and determining goals and objectives.***

In the second step of the planning process, we learn about you and what you want to achieve. This is accomplished through personal interviews and questionnaires<sup>5</sup>, which are designed to address your unique financial planning needs. You will have the opportunity to prioritize objectives and to remove from the process any areas that are not applicable to your circumstances. **The time we invest listening and catering to your wants and needs is critical for developing a strong financial planning foundation.**

<sup>5</sup> The information we gather from you through personal interviews and questionnaires is vital for us to effectively advise you on your unique financial needs and help you plan for your future. Electing to dismiss certain requested documents or respond to questions with limited input can put us at a disadvantage and handicap our ability to successfully meet your financial expectations. Therefore, if you want the best advice we can offer in designing a financial plan or with any portfolio management, you should make every effort to provide us with detailed personal information and be as accurate with your responses as you possibly can.





**Step 3: Analyze and evaluate your financial status.**

In this third step, we analyze the information you provided to determine your current financial situation and what you should do to meet your goals. Depending on the services you requested, this might include analyzing: (i) your assets, liabilities and cash flow; (ii) your current insurance coverage and investments; and, (iii) your tax strategies and estate planning documents.

**Step 4: Develop and present financial planning recommendations and/or alternatives.**

Once the analysis has been completed, we begin formally documenting your goals and objectives. We define the plan as a road map (a series of blueprints) designed to take you from where you currently are financially, to where you want to be at some point in the future. This is the creative portion of the process. There are usually several ways to accomplish a given goal. The objective, however, is to integrate financial instruments and strategies into a plan that you will be comfortable executing. In some cases, the drafting of the plan reveals the need for us to help you reconcile the gap between your expectations and your financial realities. Once a viable plan has been drafted, it is presented to you and reviewed. The draft and review process may be repeated until you are satisfied with the financial plan or the scope of work has been completed. There may be additional costs for you to implement your plan under steps 5 and 6. **You have the choice to allow us to implement your financial plan or you can use another outside professional.**

**Step 5: Implement the planning recommendations.**

A financial plan is of limited value if it is not put into action. Accordingly, we assist you with implementing<sup>6</sup> the plan. The action plan schedule provides you with a list of tasks and deadlines designed to ensure that **you put your plan into action**. The following are some examples of implementation:

- ❖ Drafting of appropriate estate documents (performed in conjunction with an estate attorney).
- ❖ Purchase of various insurance policies (provided by an independent insurance agent).
- ❖ Investment advisory services that include preparation of an IPS and implementation of your asset allocation strategy (performed by us, or another investment adviser/broker-dealer of your choice).
- ❖ Ongoing income tax planning (performed in conjunction with independent Certified Public Accountant or tax accountant).

**Step 6: Monitor the planning recommendations.**

Once the plan has been built and the recommendations have been implemented it is critical that these recommendations be monitored on a continuing basis to ensure that they remain consistent with your financial parameters. **Material changes in your personal circumstances, the general economy, changes in the way you want your investments allocated, or tax law changes are some of the reasons why the recommendations should be reviewed periodically and possibly adjusted.**

For information on our fees for financial planning, see “Financial Planning Fee” under Item 5, “Fees & Compensation.”

<sup>6</sup> Implementing the recommendations made in a financial plan often requires consultation or coordination with one or more outside professionals (e.g. attorneys, CPAs, insurance agents, and securities representatives). All personal and private information received from you will be kept entirely confidential, not only by us, but by the outside professionals as well. Your confidential information will be disclosed to third parties only with your consent or as may be permitted or required by law.





## Portfolio Management

Our portfolio management strategies focus on designing and managing a diversified allocation of equity (“stock”) positions, Investment Company (“mutual funds”) products, Exchange-Traded Funds (“ETFs”), along with a mix of fixed-income/debt (“bond”) instruments to achieve the best return on your investment capital<sup>7</sup>.

Information regarding our management fee structure is disclosed under “Portfolio Management Fee” in Item 5, “Fees & Compensation” and further description of our investment strategies under Item 8, “Methods of Analysis, Investment Strategies & Risk of Loss”.

## FEES & COMPENSATION

ITEM 5

### Financial Planning Fee

#### Discovery Meeting

Depending on prior conversations before we schedule the initial Discovery Meeting to review the financial documents requested you bring for discussion, we will inform you on whether we will bill you for our time. Such fee will be a **fixed fee not to exceed \$500**. The objectives we strive to accomplish with you during this meeting are to:

- ❖ Diagnose your current financial need;
- ❖ Address your financial concerns and answer your questions on how we can assist you;
- ❖ Recommend financial resolutions aimed at lowering costs, reducing risks, increasing expected returns, and/or increasing tax efficiency to improve the likelihood of successfully achieving your goal; and,
- ❖ Explain the benefits of financial planning and how a comprehensive evaluation of wealth management needs is beneficial beyond just managing your investable assets.

Should a fee be negotiated prior to the Discovery Meeting, such fee will be due at the end of the session. If additional planning is requested, we will reduce the cost of the financial planning engagement by the amount of the fee paid.

If you wish no further interaction with us, you will be responsible for implementing any recommendations coming out of the Discovery Meeting. Once this session is over, all financial planning services will have been concluded and we are not responsible to implement the advice or for any on-going supervision, monitoring, and/or reporting.

#### Planning Engagements

##### Comprehensive Financial Plans

Comprehensive financial planning is a mutually defined planning project offered for a **flat fee ranging from \$3,000 to \$10,000** for the initial engagement. The fee will be fully disclosed in a Financial Planning Agreement, which will include the cost<sup>8</sup> to review your

<sup>7</sup> You may, at any time, impose restrictions in writing on the securities we may recommend (i.e., limit the types/amounts of particular securities purchased for your account, etc.).

<sup>8</sup> Rarely will a fee exceed those costs outlined in the Agreement. However, there can be instances where we did not contract with you to perform a particular task and therefore merit notifying you of the additional cost prior to beginning such services.







financial information and prepare the comprehensive financial plan. Fees may be significantly **reduced, or waived, if we manage over \$250,000 of your portfolio account.**

We have the option to:

1. Require full payment up-front<sup>9</sup>; or,
2. Require one-half the fee be paid at the time the Agreement is signed, with the remaining balance due upon completion of the financial plan.

### Modular Plans

If you desire only modular planning - review, analysis and evaluation of a core area of financial need - the fee will be billed at our **hourly rate not to exceed \$500<sup>10</sup>**. All fees will be completely itemized in a billing statement to you, or as otherwise predetermined in a proposal, engagement letter and/or by retainer.

### Annual Review

It is important to note that any **planning is dynamic - never static**. It therefore must be periodically re-evaluated. A financial plan is a roadmap that is only as good as how well it reflects your current financial position to then guide you on a clear path to a future financial situation. **Changing circumstances in your life often necessitate annual reviews designed to systematically address these unexpected diversions and continually keep you on the right road towards your future financial destination.**

#### Annual Review

Once the initial comprehensive financial planning service has been completed, we will establish future “Annual Review” dates if you choose to continue as a financial planning client or you are a Portfolio Management client with on-going financial planning services. The Annual Reviews generally occur **after the first anniversary** and will be used to review and make adjustments, if necessary, to the financial plan. Together we will set the calendar dates for your future reviews; inasmuch, an Annual Review may consist of three or four visits during the calendar year.

#### Annual Review Fee

The annual review fee is **\$3,000 annually**. This fee will be billed at the beginning of each calendar quarter (\$750 per quarter) **starting with the first calendar quarter after the anniversary** of when the financial plan was completed. However, **if you have experienced significant change in your life circumstances since the date of your previously prepared plan, the fee may be higher.**

**We reserve the option to waive our annual review fee if we are currently managing your investments.** If we are **not managing** your investment portfolio and you want us to review your comprehensive financial plan, we will notify you of the cost to perform the desired work before commencing with any planning.

<sup>9</sup> The recommendations made in a financial plan are generally completed within 30 to 45 days from you signing the Agreement. However, implementing the plan using outside professionals (i.e., attorneys, CPAs, etc...) may require additional time that is out of our control. Therefore, when we refer to the completion of the financial plan, we are referring to us (you and us) finalizing your financial benchmarks/objectives before approaching any outside professional.

<sup>10</sup> For a modular plan, we require a minimum of two hours of time to consult with you on the personal and financial needs you may have.





## Termination of Financial Planning Services

### Comprehensive or Modular Planning Termination

You can terminate the Financial Planning Agreement at any time prior to the presentation of any final planning documents. We will be compensated through the date of termination for time spent in design of such financial documents at the hourly rate agreed to in the Agreement. If you have prepaid any fees, such un-earned fees will be returned on a pro-rata basis. **Once the financial plan has been completed and presented to you, termination of the Financial Planning Agreement is no longer an option.**

### Annual Review Termination

Annual Review services can be terminated at any time.

## Portfolio Management Fee

Portfolio management services are provided on an **asset-based fee** arrangement. The management fee will be calculated based on the **aggregate market value** of your portfolio account(s) on the last business day of the previous calendar quarter **multiplied by one-fourth** the corresponding annual percentage rate (i.e.,  $1.40\%/4 = 0.35\%$ ).

We retain **discretion to negotiate the management fee within each tier** on a client-by-client basis depending on the size, complexity, and nature of the portfolio managed. In addition, as your portfolio value exceeds each tier level, either through additional deposits or asset growth, a fee break will occur. The tier breaks are as follows:

Portfolio Value	Annual Fee Rate Not to Exceed
Up to \$500,000 .....	1.50%
\$500,001 - \$750,000 .....	1.25%
\$750,001 - \$1,000,000 .....	1.00%
Over \$1,000,000 .....	0.75%

We generally require a minimum initial investment of **\$250,000** to open a managed account; however, we retain the right to **waive or reduce** this minimum if we feel circumstances are warranted.

## Protocols for Portfolio Management

The following protocols establish how we handle our portfolio management accounts and what you should expect when it comes to: (i) managing your account; (ii) your bill for investment services; (iii) deposits and withdrawals of funds; and (iv) other fees charged to your account(s).

### Discretion

We will establish discretionary trading authority on all management accounts to execute securities transactions without your prior consent or advice.

You may, at any time however, impose restrictions, **in writing**, on our discretionary authority (i.e., limit the types/amounts of particular securities purchased for your account, etc.).





### Billing

Your account will be **billed quarterly in advance** based on the aggregate, fair market value of your portfolio and where it **falls within our tiered** fee schedule. For new managed accounts opened in mid-quarter, our fee will be based upon a **pro-rated calculation of your assets to be managed** for the current quarterly period. We **do not make partial refunds** of our quarterly fee for withdrawals you make during a calendar quarter.

Advisory fees will be deducted first from any money market funds or cash balances. If such assets are insufficient to satisfy payment of such fees, a portion of the account assets will be liquidated to cover the fees.

### Fee Exclusions

The above fees for all of our portfolio management services are exclusive of any charges imposed by the custodial firm who has custody of your account; including, but not limited to: (i) any Exchange/SEC fees; (ii) certain transfer taxes; (iii) service or account charges, such as, postage/handling fees, electronic fund and wire transfer fees, auction fees, debit balances, margin interest, certain odd-lot differentials and mutual fund short-term redemption fees; and (iv) brokerage and execution costs associated with securities held in your managed account. There can also be other fees charged to your account that are unaffiliated with our management services.

In addition, all fees paid to us for portfolio management services are separate from any fees and expenses charged on mutual fund shares by the Investment Company or by the investment advisor managing the mutual fund portfolios. These expenses generally include management fees and various fund expense, such as 12b-1 fees. Redemption fees, account fees, purchase fees, contingent deferred sales charges, and other sales load charges may occur but are the exception within managed accounts at institutional custodians. A complete explanation of these expenses charged by the mutual funds/ETFs is contained in each mutual fund's or ETF's prospectus. You are encouraged to carefully read the fund prospectus.

For more information on the custodial firm that we will recommend to custody your portfolio accounts, see Item 12, "Brokerage Practices".

### Termination of Portfolio Management Services

To terminate our portfolio management services, either party (you or us), by **written notification to the other party**, may terminate the Investment Advisory Agreement at any time, provided such written notification is received **at least 30 days** prior to the date of termination (i.e.; To terminate services on October 1<sup>st</sup>, a request for termination should be received in our office by September 1<sup>st</sup>). Such written notification should include the date the termination will go into effect along with any final instructions on the account (i.e., liquidate the account, finalize all transactions and/or cease all investment activity).

In the event termination does not fall on the first/last day of a calendar quarter, **you shall be entitled to a pro-rated refund** of the prepaid quarterly management fee based upon the number of days remaining in the quarter after the termination notice goes into effect. **Once the termination of investment advisory services has been implemented, neither party has any obligation to the other** - we no longer earn management fees or give investment advice and you become responsible for making your own investment decisions.





## PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

ITEM 6

We do not charge fees based on a share of capital gains or the capital appreciation of the assets held in your accounts.

## TYPES OF CLIENTS

ITEM 7

The types of clients we offer advisory services to are described above under “Who We Are” in the Item 4, the “Advisory Business” section. Our minimum account size for portfolio management is disclosed above under “Portfolio Management Fee” in Item 5, the “Fees & Compensation” section of this Brochure.

## METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

ITEM 8

Our portfolio management services are designed to build long-term wealth while maintaining risk tolerance levels acceptable to you. We combine your financial needs and investment objectives, time horizon, and risk tolerance to yield an effective investment strategy. Your portfolio is then tailored to these unique investment parameters using equity (“stock”) positions, Investment Company (“mutual funds”) products, Exchange-Traded Funds (“ETFs”), along with a mix of fixed-income/debt (“bond”) instruments to achieve a solid risk-adjusted rate of return.

### Methods of Analysis

In analyzing securities to develop an efficient asset allocation portfolio, we will use a combination of analysis techniques to gather information and to guide us in our management decisions.

#### Fundamental Analysis

Fundamental analysis considers: efficiency ratios, growth rates, enterprise value, economic conditions, earnings, cash flow, book value projections, industry outlook, politics (as it relates to investments), historical data, price-earnings ratios, dividends, general level of interest rates, company management, debt ratios and tax benefits.

**RISKS** - Fundamental analysis places greater value on the long-term financial structure and health of a company, which may have little to no bearing on what is actually happening in the market place. Investing in companies with sound financial data/strength and a history of health returns can be a good long-term investment to hold in your portfolio; however, such fundamental data does not always correlate to the trading value of the stock on the exchanges. In the short-term, the stock can decrease in value as investors trade in other market sectors.

#### Technical Analysis

Technical analysis utilizes current and historical pricing information to help us identify trends in the broader domestic and foreign equity and fixed income markets, and in the underlying assets themselves. This may involve the use of various technical indicators, such as moving averages and trend-lines, among others.





**RISKS** - Technical analysis is charting the historical market data of a stock, taking into consideration current market conditions, to forecast the direction of a future stock price rather than using fundamental tools for evaluating a company's financial strength. Technical analysis focuses on the price movement of a security trading in the market place. This is an ideal tool for short-term investing to identify ideal market entry/exit points. However, no market indicator is absolutely reliable and your investment portfolio can underperform in the short-term should the market indicators be incorrect.

**Fundamental analysis** provides us with a broad long-term view of a security that begins with determining a company's value and the strength of its financials while **technical analysis** is short-term focusing on the statistics generated by market activity.

## Investment Strategies

We are not bound to a specific investment strategy or ideology for the management of your investment portfolio. We understand markets and **money made** from increased stock values has greater risk (volatility) than **money earned** from dividends (secure and stable) in income-oriented securities. Our goal is to balance making and earning money by maintaining a disciplined management approach, regardless of the strategy, so as to not sacrifice long-term goals for short-term gains.

### Asset Allocation

Asset allocation is a broad term used to define the process of selecting a mix of asset classes and the efficient allocation of capital to those assets by matching rates of return to a specified and quantifiable tolerance for risk. From this we may use more narrow and aggressive asset allocation derivatives.

Other features of our asset allocation strategies can utilize these portfolio-modeling structures for analyzing various possible portfolio groupings of securities.

#### Modern Portfolio Theory

Modern Portfolio Theory ("MPT")<sup>11</sup> is the analysis of a portfolio of stocks as opposed to selecting stocks based on their unique investment opportunity. The objectives of MPT is to determine your preferred level of risk and then construct a portfolio that seeks to maximize your expected return for that given level of risk.

#### Tactical Allocation Modeling

Tactical asset allocation is a dynamic investment strategy that actively rebalances a portfolio allocation mix to take advantage of short-term market pricing anomalies or strong market sectors.

#### Capital Asset Pricing Model ("CAPM")

CAPM<sup>12</sup> is a model for pricing an individual security or portfolio and its relationship to an expected return to help calculate investment risk and what the return on an investment should be expected.

<sup>11</sup> The "Portfolio Theory" was developed and introduced by Harry M. Markowitz in his paper "Portfolio Selection" published in 1952 by the *Journal of Finance* while he was working on his PhD doctoral thesis at the University of Chicago. Mr. Markowitz further refined his theory during the latter part of the 1950's and on into the 70's. Along the way, his theory became known as the "Modern Portfolio Theory". Mr. Markowitz won the Nobel Memorial Prize in Economic Sciences in 1990 as a co-laureate along with William Sharpe.

<sup>12</sup> Capital Asset Pricing Model is the work of financial economist William Sharpe and introduced in his book "Portfolio Theory and Capital Markets" published in 1970 by *McGraw-Hill*. Mr. Sharpe expanded Modern Portfolio Theory to include two types of risk: Systematic





### Sharpe Ratio Model

Sharpe Ratio<sup>13</sup> is a risk-adjusted measure of return often used to evaluate the performance of a portfolio. The Sharpe Ratio is the average return earned in excess of the risk-free rate per unit of volatility.

### Dollar-Cost Averaging

Dollar-cost averaging is the technique of buying a fixed dollar amount of securities at regularly scheduled intervals, regardless of the price per share. This will gradually, over time, decrease the average share price of the security. Dollar-cost averaging lessens the risk of investing a large amount in a single investment at the wrong time.

## Managing Risk

The biggest risk to you is the risk that the value of your investment portfolio will decrease due to moves in the market. This risk is referred to as the **market risk** factor, also known as variability or volatility risk. Other important risk factors:

- ❖ **Interest Rate Risk** - Interest rate risk affects the value of bonds more than stocks. Essentially, when the interest rate on a bond begins to rise, the value (bond price) begins to drop; and vice versa, when interest rates on a bond fall, the bond value rises.
- ❖ **Equity Risk** - Equity risk is the risk that the value of your stocks will depreciate due to stock market dynamics causing one to lose money.
- ❖ **Currency Risk** - Currency risk is the risk that arises from the change in price of one currency against that of another. Investment values in international securities can be affected by changes in exchange rates.
- ❖ **Inflation Risk** - The reduction of purchasing power of investments over time.
- ❖ **Commodity Risk** - Commodity risk refers to the uncertainties of future market values and the size of future income caused by the fluctuation in the prices of commodities (i.e., grains, metals, food, electricity, etc...).

The risk factors we have cited here are not intended to be an exhaustive list, but are the most common risks your portfolio will encounter. Other risks that we haven't defined could be political, over-concentration, and liquidity to name a few. However, notwithstanding these risk factors, the most important thing for you to understand is that regardless of how we analyze securities or the investment strategy and methodology we use to guide us in the management of your investment portfolio, **investing in a security involves a risk of loss that you should be willing and prepared to bear; and furthermore, past market performance is no guarantee that you will see equal or better future returns on your investment.**

## DISCIPLINARY INFORMATION

ITEM 9

We have no legal or disciplinary events to report.

Risk and Unsystematic Risk. Mr. Sharpe won the Nobel Memorial Prize in Economic Sciences in 1990 as a co-laureate along with Harry Markowitz.

<sup>13</sup> Nobel laureate and economist William F. Sharpe developed the Sharpe Ratio.





## OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

ITEM 10

We are a fee-only registered investment advisor; none of our supervised persons are licensed, or are related to, another financial industry participant and therefore no disclosure is necessary for this item.

## CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

ITEM 11

### Code of Ethics

As a fiduciary, the Company has an affirmative duty to render continuous, unbiased investment advice, and at all times act in your best interest. To maintain this ethical responsibility, we have adopted a Code of Ethics that establishes the fundamental principles of conduct and professionalism expected by all personnel in discharging their duties. This Code is a value-laden guide committing such persons to uphold the highest ethical standards, rooted in the most elementary maxim. Our Code of Ethics is designed to deter inappropriate behavior and heighten awareness as to what is right, fair, just and good by promoting:

- ❖ Honest and ethical conduct.
- ❖ Full, fair and accurate disclosure.
- ❖ Compliance with applicable rules and regulations.
- ❖ Reporting of any violation of the Code.
- ❖ Accountability.

To help you understand our ethical culture and standards, how we control sensitive information and what steps have been taken to prevent personnel from abusing their inside position, a copy of our Code of Ethics is available for review upon request.

### Client Transactions

We have a fiduciary duty to ensure that your welfare is not subordinated to any interests of ours or of our personnel. The following disclosures are internal guidelines we have adopted to assist us in protecting all of our clientele.

#### Participation or Interest

It is against our policies for any owners, officers, directors and employees to invest with you or with a group of clients, or to advise you or a group of clients to invest in a private business interest or other non-marketable investment unless prior approval has been granted by our Chief Compliance Officer, and such investment is not in violation of any SEC and/or State rules and regulations.

#### Insider Trading Policy

We comply with the Insider Trading and Securities Fraud Enforcement Act of 1988. We do not share any non-public information with anyone who does not need to know and have established internal controls to guard your personal information.

#### Class Action Policy

The Company **does not elect to participate** in class action lawsuits on your behalf. Such decisions shall remain with you or with an entity you designate. However, if you have specific questions you may contact us and we will help explain the particulars. Keep in







mind, any final determination of whether to participate, and the completion and tracking of any such related documentation, shall rest with you.

## Personal Trading

Employees of ours are permitted to personally invest their own monies in securities, which may also be, from time to time, recommended to you. Sometimes, such investment purchases are independent of, and not connected in any way to, the investment decisions made on your behalf. However, there may be instances where investment purchases for you may also be made, at or about the same time, in an employee's account. This practice can create a conflict of interest as our employees may benefit from the sale and purchase of those securities. In these situations, we have implemented the following guidelines in order to ensure our fiduciary integrity:

1. No employee acting as an Investment Advisor Representative ("IAR"), or who has discretion over your account, shall buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment, unless the information is also available to the investing public on reasonable inquiry. No employee of ours shall prefer his or her own interest to that of yours or any other advisory client.
2. Our Chief Compliance Officer reviews securities holdings for all our access employees on a regular basis.
3. We require that all employees act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
4. Bunched orders (See "Aggregating Trade Orders" below under Item 12, "Brokerage Practices") may include employee accounts. In such cases, priority and advantage will be given to satisfy your order first regardless of the situation.
5. Any individual not in observance of the above may be subject to termination.

Personal trading activities are monitored by our Chief Compliance Officer to ensure that such activities do not impact your security or create conflicts of interest.

## BROKERAGE PRACTICES

ITEM 12

### Custodial Services

The Company maintains a custodial relationship with TD AMERITRADE, Inc., a licensed registered broker-dealer (member FINRA/SIPC/NFA), through their division TD AMERITRADE Institutional for investment advisors. TDA offers us services, which include custody of securities, trade execution, clearance and settlement of transactions.

Our recommendation for you to custody your assets with TDA has no direct correlation to the services we receive from TDA and the investment advice we offer you, although **we do receive economic benefits for which we do not have to pay** through our relationship with TDA that are typically not available to TDA retail clients. This creates an incentive for us to recommend TDA based on the economic benefits we receive rather than on your interest in receiving most favorable execution. These economic 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 and consulting services;
- ❖ Access to a dedicated trading desk;
- ❖ Access to batch trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to accounts);







- ❖ The ability to have advisory fees deducted directly from accounts;
- ❖ Access to an electronic communications network for order entry and account information; and,
- ❖ Access to mutual funds and ETFs with no transaction fees and to certain institutional money managers.

**We are not a subsidiary of, or an affiliated entity of, TDA.** We have sole responsibility for investment advice rendered, and our advisory services are provided separately and independently from TDA.

### **Direction of Transactions and Commission Rates (Best Execution)**

**We have a fiduciary duty to put your interests before our own.** The advisory support services we receive from TDA creates an economic benefit to us and a potential conflict of interest to you; in that, our recommendation to custody your account(s) with TDA may have been influenced by these arrangements/services. **This is not the case;** we have selected TDA as our custodian of choice based on:

1. Their competitive transaction charges, trading platform, and on-line services for account administration and operational support.
2. Their general reputation, trading capabilities, investment inventory, their financial strength, and our personal experience in working with TDA staff.

Since we do not recommend, suggest, or make available a selection of custodians other than TDA, **best execution may not always be achieved.** Therefore, **you do not have to accept our recommendation to use TDA as your custodian.** However, if you direct us to use another custodian, **we may not be able to provide you complete institutional services and such service may cost you more in transaction fees.**

### **Aggregating Trade Orders**

Our objective in order execution is to act fairly, impartially, and to take all reasonable steps to obtain the best possible results (known as “best execution”) for our clients. Therefore, we typically bunch (aggregate) orders for a block trade when: (i) the bunching of orders is done for the purpose of achieving best execution; and, (ii) no client is systematically advantaged or disadvantaged by bunching the orders.

In consideration of these objectives, we will take into account the unique execution factors of the buy/sell order before bunching accounts for a block trade. A few of those factors are:

- ❖ **Security Trading Volume** - Bunching orders in a block trade can secure price parity and continuity for our clients during heavy trading activity.
- ❖ **Number of Clients** - The fewer the number of client accounts involved in the bunched order may not yield better pricing or order execution; it may be more advantageous to perform an individual market order for each client. In addition, preparing individual market orders, for the small number accounts involved, may be quicker to complete than preparing a bunch order.
- ❖ **Financial Instruments** - The type of security involved as well as the complexity of order can affect our ability to achieve best execution.





## REVIEW OF ACCOUNTS

ITEM 13

### Portfolio Management Reviews

Your investment strategies and investments are monitored by Audrey W. Jones and reviewed on an on-going basis. The general economy, market conditions, and/or changes in tax law can trigger more frequent reviews. Cash needs will be adjusted as necessary. Material changes in your personal/financial situation and/or investment objectives will require additional review and evaluation for us to properly advise you on revisions to previous recommendations and/or services. However, it is **your responsibility to communicate these changes** for us to make the appropriate corrections to your management account(s).

You will receive statements, at least quarterly, from TDA where your account(s) are held in custody that identifies your current investment holdings, the cost of each of those investments, and their current market values. You are encouraged to review the trading activities disclosed on your account statements which summarizes your portfolio account value, current holdings, and all account transactions made during the quarter. It is important for you to review these documents for accurate reporting and to determine whether we are meeting your investment expectations.

### Financial Planning Reviews

Ms. Jones will work closely with you to be sure the action points identified in the financial plan have been or are being properly executed. Once the action points have been completed, the financial plan should be reviewed at least annually. Material changes in your lifestyle choices, personal circumstances, the general economy, or tax law changes can trigger more frequent reviews. However, it is **your responsibility to communicate these changes** to us so that the appropriate adjustments can be made.

## CLIENT REFERRALS & OTHER COMPENSATION

ITEM 14

### Referral Compensation

We do not receive any economic benefit from an independent party for managing your account(s). In addition, we do not compensate persons/firms for client referrals.

### Other Compensation (Indirect Benefit)

The Company receives an indirect economic benefit from TDA (See “Custodial Services” above under Item 12, “**Brokerage Practices**” for more detailed information on what these services and products could be.)

### Financial Planning Compensation

There are also potential conflicts of interest when Audrey W. Jones suggests the need for outside consultations and professional services (i.e., attorneys, accountants, insurance agents, etc.) to implement certain aspects of a financial plan. Even though Ms. Jones does not share in any fees earned by the outside professionals when implementing the financial plan, or receive any commission in recommending insurance products or brokerage services, it does create an incentive on her part to refer your business to only those professionals that in turn refer potential clients to the Company. This can eliminate the possibility for you to be referred to someone who may provide equivalent professional services, and possibly at a lower cost.





Therefore, to ensure you understand the full relationship of Ms. Jones to any related persons and outside parties that she may refer business, as well as the choices and risks you have in receiving financial planning along with all other investment recommendations, the following disclosures are provided:

- ❖ You are under no obligation to have any related parties that we recommend prepare planning documents (i.e.; financial, estate, tax, insurance agent, registered representative, etc. ...). **You are free to choose those outside professionals to implement the recommendations made in the financial or estate plan.**
- ❖ Certain aspects of a financial plan require the assistance of a Registered Representative of a broker-dealer to execute securities transaction and/or a licensed insurance agent to purchase insurance products. In these situation, regardless of who performs the transaction(s), **such person will earn a commission.**
- ❖ The Company does not receive any economic benefit from referring you to another professional without first notifying you of such possibilities.

Notwithstanding such potential conflicts of interest, we strive to serve your best interest and ensure such disclosures are being properly made to you in compliance with the Investment Advisers Act of 1940, Rule 275.206.

## Retirement Rollover Compensation

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When it comes to your retirement account, you have four options to consider when transitioning employment from one employer for another or for seeking full retirement:

- ❖ Leave the account assets in the former employer's plan, if permitted;
- ❖ Rollover the assets to the new employer's plan, if one is available and rollovers are permitted;
- ❖ Rollover the account assets to an Individual Retirement Account (an "IRA"); or,
- ❖ Cash out the retirement account assets (There may be tax consequences and/or IRS penalties depending on your age.).

Should you approach us to advise you on which option would be the best for your particular situation, we have an economic incentive to recommend you rollover your retirement account to a managed IRA account with us where we would earn a management fee on the assets. This can create a potential conflict of interest and the objectivity of the advice we render subjective and a disadvantage to you. Therefore, if we recommend you rollover your retirement account to an individually managed IRA account, you are under no obligation to engage us to manage your assets. You are free to take your account anywhere.

## CUSTODY

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ITEM 15

### Management Fee Deduction

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We do not take possession of or maintain custody of your funds or securities, but will simply monitor the holdings within your portfolio and trade your account based on your stated investment objectives and guidelines. Physical possession and custody of your funds and/or securities are maintained with TD AMERITRADE, Inc. as indicated above in Item 12, "Brokerage Practices."

We are however defined as having custody since you have authorized us to deduct our advisory fees directly from your account. To protect you as well as to protect our advisory practice, we have implemented the following regulatory safeguards:





- ❖ We report to the regulatory authority (the Florida Office of Financial Regulation) having jurisdiction over our advisory practice that we have custody.
- ❖ Your funds and securities will be maintained with a qualified custodian (TDA) in a separate account in your name.
- ❖ Authorization to withdraw our management fees directly from your account will be approved by you prior to engaging in any portfolio management services.
- ❖ At the time we notify the qualified custodian to withdraw our quarterly fee from your account, we will send you a quarterly notice itemizing our fee. Itemization includes the formula used to calculate our fee, the amount of assets under management the fee is based on, and the time period covered by the fee.

TDA is required by law to send you, at least quarterly, statements summarizing the specific investments currently held in your account, the value of your portfolio, and account transactions. You are encouraged to compare the financial data contained in our report and/or itemized fee notice with the financial information disclosed in your account statement from TDA to verify the accuracy and correctness of our reporting.

## INVESTMENT DISCRETION

ITEM 16

We have you complete our Investment Advisory Agreement, which sets forth our discretionary trading authority to buy and sell securities in whatever amounts are determined to be appropriate for your account and whether such transactions are with, or without, your prior approval. You may, at any time, impose restrictions, **in writing**, on our discretionary authority (i.e., limit the types/amounts of particular securities purchased for your account, exclude the ability to purchase securities with an inverse relationship to the market, limit our use of leverage, etc.).

## VOTING CLIENT SECURITIES

ITEM 17

**We do not vote client proxies.** You understand and agree that you retain the right to vote all proxies solicited for securities held in your managed accounts. TDA, the custodian of your managed accounts, will mail you all proxy solicitations. Any proxy solicitations inadvertently received by us will be immediately forwarded to you for your evaluation and decision. However, if you have specific questions regarding an action being solicited by the proxy that you do not understand or you want clarification, you may contact us and we will explain the particulars. **Keep in mind we will not advise you in a direction to vote; the ultimate decision on how you vote is your responsibility and left to you to decide.**

## FINANCIAL INFORMATION

ITEM 18

We are not required to include financial information in our Disclosure Brochure since we will not take physical custody of client funds or securities or bill client accounts six (6) months or more in advance for more than \$500. We are not aware of any current financial conditions that are likely to impair our ability to meet our contractual commitments to you. In addition, the Company has not, nor have any of our officers and directors, been the subject of a bankruptcy petition at any time during the past ten years.





## REQUIREMENTS FOR STATE-REGISTERED ADVISERS

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ITEM 19

Information of each of our principal executive officers and supervised persons can be found in the attached Form ADV Part 2B: Brochure Supplements.

**END OF DISCLOSURE BROCHURE**



## FORM ADV: PART 2B

### BROCHURE SUPPLEMENT



1540 International Parkway  
Suite 200  
Lake Mary, Florida 32746

### CONTACT INFORMATION

Tel: 407.590.9372  
Fax: 407.699.0921

[www.FinancialLifeDesigns.net](http://www.FinancialLifeDesigns.net)

### SUPERVISION

#### Audrey W. Jones

Chief Compliance Officer

Phone:  
407.590.9372

e-Mail:  
[awjones@FinancialLifeDesigns.net](mailto:awjones@FinancialLifeDesigns.net)

Ms. Jones is responsible for the regulatory oversight of our advisory practice - ensuring our business activities are compliant with all federal and state regulations and that we are operating in compliance with our written policies and procedures.

Her other duties include, but are not limited to: managing investment activities, discussing investment options with clients, and meeting with clients to evaluate financial alternatives.

BROCHURE SUPPLEMENT  
DATED

1

**JANUARY  
2021**

This Brochure Supplement provides information about Audrey W. Jones that is an accompaniment to the Disclosure Brochure for our firm, Financial Life Designs, LLC. You should have received both of these together as a complete disclosure packet. If you did not receive our Disclosure Brochure or if you should have questions about this Brochure Supplement for Ms. Jones, you are welcome to contact us - our contact information is listed to the left.

Additional information about Financial Life Designs, LLC and Audrey W. Jones are also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Audrey W. Jones, CFP®

CRD#: 2445467

Year of Birth: 1957

### EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

#### Education

1979 - University of Central Florida: Bachelor of Science in Communications

#### Licenses

FINRA Exams: Series 6 - Investment Company Products/Variable Contracts Rep. Exam (Retired)  
Series 7 - General Securities Representative Examination (Retired)  
Series 63 - Uniform Securities Agent State Law Examination (Retired)

Insurance: 2-15 License - Florida Life, Health & Annuity Insurance (Retired)

Designations: CERTIFIED FINANCIAL PLANNER™ (CFP®) Certification<sup>1</sup> (CFP® since 1999) - The CFP® designation is issued by the Certified Financial Planner Board of Standards, Inc. The CFP® requires certificate holders to have a bachelor's degree, three (3) years professional working experience in the area of financial planning, and to successfully pass the examination process. To retain their CFP® designation certificate holders are required to pay an annual certification fee, complete 30-hours of continuing education every two (2) years, and adhere to the CFP® Board's Code of Ethics and Professional Responsibility, Rules of Conduct, and Financial Planning Practice Standards.

#### Business Background

02/2015 - Present ..... Financial Life Designs, LLC  
Position: Managing Member & Chief Compliance Officer

02/2015 - 12/2017 .... California Lutheran University  
Position: Adjunct Faculty Member

01/2014 - 11/2016 .... Bauerle Financial, Inc.  
Position: Investment Advisor Representative

02/2010 - 12/2013 .... Finaware, Inc. d/b/a Wealthcare Capital Management  
Position: Investment Advisor Representative

02/2008 - 01/2010 .... CPA Wealth Management Services, PA  
Position: Investment Advisor Representative & Wealth Coach

#### DISCIPLINARY INFORMATION

Ms. Jones does not have any disciplinary events to report.

#### OTHER BUSINESS ACTIVITIES

Ms. Jones is not involved in any other business activities requiring disclosure. Full focus of her attention is directed to meeting your investment needs.

#### ADDITIONAL COMPENSATION

Ms. Jones does not receive any economic benefit, sales awards, prizes or bonuses that are based on the number or amount of sales, client referrals, or from opening new accounts.

#### REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Ms. Jones has not been the subject of any arbitration claim, civil litigation, self-regulatory organization/administrative proceeding, or bankruptcy petition at any time during the past ten years.

<sup>1</sup> Certified Financial Planner Board of Standards, Inc. owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™, and federally registered CFP (with flame logo), which it awards to individuals who successfully complete initial and ongoing certification requirements.

