



Nancy Barron & Associates, Inc. Effective November 19, 2021

Important information about our services, fees, charges, other compensation, and conflicts of interest

This document provides retail customers (referred to as “you” or “your”) with important information regarding your relationship with Nancy Barron & Associates, Inc. (referred to as “NBA” “the firm” “we,” “us,” or “our”), a registered representative-dealer registered with the U.S. Securities and Exchange Commission (“SEC”), and a member of the Financial Industry Regulatory Authority (“FINRA”), and Securities Investor Protection Corporation (“SIPC”). Within this document, you will find information regarding the products and services we offer, including their material limitations and risks. In addition, this document describes the conflicts of interest that arise in our business, including those conflicts that arise from compensation received by us and our registered representatives, and how we address and seek to reduce those conflicts. This document alone is not a comprehensive description of all conflicts of interest NBA has in its brokerage services or of the risks involved with any product. Rather it describes the material and common conflicts in our brokerage relationship with you. Similarly, not all of the conflicts we describe here will apply each time a recommendation is made, or a service is provided.

TYPE OF ACCOUNTS AND SERVICES

You should carefully consider which types of investment accounts and services are right for you. Depending on your needs and investment objectives, we can provide you with services in a brokerage account with NBA. Brokerage services to retail investors includes buying and selling securities as a result of offering you recommendations or taking your unsolicited orders when we did not make a recommendation. We also offer financial tools and investor education. We are not registered as an investment adviser and do not offer investment advisory services. Brokerage and investment advisory services and their costs differ, and it is important for our clients to understand these differences. Brokerage services and advisory services have different costs, levels of service, and expenses. They are designed to address different investment needs, and certain brokerage and advisory services may not be appropriate for you. For example, advisory services may not be appropriate for you if you have low or no trading activity, maintain high levels of cash in your account, or tend to execute transactions without the recommendation or advice of an advisor. Before opening an account, you should carefully consider and discuss with your registered representative, in light of your particular circumstances and the services, risks, and expenses associated with the brokerage or advisory service. You should also read our Consolidated Relationship Summary (Form CRS) nancybarron.com/regulatorydisclosures.

If you open a brokerage account, you pay us a transaction-based fee, generally referred to as a commission, when you buy or sell an investment: stocks, bonds, mutual funds, and other investment products, as well as trading and exercising options. Based on our investment philosophy we currently do not recommend purchases of annuities, insurance, alternative investments, proprietary products, nontraditional complex mutual funds, nontraditional complex ETFs and certain other products. The compensation to us includes commissions, transaction fees, loads and sales charges which are in the purchase price of the investment. We recommend investments, or you may select investments on your own, but you will make the ultimate investment decision

regarding the investment strategy and the purchase or sale of investments. We have no discretion or control over your account.

Neither NBA nor your registered representative provide ongoing monitoring services with respect to your account unless we state otherwise in writing. However, we generally review the holdings in your account when providing a recommendation to you. We do not impose account minimums to open a registered account, but certain investments are subject to minimums or your meeting income or net worth requirements.

Retirement and Other Tax-Advantaged Accounts: We offer retirement and other tax-advantaged accounts (including various types of IRAs, 401(k) plan accounts, and other similar accounts, collectively “Retirement Accounts”).

You pay commissions and costs, as discussed in this document, whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time.

When providing our brokerage services to you, we and our registered representatives are required to:

- Have reasonable grounds to believe that any security, investment strategy, or account type that we specifically recommend to you is in your best interest after taking into account factors relevant to your personal circumstances, such as your age, other investments, financial situation and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs, risk tolerance, and other financial information you have disclosed to us (your “Investment Profile”) and the cost associated with our recommendation and whether there are any reasonably available alternatives;
- Ensure that your trades are executed with diligence and competence and seek to provide best execution in light of prevailing market conditions;
- Treat you in a manner consistent with principles of fair dealing and high standards of honesty and integrity; and
- Disclose to you material information regarding our recommendations and your transactions.

When developing a recommendation that is in your best interest, we consider your Investment Profile as well as the potential risks, rewards, and costs associated with the investment, strategy or account recommendation. Please note that when making recommendations to you we only recommend from among certain products and services that we offer. Cost and reasonably available alternatives are factors we consider in making recommendations to you, however, we do not necessarily always believe the lowest-cost investment option is in your best interest and lower-cost alternatives might be available with similar or different risk and return characteristics. We are not obligated to provide recommendations to you, or to update recommendations previously made, and not doing so should not be viewed as a recommendation to hold any investment.

Commissions and Fees earned by Nancy Barron & Associates.

Please consider the costs and services associated with each recommended investment carefully; speak with your registered representative about which approach is most appropriate for you.

In general, our firm receives revenue from customers in the following ways:

1. Commissions and sales charges in connection with the purchase or sale of investment products (see description below in section titled Commissions and Fees by Product),

2. Interest on margin balances as discussed in the section titled Interest on Margin Loans,
3. Administrative fees such as account maintenance fees service fees, custodial and inactive fees. A current schedule of such fees can be found at nancybarron.com/regulatorydisclosures,

Revenues received are reflected as commissions or sales charges increasing the price of your purchases or reducing your proceeds on sales or are otherwise shown as debits from your accounts on your monthly statements

Revenue from NBA's "Clearing" Broker-Dealer Firm

NBA has a "clearing" agreement with National Financial Services, LLC (NFS), in which NFS provides us execution, custodian and other administrative services for the securities transactions in your account. NFS also provides you, on our behalf, with confirmations, statements of accounts, year-end tax summaries and many other important disclosure documents

In connection with our clearing agreement, we receive payment on certain NFS affiliated money market balances values typically paying us 25 basis points (equivalent to .0025). NFS has the right to discontinue such payment based on interest rates and economic conditions.

Pursuant to our agreement, we share any applicable margin interest revenue with NFS. Margin interest rates vary with clients' borrowed amounts and are described in the next section.

Finally, in connection with mutual fund transactions effected through NFS, we receive marketing fees called "12b-1" fees.

This structure creates a conflict for us when we recommend mutual and money market funds instead of other investments as discussed in the Conflicts of Interest Section below.

Interest on Margin Loans

The use of margin involves borrowing money to buy securities. If you use margin to buy eligible securities in your accounts, you will pay interest on the amount you borrow. This presents a conflict when we recommend margin, and it also allows us to enter into more transaction based transactions by using the margin balance leverage. To address this, your registered representative generally does not receive any of the direct compensation from margin interest charged. Retirement accounts are not typically eligible for margin. Margin trading entails greater risk, including, but not limited to, risk of loss and of margin interest debt, and is not in the best interest for all investors or all securities. Please assess your financial circumstances and risk tolerance before trading on margin. If the market value of the securities in your margin account declines, you may be required to deposit more money or securities in order to maintain your line of credit. If you are unable to do so, we may be required to sell all or a portion of your pledged assets. Your registered representative can provide you detailed information on the risks and benefits of using margin.

CONFLICTS OF INTEREST

Conflicts of interest arise because we offer a variety of products and services. The products and services we offer have different costs to you and different levels of compensation earned by us and our registered representatives. Conflict of interest is defined as an interest that might incline us or your registered

representative to make a recommendation, consciously or unconsciously, that is not disinterested. You should understand and ask us about these conflicts because they can affect the recommendations we provide you. Here are examples to help you understand what this means.

- 1) We will receive compensation *only* when you purchase or sell investments in your NBA account.
- 2) We receive *additional* compensation for certain Fidelity Advisor Fund transactions.
- 3) We may recommend mutual funds that offer “classes of shares” that carry *different* fees and your registered representative recommends one class of shares instead of a different one in the same product. (see Product description below).
- 4) Gifts and Entertainment - NBA has established policies and procedures designed to reduce the conflicts of interest regarding the giving or receiving of gifts and business entertainment between NBA, our registered representatives and third parties (e.g., vendors, broker/dealers, consultants, clients, etc.).

Gifts - We limit the amount (e.g., value and frequency) of gifts received by registered individuals from any vendor, issuer or fund company, to \$100 per year. Gifts from NBA to any vendor or business partner are also limited to \$100 per year.

Entertainment - NBA, its employees, registered representatives and registered principals may participate, give or receive nominal gifts to the extent permitted and in accordance with regulatory, rules and guidelines. In addition, no gift may be so frequent or excessive as to rise to a suggestion of conduct inconsistent with high standards of professional ethics.

5) Rollovers and Transfer of Accounts to NBA: NBA and your registered representative will offer education to you regarding the advantages and disadvantages of rolling over your retirement plan to NBA prior to making a recommendation to you, including fees charge by your old 401k. If you accept your NBA registered representative’s recommendation to roll over your retirement plan, NBA and your registered representative will have an opportunity to increase their compensation through commissions. Leaving assets in your retirement plan or rolling the assets to a plan sponsored by your new employer likely is less expensive for you and results in little or no compensation to NBA and your registered representative. NBA and our registered representatives have a financial incentive to encourage investors to roll over retirement plan assets into an IRA maintained at NBA. You are under no obligation to roll over retirement plan assets to an IRA maintained by NBA.

6) Transfer of other accounts or balances to NBA: When we recommend that you transfer any of your investment accounts with another financial services firm to NBA or to add assets to your existing NBA accounts, we have a conflict because we and your registered representative will earn the commissions and revenue for recommendations provided to you following the transfer.

We seek to identify and address such conflicts. We primarily use standardized methodologies and tools to provide advice so that recommendations made for your accounts are in your best interest, based on your needs and financial circumstances. We limit certain products and share classes from our recommendations in part because of the compensation structure. We train, compensate, and supervise our registered representatives to

appropriately recommend products and services that are in your best interest based on your financial situation and needs. With this document, the Form CRS, prospectuses, and in our conversations, we tell you about conflicts of interest that are associated with a recommendation in advance of providing you with a recommendation so that you can make an informed decision. You are under no obligation to purchase securities through us.

Registered Representatives' Compensation

We pay our registered representatives a salary and then a quarterly bonus at the discretion of the president of the Firm, depending on the overall financial conditions of the Firm. Therefore, our registered representatives do have the incentive to sell products with higher commissions as it may increase the overall revenue from which the quarterly bonus is derived. However at NBA the Firm bonus is paid to all staff, including support and registered representatives, *in equal amounts regardless* of the amount of transaction revenue generated by any particular registered representative. This is consistent with our business model “We Take A Teamwork Approach To Individual Investing”®. While we believe our bonus structure acts to mitigate any registered representative’s conflict of interest, we also maintain policies and procedures addressing these conflicts with disclosure to customers and supervision that the services and products recommended are made with our best interest obligations to you.

Products Recommended and Limitations

Please note that your registered representative may only recommend or refer you to investments and products that are available for sale through the NFS platform and are further subject to limitations based on our investment philosophy discussed above. For most products that are offered by NBA, you will receive a trade confirmation and these investments will be reflected on your statement of account. Confirmations that indicate “Solicited” represent transactions that were recommended by your registered representative. For some securities, we will not offer recommendations but only accept your orders. If you decide to liquidate or sell any securities we do not offer at another firm, you may incur commissions or deferred charges.

Please review your trade confirmations and account statements promptly to ensure they are accurate and consistent with your instructions and investment objectives. If you do not receive a trade confirmation or have any questions or concerns about a product or service offered by us, please contact our President, Nancy Barron at 859-254-4010.

COMMISSIONS AND FEES BY PRODUCT

The following descriptions of risks, features and our commission ranges are for the most common securities recommended by NBA.

Equity securities and Exchange Traded Funds (ETF)

Equity securities include common stock, preferred stocks, and American Depositary Receipts (ADRs).

Exchange Traded Funds combine aspects of mutual funds and conventional stocks. Like a mutual fund, an ETF is a pooled investment fund that offers an investor interest in a professionally managed, portfolio of

investments that may be targeted or diversified. But unlike mutual funds, ETF shares trade like stocks on stock exchanges and can be bought or sold throughout the trading day at fluctuating prices.

Customers pay a commission based on the quantity of shares purchased or sold and their stock prices and it may fluctuate to a maximum charge of 1% to 2% of the total principal amount. There is also minimum charge of \$40. Ask your registered representative to estimate the charge for your purchase or sale prior to its execution.

General Investment Risks All investments involve risk of financial loss, and there is no guarantee that you will reach your investment goals. Historically, investments with a higher return potential also have a greater risk potential. Events that disrupt global economies and financial markets, such as war, acts of terrorism, the spread of infectious illness or other public health issues, and recessions, can magnify an investment's inherent risks. Discuss with your registered representative the specific risks of any investment recommended to you. Detailed information regarding a specific investment's risks is also provided in other disclosure and legal documents we make available to you, including prospectuses, term sheets, offering circulars, and offering and distribution memoranda, quarterly reports, and fact sheets. As stated previously, you are responsible for deciding whether and how to invest in the securities, strategies, products, and services offered by us. You should carefully consider your investment objectives and the risks, fees, expenses, and other charges associated with an investment product or service before making an investment decision.

Bonds

A bond is a loan an investor makes a corporation, government, federal agency, or other organization in exchange for interest payments over a specified term plus repayment of principal at the bond's maturity date. There are a wide variety of bonds including Treasuries, agency bonds, corporate bonds, and municipal bonds.

The bond market is volatile and fixed income securities carry interest rate risk (as interest rates rise, bond prices usually fall, and vice versa). Interest rate risk is generally more pronounced for longer-term fixed income securities. Very low or negative interest rates can magnify interest rate risks. Changing interest rates, including rates that fall below zero, can also have unpredictable effects on markets and can result in heightened market volatility. Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. Tax code changes can impact the municipal bond market. Lower-quality fixed income securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. Foreign fixed income investments involve greater risks than U.S. investments, and can decline significantly in response to adverse issuer, political, regulatory, market, and economic risks. Fixed income securities sold or redeemed prior to maturity are subject to loss.

US Treasuries bills, notes, and bonds, and government agency bonds

US Treasuries are issued by the federal government. Agency bonds are issued by federal agencies.

Municipal securities

Municipal securities are bonds issued by states, cities, counties, and other governmental entities to raise money, typically for general governmental needs or special projects, such as building roads, schools, and a host of other projects for the public good.

For fixed income securities purchased or sold in the secondary market, customers pay a markup (in the case of a purchase) or a markdown (in the case of a sale), which generally consists of (1) the registered representative sales credit that varies depending on the bond type and duration and/or (2) the markup or markdown (if any) that NFS has included as part of the transaction. The markup and markdown ranges from 0.18% to 3.50%. Trade confirmations are sent to you with the markup and markdowns charged. Ask your registered representative to estimate your charges and fees prior to execution.

Mutual Funds

A mutual fund is an investment company that pools money from many investors and invests it based on specific investment goals. The mutual fund raises money by selling its own shares to investors. The money is used to purchase a portfolio of stocks, bonds, short-term money market instruments, other securities or assets, or some combination of these investments. Each share represents an ownership slice of the fund and gives the investor a proportional right based on the number of shares he or she owns, to income and capital gains that the fund generates from its investments. While mutual funds attempt to address certain stock and bond risks discussed above by establishing and managing a diversified portfolio of such securities, the fund price itself is still subject to such risks.

Before investing in a mutual fund, you should read the prospectus for mutual fund information details, including investment strategy, risk profile, performance history, management, and fees. NBA and your registered representative will provide you the prospectus.

Open End Funds

Open End Funds are the most common type of mutual funds. Some funds are actively managed, but open-end funds also include passive index funds. Open-end mutual funds typically do not limit the number of shares they can offer and are bought and sold on demand. When an investor purchases shares in an open-end fund, the fund issues those shares and when someone sells shares, they are bought back by the fund itself. When shares are sold (known as a redemption), the fund pays the investor using cash on hand or it may have to sell some of its investments in order to pay the investor.

Open-end mutual funds are also priced differently from closed-end mutual funds, which often trade on a market similar to a stock. Shares of open-end funds are bought and sold directly from the fund at a price per share that is based on the value of the fund's underlying securities. On each trading day, typically at the end of the day, the net asset value (NAV) is calculated by dividing the market value of the fund's assets (less expenses) by the number of shares held by investors.

Customers will pay sales charges called loads, which is the commission paid for buying the shares. Depending on the "class" of shares, the customer may pay front end load, back end load, or level loads. Sales charges may range from 0% to 5.75%. These charges may be reduced or waived according to the prospectus. Sometimes funds offer volume discounts for higher investments amounts, including other investments within the same fund family.

NBA receives these sales charges as commissions. Mutual funds may charge customers a redemption fee, upon sale or redemptions of shares within a period. NBA will not receive these fees.

Many mutual funds pay a 12b-1 fee to NBA for servicing, distribution, and marketing costs over time. This fee will be charged to the mutual fund shareholder as other fees and expenses which will reduce the investment return over time. The applicable fee is disclosed in the fund prospectus. The registered representative does not receive any compensation related to this fee.

Exchange Traded Closed-End Funds

Closed-end funds raise money only once in a single offering, much the way a stock issue raises money for the company only once at its initial public offering, or IPO. After the shares are sold, the closed-end fund uses the money to buy a portfolio of underlying investments, and any further growth in the size of the fund depends on the return on its investments, not new investments dollars. The fund is then listed on an exchange, the way an individual stock is, and shares trade throughout the day.

For secondary markets transactions, customers pay a commission based on the quantity of shares purchased or sold and their corresponding fund prices. Customers pay a commission based on the quantity of shares purchased or sold and their stock prices and it may fluctuate to a maximum charge of 1% to 2% of the total principal amount. There is also a minimum charge of \$40. The price of closed-end fund shares that trade on a secondary market after their initial public offering is determined by the market and may be greater or less than the shares' net asset value (NAV).

The investment portfolios of closed-end funds generally are managed by investment management firms. Annual fees and expenses will be charge to shareholders.

Options

If you elect to use option strategies, you should consult NBA's Option Agreement, which contains the terms for investing in options at NBA. In some cases, NBA may require you to open a margin account to engage in options trading. Certain option strategies are very risky and may not be available to you based on your financial situation and objectives. Investments such as options are financial contracts that derive value based upon the value of an underlying asset, such as a security, commodity, currency, or index. Option contracts may be used as a substitute for taking a position in the underlying asset or to try to hedge or reduce exposure to other risks. They may also be used to make speculative investments on the movement of the value of an underlying asset. The use of options involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Options are also generally less liquid, and subject to greater volatility compared to stocks and bonds. Trading charges for options can range from 1-2% based on number of contracts.

More information on investment products is available from your registered representative and may be provided in the prospectus for mutual funds, official statement for municipal bonds, disclosure documents for options.

NBA also encourages you to go to [Investor.gov/CRS](https://www.investor.gov/crs) to access free and simple tools to research firms and financial professionals, such as NBA and our financial professionals, and access educational

materials about broker-dealers, investment advisers and investing. More information on products is also available at [finra.org/investors/learn-to-invest/types-investments](https://www.finra.org/investors/learn-to-invest/types-investments).
