



TradeKing Advisors Inc.
11605 N. Community House Rd. Calhoun Bldg. Third Floor
Charlotte, North Carolina 28277
(800) 425-3205
www.tradekingadvisors.com

Form ADV Part 2A

Wrap Fee Program Brochure
March 24, 2017

This wrap fee investment program brochure provides information about the qualifications and business practices of TradeKing Advisors Inc. If you have any questions about the contents of this brochure, please contact our Compliance Department at (800) 425-3205.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about TradeKing Advisors Inc. also is available on the SEC's website at www.adviserinfo.sec.gov. A search of this site for firms or their associated personnel can be accomplished by name or a unique firm identifier, known as a CRD number. The IARD/CRD number for TradeKing Advisors Inc. is 170301.

Even though the firm and its associates may be registered with the SEC or notice-filed in other jurisdictions, that registration implies neither an endorsement by any regulatory authority nor a certain level of skill or training on the part of the firm or its associated personnel.

Item 1 – Cover Page

Item 2 - Material Changes

The most recent previous update to this wrap fee program brochure was the December 28, 2016 annual update. The following section of the brochure has been materially revised:

Item 4 – Services, Fees, and Compensation: This brochure has been updated to reflect the current value of assets under management and the retirement of Morningstar Investment Management Inc., as the sub advisor for TradeKing Advisors. The minimum advisory fee of \$1 per month for TradeKing Advisors Managed Portfolios has also been retired.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

For future filings this section of the brochure may address only those material changes that have occurred since the firm's last annual update. The firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Clients are also able to download this brochure from the SEC's Website: www.adviserinfo.sec.gov or may contact our firm by phone at (800) 425-3205 or by email service@tradekingadvisors.com to request a copy.

Item 3 – Table of Contents

Form ADV Part 2 Wrap Fee Brochure
--

<u>Topic</u>	<u>Page</u>
Item 1: Cover Page	1
Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Services, Fees and Compensation	4
Item 5: Account Requirements and Types of Clients	9
Item 6: Portfolio Manager Selection and Evaluation	10
Item 7: Client Information Provided to Portfolio Managers	15
Item 8: Client Contact with Portfolio Managers	15
Item 9: Additional Information	15
Disciplinary Information	15
Other Financial Industry Activities and Affiliations	16
Code of Ethics Description	16
Investment Recommendations Involving a Material Financial Interest	17
Advisory Firm/Personnel Purchase of Same Securities Recommended to Clients	17
Review of Accounts	17
Client Referrals and Other Compensation	17
Financial Information	18
TradeKing Advisors Form ADV Part 2B	19

Important Information

Throughout this document TradeKing Advisors Inc. shall also be referred by its business name “TradeKing Advisors,” or “the firm,” “firm,” “our,” “we” or “us”. The client or prospective client may be also referred to as “you,” “your,” etc., and refers to a client engagement involving a single *person* as well as two or more *persons*. In addition, the term “advisor” and “adviser” are used interchangeably where accuracy in identification is necessary (i.e., Internet address, etc.).

Item 4 – Services, Fees and Compensation

Description of Our Firm

Based in Charlotte, North Carolina, TradeKing Advisors is a Delaware corporation. TradeKing Advisors’ majority shareholder is TradeKing Group Inc., whose controlling interest is retained by Ally Financial Inc. Ally Financial Inc. (NYSE: ALLY) is a leading digital financial services company with a legacy that dates back to 1919. TradeKing Advisors does not have any subsidiaries or controlling interests in another reportable business entity.

TradeKing Advisors is an SEC-registered Multi-State adviser pursuant to Rule 203A-2(d). TradeKing Advisors maintains its principal office at 11605 N. Community House Rd. Calhoun Bldg. Third Floor, Charlotte, North Carolina 28277.

As of March 23, 2017, our firm had approximately \$17,700,000 of reportable client assets under management through discretionary account agreements.

TradeKing Advisors offers the TradeKing Advisors Wrap Fee Program to prospective and current clients.

Description of Services Offered

The primary focus of TradeKing Advisors is to provide discretionary portfolio management services to our clients’ via our online investment services offering. We do this exclusively through web-based solutions and informational resources, and virtual interaction. We do not offer financial planning services.

TradeKing Advisors provides discretionary portfolio management services through investment portfolios made up of Exchange Traded Funds (“ETF”). Each portfolio is designed to provide customers with an efficient way to be invested in the Capital Markets based on each client’s individual investment time frame, risk tolerance and liquid net worth. To get started we ask prospective clients to respond to a sequence of interactive questions that we believe are important to the development of their portfolio, such as their investment time horizon, financial goals and objectives, income and/or net worth, among others. We will also inquire into their tolerance or appetite for risk. Following responses to a series of online multiple choice questions, the prospective client will receive a recommendation of an investment allocation model comprising of ETFs believed to be appropriate for their situation. The recommendation will be delivered for viewing over the Internet via our website, and the prospective client is able to locally save a PDF version or print a copy for their consideration. Should the prospective client wish to then engage TradeKing Advisors for its investment services, they must then enter into a written agreement with our firm to initiate the process.

Our wrap fee investment program provides our clients the opportunity to obtain professional portfolio management of their account for an inclusive fee that is based upon the client’s assets under our management. This means clients are free to add or withdraw money from their accounts whenever they choose with no additional fees.

Brokerage services are provided through our broker/dealer affiliate, TradeKing Securities LLC (“TradeKing Securities”), and clearing and custody services are provided by Apex Clearing Corporation (“Apex”). Both of these entities are FINRA and SIPC members¹, and independent SEC registered broker/dealers. Additional information about these two entities and their services, as well as the benefits we receive from them is noted in further detail in Item 9 of this brochure.

Interested parties must access our secure website where they are offered our current firm brochure that describes our advisory firm, its services, potential fees, etc., as well as any material conflicts of interest that could be reasonably expected to impair the rendering of unbiased and objective advice. Our privacy policy is provided for reference on our website. Both the firm brochure and privacy policy statement are available to our clients/prospective clients in either portable document format (PDF) for their download and/or may be printed on their own local printer.

Investment Methodology

TradeKing Advisors portfolio management services are based on Modern Portfolio Theory (MPT). MPT assumes that investors are risk averse, and thus an investor will only take on increased risks if they are adequately compensated with higher expected returns. TradeKing Advisors employs a disciplined investment process which seeks to construct a set of efficient portfolios for different levels of risk appetite. The strategies are diversified across a broad mix of asset classes, geographies, major market sectors and segments.

Portfolios are constructed using a mix of ETFs whose underlying holdings include domestic and foreign fixed income, equity securities and cash. Stocks, despite their high volatility, give investors exposure to economic growth and offer the opportunity for long-term capital gains. Stocks provide effective long-run inflation protection and are relatively tax efficient due to the favorable tax treatment on long-term capital gains and stock dividends. Bonds and bond-like securities are the most important income-producing asset classes for income-seeking investors. Although bonds have lower return expectations, they provide a cushion for stock-heavy portfolios during economic turbulence due to their low relative volatility and low correlation with stocks. Cash primarily serves as an efficient ‘buffer’ to facilitate the payment of advisory fees on a monthly basis and the rebalancing of asset mix when appropriate. The ETF’s used in portfolios are selected based upon a number of factors including: 1) reputation of issuer, 2) correlation to underlying benchmark, 3) volume/liquidity, 4) asset size/popularity, and 5) cost/expense ratio.

TradeKing Advisors developed capital market forecasts of risk, return and correlation using a combination of historical and current market data. Our first step in evaluating the broad universe of asset classes for inclusion within our optimal portfolio mix, is to obtain and calculate their annual returns, volatility and cross-correlations. We then focus on three major qualifications: (1) efficiency from a mean-variance and conditional VaR perspective, (2) constraints of the selected asset classes, and (3) investor risk profile. However, these three major qualifications are subject to TradeKing Advisors model constraints as the best risk/return characteristics may not always be practical or acceptable to the investor.

In determining the appropriate assets classes to be included in an optimal asset allocation, TradeKing Advisors takes into account the following:

- (1) Traditional mean-variance optimization (subject to TradeKing Advisors constraining factors)

¹ Our firm is not, nor required to be, a FINRA or SIPC member. Information about the Financial Industry Regulatory Authority (FINRA) or the National Futures Association (NFA) may be found at the following websites: www.finra.org and www.nfa.futures.org. You may learn more about the Securities Investor Protection Corporation (SIPC) and how it serves member firms and the investing public by going to their website at <http://www.sipc.org>.

(2) Mean conditional value at risks

(3) Probability distributions

Once an efficient frontier has been developed based upon the above criteria, TradeKing Advisors then selects portfolios along the frontier based on:

(4) Projected investor performance criteria, and

(5) Effective portfolio spacing

Client Tailored Services and Client Imposed Restrictions

Clients are asked to provide their information which assists our firm in designing or selecting a portfolio for that particular investor. The accuracy of the data provided by the client is important to their investment recommendation; however, we will not be required to verify any information received from the client and TradeKing Advisors is expressly authorized to rely on said client thereon. Investment advice is limited to accounts managed by TradeKing Advisors and does not take into consideration accounts held outside of TradeKing Advisors. TradeKing Advisors does not take a client's personal tax situation into consideration when managing portfolios. We recommend that our clients consult with their tax advisor.

Our clients retain discretion over the initial implementation decisions and are free to accept or reject the initial recommendation from TradeKing Advisors. Once the client has accepted the portfolio recommendation they will be required to open a separate brokerage account in order to participate in the investment program. The client must authorize TradeKing Advisors to exercise discretionary trading authority over the designated account. Once the portfolio model has been selected, TradeKing Advisors will use discretion and execute trades for the initial allocation of the selected portfolio and also for ongoing rebalancing. TradeKing Advisors will monitor the accounts and may rebalance for "drift", deposits and withdrawals, to free up cash to pay for advisory fees, and also if TradeKing Advisors makes a change to the underlying investment model. TradeKing Advisors does not have the authority to remove funds or securities and may only request the withdrawal of its advisory fees as described in following paragraphs.

Fees

Our firm's compensation is based on a combined annualized asset-based fee, and the calculation is determined by the account's average daily balance. Our fees will be billed monthly, in arrears, per the following table:

Assets Under Management	Annual Fee
\$500.00 +	0.25%

The only other fees clients will incur are the fees embedded in the securities purchased on clients' behalf; TradeKing Advisors does not earn or receive such fees.

Discounting Fees

TradeKing Advisors reserves the right, in its sole discretion, to negotiate, reduce or waive the advisory fee for certain client accounts for any period of time determined by TradeKing Advisors. In addition, TradeKing Advisors may reduce or waive its fees for the accounts of some clients without notice to, or fee adjustment for, other clients. Published fees may be discounted at the discretion of a member of our advisory firm's management but they are not generally negotiable.

For the benefit of discounting a client's asset-based fee, multiple accounts may be aggregated for the same individual, or two or more accounts within the same family, or accounts where a family member has power of attorney over another family member's or incompetent person's account. Should account restrictions be substantially different for any two or more household accounts, requiring different investment approaches or operational requirements, the firm reserves the right to apply the fee schedule separately to each account.

All forms of advisory engagements with our firm, the services to be provided and their specific fees will be detailed in our client services agreement.

Payment of Fees

TradeKing Advisors does not accept cash, money orders or similar forms of payment for any of its engagements, nor do we allow for direct billing. Fees will be billed monthly, in arrears, and fee payments will generally be withdrawn from the account maintained at the custodian of record within the first 10 days of each month.

The client's first billing cycle will begin once the agreement is executed with our firm and assets have settled into the client account held by the custodian of record. Fees for partial months will be prorated based on the remaining days in the reporting period in which our advisory firm services the account.

Accounts will be assessed in accordance with the account's average daily balance. Fees will be calculated daily and then aggregated and billed monthly to the client account. All fees deducted will be clearly noted on account statements that the client will receive from the custodian of record. Please note that the client shares in the responsibility to verify the accuracy of fee calculations; the custodian may not necessarily verify billing accuracy for each client. By signing our firm's advisory engagement agreement, as well as the introducing broker/dealer and/or custodian of record account opening documents, the client will be authorizing the withdrawal of fees from their account. The withdrawal of these fees will be accomplished by the introducing broker/dealer and/or the custodian of record, not by TradeKing Advisors, and the introducing broker/dealer and/or the custodian will remit the advisory fees directly to our firm.

Termination of Services

Either party may terminate the agreement at any time, which should typically be done in writing. If a client verbally notifies our firm of the termination and, if within two business days following this notification our firm has not been sent the client's written notice, our firm will make a written notice of the termination in its records and will send the client its own termination notice as a substitute.

TradeKing Advisors will not be responsible for future investment allocation, advice or transactional services (except for limited closing transactions) upon receipt of a termination notice. Upon termination it will also be necessary that we inform the introducing broker/dealer and/or custodian of record that the relationship between the firm and the client has been terminated.

Services Purchased Separately

The total costs associated with a wrap fee program account may be more or less than separately purchasing brokerage and advisory services. The factors that bear upon the relative costs of any wrap fee program include the number of and timing of transactions, referral fees (if any), portfolio management and custody fees; regulatory, compliance and administrative charges; research costs, promotional materials, among

others. These and other factors may affect the cost of obtaining these services separately from another provider.

Additional Client Fees

There are no sales loads, brokerage fees, mark-ups, mark-downs, spreads paid to market makers, or brokerage termination or account surrender fees associated with most of our programs. A client may however incur certain separate charges imposed by TradeKing Securities or Apex such as: wire transfer and electronic fund fees, retirement plan custodial or account termination fees, in addition to certain taxes on non-retirement brokerage accounts which will be described in the fee schedule that will be provided to the client prior to account inception. A current list of these fees can be found here <https://www.tradeking.com/rates/fees>.

Compensation Matters

Associates of TradeKing Advisors do not receive a portion of the advisory fee our firm assesses. Clients should always consider other programs offered by our affiliates or other firms, as well as whether paying separately for investment advice, brokerage, and/or other services is more appropriate for their personal situation.

General Information

Custody

TradeKing Advisors' client assets will be maintained in a separate account in the client's name by TradeKing Securities who then clears and settles trades at Apex. Client assets are not physically maintained by our advisory firm or by any related person of our advisory firm. In keeping with this policy involving client funds or securities, we:

- Restrict the firm or an associate from serving as trustee or having general power of attorney over a client account;
- Prohibit an associate from having authority to directly withdraw securities or cash assets from a client account. Advisory fees will only be withdrawn from a client investment account through the engagement of a qualified custodian maintaining client account assets and with prior written client approval (termed "constructive custody");
- Do not accept or forward client securities (i.e., stock certificates) erroneously delivered to our advisory firm;
- Will not collect advance fees of \$1,200 or more for services that are to be performed six months or more into the future;
- Will not authorize an associate to have knowledge of a client's account access information (i.e., online 401(k), brokerage or bank account passwords) when such access might result in physical control over client assets.

Clients will be provided with transaction confirmations and summary account statements prepared by the custodian of record. Typically statements are provided on at least a quarterly or more frequent basis. TradeKing Advisors will not create an account statement for a client nor serve as the sole recipient of client account statements. Clients are urged to carefully review and compare their account statements that they have received from their custodian of record with any performance report they may receive from our firm.

Firm Services

TradeKing Advisors will use its best judgment and good faith effort in rendering its services to its clients. The firm cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Past performance is not indicative of future results.

Except as may otherwise be provided by law, we will not be liable to the client, heirs, or assignees for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by our firm with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from adherence to direction of the client or their attorney-in-fact may provide; any act or failure to act by a service provider maintaining an investment account.

Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith and, therefore, nothing contained in this document or the firm's client agreement shall constitute a waiver of any rights that a client may have under federal and state securities laws.

Trading Error Corrections

Any gains resulting from trade errors may be returned to the client or donated to charity.

Item 5 – Account Requirements and Types of Clients

Account Requirements

Account Minimum

The minimum initial deposit for new accounts is \$500. The initial minimum funding amount must be met before advisory services will begin. If the account balance falls below the minimum required per account, the Firm reserves the right to discontinue the advisory relationship at its discretion.

Account Opening Process

In order for TradeKing Advisors to allocate the investment model to the brokerage account, the client is required to first fund the account. Instructions for funding will be provided interactively on the website during the brokerage account opening process. Once the minimum investment level for the specified model is reached the available cash will be allocated.

TradeKing Advisors may keep a portion of the account in cash reserves. The cash will be held as a cash credit in the brokerage account and will be used primarily as an efficient 'buffer' to facilitate the rebalancing of asset mix when appropriate. Generally this amount will be from one to two percent of the entire account value. For example, for an account holding \$25,000, approximately \$500 may be held in a cash position and \$24,500 may be allocated to investments within the portfolio.

TradeKing Advisors will have discretionary authority over original securities deposited to the account that are not part of the model portfolio the client has selected. Unless instructed by the client to transfer those securities out of the account, TradeKing Advisors will liquidate them. The cash from the sale of the securities will be invested in the appropriate model portfolio assuming the investment minimums are met. Liquidation of securities deposited may be subject to capital gains. Clients are responsible for all taxes as well as any early surrender/sales loads for mutual funds transferred to TradeKing Advisors and subsequently liquidated.

for investment. No commissions will be charged on the sale of the securities. There may be additional fees charged by the broker/dealer for securities transfer.

It remains each client's ongoing responsibility to promptly update their information with our firm when there is a material change to their situation and/or investment objective for the purpose of evaluating or revising previous account restrictions or portfolio recommendations.

Types of Clients Served by the Firm

TradeKing Advisors generally provides its advisory services to:

- Individuals
- High Net Worth Individuals
- Pension and Profit Sharing Participants
- Corporations or Business Entities

Types of Clients Served within the Program

We generally offer the wrap fee program to individuals, high net worth individuals, and pension and profit sharing plan participants; however, we will include corporations and other business entities should their investment guidelines permit us to do so. TradeKing Advisors reserves the right to waive or reduce certain fees based on unique individual circumstances, special arrangements, pre-existing relationships, or as otherwise may be determined by our firm. We also reserve the right to decline services to any prospective client for any non-discriminatory reason.

Item 6 – Portfolio Manager Selection and Evaluation

TradeKing Advisors' advice is rendered through its online technology and is set up to be run by the client. Performance reports are available for the client when they access the firm's service platform, and clients have unlimited access to the system as long as their account remains open with our advisory firm. This access also provides the client the ability to generate various reports to gauge their account progress. TradeKing Advisors' online performance reports are calculated using a time-weighted methodology. The methodology is programmed into our portfolio administration systems, and, to ensure accuracy, periodic back-testing is conducted by our supervisory staff and/or qualified third-parties. Time-weighted reporting compounds daily portfolio-level returns from the period the account had been originally funded until the present time. Reports are intended to inform our clients about investment performance on both an absolute basis and as compared to a known benchmark. We believe these are appropriate methods to evaluate portfolio performance since they are not sensitive to the contributions or withdrawals the client makes to their account. We do not validate performance reports created by systems external to ours, and cannot attest as to whether they are calculated on a uniform and consistent basis.

Clients will receive electronic account statements prepared by the custodian of record on at least a quarterly basis. TradeKing Advisors does not create an account statement for an advisory client, and we urge clients to carefully review statements they receive from the custodian of record for accuracy and clarity.

Risk Considerations

Investment Strategy and Method of Analysis Material Risks

Our investment portfolios are designed to produce the appropriate potential return for the given level of risk; however, we cannot guarantee that an investment objective or planning goal will be achieved. As an investor each client must be able to bear the risk of loss that is associated with their account, which may include the loss of some or all principal invested. The following paragraphs offer examples of such risk.

Company Risk

When investing in securities, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. For example, there is the risk that a company will perform poorly or have its value reduced based on factors specific to the company or its industry. This is also referred to as *unsystematic risk* and can be reduced or mitigated through diversification.

Financial Risk

Excessive borrowing to finance a business operation increases profitability risk because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Fundamental Analysis

The challenges involving fundamental analyses include situations wherein information obtained may be incorrect; the analysis may not provide an accurate estimate of earnings which may be the basis for a security's value. If a security's price adjusts rapidly to new information, a fundamental analysis may result in unfavorable performance.

Inflation Risk

When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.

Management Risk

An investment with a firm varies with the success and failure of its investment strategies, research, analysis and determination of its portfolio. If an investment strategy were not to produce expected returns, the value of the investment would decrease.

Market Risk

When the stock market as a whole or an industry as a whole falls in value, it can cause the prices of individual stock prices to fall indiscriminately. This is also called *systemic* or *systematic* risk.

Passive Investing

A portfolio that employs a passive, "efficient markets" approach (generally representative of index investing) has the potential risk at times to generate lower-than-expected returns for the broader allocation than might be the case for a more narrowly focused asset class, and the return on each type of asset may deviate from the average return for the asset class. We believe this variance from the expected return is generally low under normal market conditions when a portfolio is made up of diverse, low-correlated or non-correlated assets.

Research Data

When research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, a firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. Therefore, while our firm makes efforts to determine the accuracy of the information received, we cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice regarding or investment management of an account.

Security-Specific Risks

TradeKing Advisors asset selection process seeks to identify ETFs which exhibit high liquidity, low expenses, and low tracking error. TradeKing Advisors' selection process does not guarantee the quality of a particular ETF or that it will 1) be profitable, 2) properly track any comparable index, 3) trade in a liquid fashion, or 4) trade at or above its publicly-posted net asset value. TradeKing Advisors reserves the right to change the selection of ETFs it recommends at any time. Changes in the selection of ETFs employed by TradeKing Advisors services may result in the sale of existing holdings and could be subject to additional tax liability.

Use of Algorithms

TradeKing Advisors incorporates computer-based technology to make investment recommendations and in the portfolio management processes – primarily through the use of algorithms designed to optimize various elements of wealth management. Accounts are continuously monitored by advisory personnel to ensure the investments held correctly reflect the selected model portfolio. You should be aware that this type of portfolio management is based on a pre-set investment model that could rebalance your account and not take certain market conditions into consideration. Such trading may occur on a more frequent basis than you might expect and may not address prolonged changes in market conditions. Understand that changes to the algorithmic code could also have material effects on Clients' portfolio recommendations and investment management. In the event of extraordinary market conditions, TradeKing Advisors may halt trading or take other temporary measures meant to ensure your financial protection.

Alternative Investments

Strategies involving “alternative” investments generally include those which do not fall into equity, fixed income or cash equivalents. Such investments would include “real assets” such as real estate and commodities, and alternative strategies such as absolute return strategies and various other hedge fund-type strategies: global macro, managed futures, long/short equity, multi-strategy, event driven, private equity, etc. The goal of these alternative strategies is to provide for diversification in order to lower portfolio volatility and enhance long-term returns. The alternative investments we recommend are managed through ETFs; they are not individual holdings. The potential risks involving these underlying investments may include:

Hedge Funds – Many hedge funds are structured as private placements; relying on Regulation D (Rule 506) offering rules which generally requires investors to be “accredited” and many hedge funds have other additional requirements. More recently, hedge funds have been offered to a wider public via a “fund-of-funds” hedge fund vehicle. Hedge funds have a broad range of underlying strategies and holdings, and may not be as transparent or have the same level of liquidity as other more commonly known investments. They may also have higher management fees and/or operating expenses.

Managed Futures Accounts – Managed futures accounts are alternative investments that employ long and short positions in futures contracts, forwards and options to provide portfolio diversification among various types of investment styles and asset classes in an effort to moderate portfolio risk. Managed futures accounts allow investors to leverage their investment with the use of notional funding, which allows an investor to put up only a portion of the required minimum investment but trade at a higher level of exposure. This may result in larger earnings or losses, as well as higher management fees, relative to the actual amount invested.

Private Equity – Investments in private equity often involve investment of capital into or the acquisition of an operating business enterprise; capital is frequently sourced from institutional investors. There are a broad range of private equity types and they generally fall into categories such as: (i) leveraged buyouts, (ii) growth capital, (iii) distressed debt or turnaround strategies, (iv) mezzanine capital, (v) secondaries, and (vi) venture capital. In general, private equity investing is often offered directly to qualified investors as well as

through fund-of-funds structures. While such holdings may generate above average returns for an investor, they typically are less transparent, less liquid and may involve greater risk, and they typically have a higher fee structure than traditional investments.

Real Estate Investment Trusts – Risks involved in REIT investing may include (i) following the sale or distribution of assets an investor may receive less than their principal invested, (ii) a lack of a public market in certain issues, (iii) limited liquidity and transferability, (iv) fluctuations involving the value of the assets within the REIT, (v) a reliance on the investment manager to select and manage assets, (vi) changes in interest rates, laws, operating expenses, and insurance costs, (vii) tenant turnover, and (viii) the impact of current market conditions.

Equity (Stock) Market Risk

Common stocks are susceptible to general stock market fluctuations and to volatile increases or decreases in value as market confidence in and perceptions of the company who issued the stock change. If an investor held common stock, or common stock equivalents, of any given company, they would generally be exposed to greater risk than if they held preferred stock and/or debt obligations of the company. Common stocks are often holdings within mutual funds and ETFs.

ETF and Mutual Fund Risks

The risk of owning ETFs and mutual funds reflect the risks of their underlying securities (e.g., alternative investments, stocks, bonds, etc.). ETFs and mutual funds also carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. Also, some mutual funds may be too large to adjust quickly in response to market fluctuations, meaning that investors may miss out on gains or be exposed to losses for a longer time than if they were in a more nimble portfolio.

Fixed Income Risks

Various forms of fixed income instruments, such as bonds, money market or bond funds, or certain ETFs containing these holdings, may be affected by various forms of risk, including:

Credit Risk – The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as “default risk.” Credit risk may also occur when an issuer’s ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments, as well as funds or ETF share values that hold these issues. Bondholders are creditors of an issuer and have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.

Duration Risk – Duration is a measure of a bond’s volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.

Interest Rate Risk – The risk that the value of the fixed income holding will decrease because of an increase in interest rates.

Liquidity Risk – The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income are generally liquid (i.e., bonds), there are risks which may occur such as when an issue trading in any given period does not readily

support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.

Reinvestment Risk – With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.

Index Investing

Index investing may have the potential to be affected by “active risk” (or “tracking error risk”), which might be defined as a deviation from a stated benchmark. If a portfolio attempts to closely replicate a stated benchmark, the source of the tracking error or deviation may come from a satellite portfolio or position, or from a “sample” or “optimized” index fund or ETF that may not as closely align the stated benchmark. In these instances, a portfolio manager may choose to reduce the weighting of a satellite holding, utilize very active satellites, or use a “replicate index” position as part of its core holdings to minimize the effects of the tracking error in relation to the overall portfolio.

QDI Ratios

While many ETFs and index mutual funds are known for their potential tax-efficiency and higher “qualified dividend income” (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit. Shorter holding periods, as well as commodities and currencies (that may be part of an ETF or mutual fund portfolio), may be considered “non-qualified” under certain tax code provisions. A holding’s QDI should be considered when tax-efficiency is an important aspect of the client’s portfolio.

Performance-Based Fees and Side-By-Side Management

TradeKing Advisors’ advisory fees will not be based upon a share of capital gains or capital appreciation (growth) of any portion of managed funds (known as performance-based fees) because of the potential conflict of interest this type of fee structure may pose. Our compensation will also not be based on side-by-side management, which refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not. This type of arrangement and the conflict of interest it may pose does not conform to our firm’s practices.

Voting Client Securities

Clients may periodically receive “proxies” or other similar solicitations sent directly from their custodian of record or transfer agent. We do not forward these or any correspondence relating to the voting of client securities, class action litigation, or other corporate actions if we receive a duplicate copy.

Our firm does not vote proxies on behalf of our clients nor do we offer specific guidance on how to vote proxies. In addition, we will not offer guidance involving any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets.

Clients will maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities that they beneficially own shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other legal matters or events pertaining to a client’s holdings. Clients should

consider contacting the issuer or their legal counsel involving specific questions they may have with respect to a particular proxy solicitation or corporate action.

Item 7 – Client Information Provided to Portfolio Managers

Our advisory engagements are Internet based. We gather information from the client about their financial situation, investment objectives, and any reasonable restrictions they may want to impose on the management of the account. This data is then used to determine the appropriate model allocation for the client.

Discretionary Account Management

Our model portfolios are strictly managed on a *discretionary basis* (authority). Similar to a limited power of attorney, discretionary authority allows our firm to implement previously determined investment strategies and subsequent trading decisions, such as the purchase or sale of a security, without requiring the client's prior authorization for each transaction in order to meet stated investment objective(s). This authority will be granted by the client through the execution of our firm's client engagement agreement, as well as the custodian of record's limited power of attorney form or clause that may be part of their account opening documents. The custodian of record will be directed to specifically limit our advisory firm's authority within the client account to the placement of trade orders and our request for the deduction of our advisory fee. Our clients retain the right to terminate our account authority; however, we will require they close the account with our advisory firm.

Pursuant to Investment Company Rule 3a-4, reasonable restrictions may be requested by clients. However since each of the investment strategies utilizes ETFs, we have no control over the specific securities bought and sold within those ETFs, therefore certain industry or company specific restrictions may not be available.

TradeKing Advisors will generally honor certain reasonable restrictions including but not limited to:

- Trading on margin or shorting securities
- Trading options or other derivative-based securities products
- Trading in futures
- Specific ETFs

Item 8 – Client Contact with Portfolio Managers

Clients may contact TradeKing Advisors representatives by phone and via email during normal business hours.

Item 9 – Additional Information

Disciplinary Information

Neither TradeKing Advisors nor any member of its management has been involved in a material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our firm's advisory business or the integrity of our firm.

Other Financial Industry Activities and Affiliations

TradeKing Advisors' policies require the firm and its associates to conduct business activities in a manner that avoids or appropriately mitigates conflicts of interest including those between the firm, its associates, and its clients, or with any other party that may be contrary to law. We will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest that might reasonably compromise our impartiality or independence.

TradeKing Securities and TradeKing Group provide services to support TradeKing Advisors per an intercompany agreement. These services may include brokerage services, customer technical support, marketing functions, operational support, and other types of services. Management persons of TradeKing Advisors may also serve as management persons of TradeKing Securities and TradeKing Group.

TradeKing Advisors is neither registered nor has an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) member firm, nor are we required to be or to do so. Members of our advisory firm's management are associated persons with TradeKing Securities; an affiliate of TradeKing Advisors under common control of TradeKing Group. TradeKing Securities is a FINRA member introducing broker/dealer. We have the following common control affiliates: TradeKing Futures LLC, a NFA member firm, TradeKing Forex LLC, a NFA member firm, and TK Connect, LLC. We execute advisory client trades with our custodian of record through TradeKing Securities, and we require advisory clients to open an account with TradeKing Securities. TradeKing Securities receives payment for order flow from market participants for orders submitted by TradeKing Advisors. Additional information about this relationship and potential conflicts of interest it may pose is described in other sections of this brochure.

Other than the disclosed indirect ownership of Ally Financial Inc., a financial institution, neither our firm nor its management is or has a material relationship with any of the following types of entities:

- financial institution, such as a bank, credit union or thrift
- accountant or accounting firm²
- lawyer or law firm
- real estate broker or dealer
- pension consultant
- sponsor or syndicator of limited partnerships
- issuer of a marketable security
- investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)

Code of Ethics Description

Our firm has adopted a Code of Ethics that establishes policies for ethical conduct for all its personnel, and accepts the obligation not only to comply with all applicable laws and regulations but also to act in an ethical and professionally responsible manner in all professional services and activities. Firm policies include prohibitions against insider trading, circulation of industry rumors, and certain political contributions, among others. Our firm periodically reviews and amends its Code of Ethics to ensure they remain current, and

² Firm personnel may be qualified as an accountant or attorney and be a member of their respective professional association; however, our firm does not have an affiliate that holds out a separate legal or accountancy practice or offers such services to advisory clients.

requires all personnel to annually attest to their understanding of and adherence to the Code of Ethics. A copy of the firm's Code of Ethics is made available to any client or prospective client upon request.

Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

No associate of the firm is authorized to recommend to a client, or effect a transaction for a client, involving any security in which the firm or a "related person" (e.g., associate, an immediate family member, etc.) has a material financial interest, such as in the capacity as an underwriter or advisor to an issuer of securities, etc.

An associate is prohibited from borrowing from or lending to a client unless the client is an approved financial institution.

Advisory Firm/Personnel Purchases of Same Securities Recommended to Clients and Conflicts of Interest

For the purpose of model performance tracking, TradeKing Advisors invests its own funds in its own managed portfolios. TradeKing Advisors does not trade for its own account (e.g., proprietary account trading) for the purpose of generating revenue, tax harvesting, etc. The firm's related persons may buy or sell securities that are the same as, similar to, or different from, those recommended to clients for their accounts. A recommendation made to one client may be different in nature or in timing from a recommendation made to a different client; clients often have different objectives and risk tolerances.

At no time will the firm or a related person receive preferential treatment over a client. In an effort to reduce or eliminate certain conflicts of interest involving personal trading (i.e., trading ahead of a client's order, etc.), firm policy requires the restriction or prohibition of related parties' transactions in specific securities. Any exceptions or trading pre-clearance must be approved by our Chief Compliance Officer in advance of the transaction in a related person's account, and the firm maintains required personal securities transaction records per regulation.

Review of Accounts

Schedule for Periodic Review of Client Accounts

Our firm's advice is rendered through its online delivery solution and is designed to be operated by the user (client) themselves. Clients have unlimited access and frequency to employ systems' functionality and are able to review their account, portfolio allocation, etc., and update it as necessary.

Review of Client Accounts on Non-Periodic Basis

Non-periodic reviews may occur by assigned staff and/or our programmed systems when they are triggered by material market, economic or political events, or by changes in client's financial situations (e.g., changes in employment, relocation, an inheritance, etc.). Clients should consider revisiting previously entered data to update their information if a material event has occurred so that our firm via its systems is able to review and potentially adjust the client's portfolio.

Client Referrals and Other Compensation

Economic Benefit from External Sources and Potential Conflicts of Interest

As a fiduciary, TradeKing Advisors endeavors to put the interests of its clients first, and it is important to mention that any benefit received by our firm through a custodian does not depend on the amount of

brokerage transactions directed to that custodian. In addition, we believe that the selection of a custodian is in the best interests of our clients since the selection is primarily supported by the scope, quality, and cost of services provided as a whole -- not just those services that benefit only our advisory firm.

TradeKing Advisors may participate in promotional campaigns involving self-directed clients of its broker/dealer affiliate company TradeKing Securities. These events may be delivered to affiliate company clients in the form of emails, ads on the TradeKing Securities website, or through other channels. These promotions may include reduced or waived fee arrangements for TradeKing Advisors and they may also include cross-company promotions. A client may be required to maintain certain asset levels in order to be eligible to receive such an incentive.

Advisory Firm Payments for Client Referrals

If a client is introduced to our advisory firm by a solicitor, current client, affiliate marketer and other strategic partners, the firm may pay them a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, and any corresponding state securities law requirements. Any such referral fee will be paid from the firm's investment management fee and does not result in additional charge(s) to the client. New clients are advised of such compensation prior to opening an account. TradeKing Advisors supervises the referral activities of solicitors, current clients, affiliate and other strategic partners.

Financial Information

TradeKing Advisors does not take physical custody of client accounts, nor do we require or solicit prepayment of more than \$1,200 in fees per client for services to be performed six months or more in advance. Neither the firm nor any member of its management serves as general partner for a partnership or trustee for a trust in which the firm's advisory clients are either partners of the partnership or beneficiaries of the trust. Therefore, due to the nature of our advisory services, an audited balance sheet is not required nor included in this disclosure.

The firm and its management do not have a financial condition likely to impair the ability to meet contractual commitments to our advisory clients, nor has the firm and its management been the subject of a bankruptcy petition at any time during the past 10 years, or ever.



TradeKing Advisors Inc.

11605 N. Community House Rd. Calhoun Bldg. Third Floor
Charlotte, North Carolina 28277
(800) 425-3205
www.tradekingadvisors.com

Form ADV Part 2B

Client Brochure Supplement
March 24, 2017

The Brochure Supplement provides information about certain TradeKing Advisors employees listed below that supplement the TradeKing Advisors Wrap Fee Brochure you should have received above. Please contact TradeKing Advisors at (800) 425-3205 or service@tradekingadvisors.com if you did not receive TradeKing Advisors Wrap Fee Brochure or if you have any questions about the contents of this Brochure Supplement. Additional information about TradeKing Advisors Supervised Persons is available on the SEC's website at www.adviserinfo.sec.gov.

TradeKing Advisors discretionary investment advice is provided by a team comprised of more than five Supervised Persons, and TradeKing Advisors has provided supplementary information below for the Supervised Persons with the most significant responsibility for the day-to day advice provided to Clients. Registration with the SEC does not imply a certain level of skill or training.

Richard Hagen

Born 1969

Education

BS, Long Island University

Business Background

1991 – 1994	Assistant Manager, TD Waterhouse
1994 – 1998	Manager, Quick and Reilly
1998 – 2001	President, SureTrade
2001 – 2003	VP, FOLIOfn
2004 – 2005	Head of Financial Advice, Ameriprise Financial Services, Inc.
2005 – Present	President, TradeKing Securities LLC
2014 – Present	CEO and President, TradeKing Advisors Inc.

Disciplinary Information

There are no legal or disciplinary events to report.

Other Business Activities

Mr. Hagen serves as the President of TradeKing Securities, an affiliated Broker Dealer under common ownership as TradeKing Advisors.

Additional Compensation

There is no additional compensation to report.

Supervision

Mr. Hagen serves as the Chief Executive Officer and President of TradeKing Group and is not subject to additional supervision.

Tom Desmond

Born 1966

Education

BS, English, University of Notre Dame
MA, English, Michigan State University
MBA, Northwestern University – Kellogg School of Management

Business Background

1990 – 1993	Senior Manager, Morningstar, Inc.
1995 – 2000	Vice President, Investment Banking, Robert W. Baird & Co.
2000 – 2005	Partner, Managing Director, Baird Venture Partners
2005 – Present	Chief Growth Officer, TradeKing Group
2012 – Present	Chief Financial Officer, TradeKing Group

Disciplinary Information

There are no legal or disciplinary events to report.

Other Business Activities

There are no other business activities to report.

Additional Compensation

There is no additional compensation to report.

Supervision

Mr. Desmond is supervised by Mr. Hagen.

David Dusseault

Born 1974

Education

BS, Finance, Providence College

Business Background

1998 – 2001	Director of Business Operations, SureTrade
2002 – 2004	VP Brokerage Operations OSJ Manager, Bank of America
2004 – 2006	VP Brokerage Operations, Morgan Stanley Smith Barney
2006 – 2013	VP Brokerage Operations, TradeKing Securities
2013 – Present	Chief Operations Officer, TradeKing Securities LLC
2014 – Present	VP Operations, TradeKing Advisors Inc.

Disciplinary Information

There are no legal or disciplinary events to report.

Other Business Activities

Mr. Dusseault serves as the Chief Operations Officer of TradeKing Securities.

Additional Compensation

There is no additional compensation to report.

Supervision

Mr. Dusseault is supervised by Mr. Hagen.

Brian Dennen

Born 1975

Education

BS, Economics, University of California, San Diego

Business Background

1999 – 2002	Compliance Manager, Mr. Stock Inc.
2002 – 2004	Chief Compliance Officer, Redwood Trading LLC
2004 – 2006	Institutional Equity Sales, Terra Nova Trading
2006 – 2007	Director of Operations, Urchin Capital Partners
2009 – 2010	Director, Transcend Capital
2010 – 2011	Managing Director, Livevol Securities Inc.
2012 – 2016	CEO, CCO, FinOp, Wealthfront Brokerage Corp.
2016 – Present	Senior Compliance Director, TradeKing Advisors Inc.

Disciplinary Information

On November 13, 2015, Mr. Dennen, without admitting or denying the findings, entered into an AWC with FINRA. The AWC was related to improper reporting of a Professional Customer in 2011 while employed with Livevol Securities. Mr. Dennen consented to a fine of \$15,000 and suspension as a securities principal for one week.

Other Business Activities

Mr. Dennen serves as a Senior Compliance Manager for TradeKing Securities.

Additional Compensation

There is no additional compensation to report.

Supervision

Mr. Dennen is supervised by Philip Claxton, Chief Compliance Officer for TradeKing Advisors.