

Potomac Financial Services, Inc.

Form ADV Part 2A – Disclosure Brochure

Effective: September 18, 2020

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Potomac Financial Services, Inc. (herein “Potomac” or the “Advisor”). If you have any questions about the content of this Disclosure Brochure, please contact the Advisor at (703) 354-3501.

Potomac is a registered investment advisor located in the Commonwealth of Virginia. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about Potomac to assist you in determining whether to retain the Advisor.

Additional information about Potomac and its Advisory Persons is available on the SEC’s website at www.adviserinfo.sec.gov by searching with the Advisor’s firm name or CRD# 305765.

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Item 2 – Material Changes

Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about the Advisory Persons of Potomac. For convenience, the Advisor has combined these documents into a single disclosure document.

Potomac believes that communication and transparency are the foundation of its relationship with clients and will continually strive to provide you with complete and accurate information at all times. Potomac encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with the Advisor.

Material Changes

The following material changes have been made to this Disclosure Brochure since the last filing:

- The Advisor has entered into a relationship with Pinnacle Advisor Solutions, a division of Pinnacle Advisory Group, Inc. ("Pinnacle") for its investment sub-advisory and related back office services. Please see Item 4, Item 5, and Item 10 for additional information.
- The Advisor has amended its fees for Investment Management Services. Please see Item 5 for additional information.
- The Advisor has updated its fees for Financial Planning Services. Please see Item 5 for additional information.
- The Advisor has revised its advisory services to now offer Retirement Plan Advisory Services. Please see Item 4 and Item 5 for additional information.

Future Changes

From time to time, the Advisor may amend this Disclosure Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to you annually and if a material change occurs.

You may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with the Advisor's firm name or CRD# 305765. You may also request a copy of this Disclosure Brochure at any time by contacting the Advisor at (703) 354-3501.

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Item 4 – Advisory Services

A. Firm Information

Potomac Financial Services, Inc. (herein “Potomac” or the “Advisor”) is a registered investment advisor located in the Commonwealth of Virginia. The Advisor is organized as a Corporation under the laws of the Commonwealth of Virginia. Potomac was founded in October 2019 and became a registered investment advisor in November 2019. Potomac is a wholly-owned subsidiary of Potomac Insurance Agency, Inc. Robert M. Reilly is the Vice President and Secretary of Potomac.

This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Potomac. For information regarding this Disclosure Brochure, please contact Liza C. Brown (Chief Compliance Officer) at (703) 354-3501.

B. Advisory Services Offered

Potomac offers investment advisory services to individuals, high net worth individuals, trusts, estates, small businesses and retirement plans (each referred to as a “Client”).

The Advisor serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. Our fiduciary commitment is further described in the Advisor’s Code of Ethics. For more information regarding the Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

Investment Management Services

Potomac provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary and non-discretionary investment management and related advisory services. Potomac works closely with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio strategy. Potomac will then construct an investment portfolio consisting of low-cost, diversified mutual funds and/or exchange-traded funds (“ETFs”) to achieve the Client’s investment goals. The Advisor may also utilize individual stocks, individual bonds and other types of investments, as appropriate, to meet the needs of the Client. The Advisor may retain certain types of investments based on a Client’s legacy investments based on portfolio fit and/or tax considerations.

Potomac’s investment approach is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held for less than one year to meet the objectives of the Client or due to market conditions. Potomac will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

Potomac evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. Potomac may recommend, on occasion, redistributing investment allocations to diversify the portfolio. Potomac may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. Potomac may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of the Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance.

All Client assets will be managed within the designated account[s] at the Custodian, pursuant to the terms of the advisory agreement. Please see Item 12 – Brokerage Practices.

Pursuant to California Code of Regulations Section 260.238(k), the Advisor, has disclosed all material conflicts of interests that could reasonably be expected to impair the rendering of unbiased and objective advice.

Use of Independent Managers

Potomac will typically, at its sole discretion, utilize Pinnacle Advisory Group's ("Pinnacle") sub-advisory services for all or a portion of a Client's investment portfolio. In such instances, the Advisor will place Client assets within Pinnacle's investment model, which is in line with the Advisor's recommendations and managing of the ongoing Client relationship. Potomac will perform initial and ongoing oversight and due diligence over the Pinnacle's model to ensure Pinnacle's strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

Financial Planning Services

Potomac will typically provide a variety of financial planning and consulting services to Clients, pursuant to a written financial planning agreement. Services are offered in several areas of a Client's financial situation, depending on their goals and objectives.

Generally, such financial planning services involve preparing a formal financial plan or rendering a specific financial consultation based on the Client's financial goals and objectives. This planning or consulting may encompass one or more areas of need, including but not limited to, investment planning, retirement planning, personal savings, education savings, insurance needs, and other areas of a Client's financial situation.

A financial plan developed for, or financial consultation rendered to the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs.

Potomac may also refer Clients to an accountant, attorney or other specialists, as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide a written summary of the Client's financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. Plans or consultations are completed within six (6) months of contract date, assuming all information and documents requested are provided promptly by the Client.

Financial planning and consulting recommendations pose a conflict between the interests of the Advisor and the interests of the Client. For example, the Advisor has an incentive to recommend that Clients engage the Advisor for investment management services or to increase the level of investment assets with the Advisor, as it would increase the amount of advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to implement the transaction through the Advisor.

Retirement Plan Advisory Services

Potomac provides retirement plan advisory services on behalf of the retirement plans (each a "Plan") and the company (the "Plan Sponsor"). The Advisor's retirement plan advisory services are designed to assist the Plan Sponsor in meeting its fiduciary obligations to the Plan and its Plan Participants. Each engagement is customized to the needs of the Plan and Plan Sponsor. Services generally include:

- Plan Participant Enrollment and Education Tracking
- Investment Policy Statement ("IPS") Design and Monitoring
- Investment Oversight Services (ERISA 3(21))
- Ongoing Investment Recommendation and Assistance

These services are provided by Potomac serving in the capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2), the Plan

Sponsor is provided with a written description of Potomac's fiduciary status, the specific services to be rendered and all direct and indirect compensation the Advisor reasonably expects under the engagement.

C. Client Account Management

Prior to engaging Potomac to provide investment advisory services, each Client is required to enter into one or more agreements with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – Potomac, in connection with the Client, will develop a strategy that seeks to achieve the Client's goals and objectives.
- Asset Allocation – Potomac will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – Potomac will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – Potomac will provide investment management and ongoing oversight of the Client's investment portfolio.

D. Wrap Fee Programs

Potomac does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by Potomac.

E. Assets Under Management

As of September 8, 2020 Potomac manages \$25,834,113 in Client assets, \$24,445,857 of which are managed on a discretionary basis and \$1,388,256 on a non-discretionary basis. Clients may request more current information at any time by contacting the Advisor.

Item 5 – Fees and Compensation

The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client engaging the Advisor for services described herein shall be required to enter into one or more written agreements with the Advisor.

A. Fees for Advisory Services

Investment Management Services

Investment advisory fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the agreement. Investment advisory fees are based on the market value of assets under management at the end of the prior calendar quarter. Investment advisory fees are charged on a straight tier basis meaning the entire portfolio is charged the same asset management fee., based on the following schedule:

Assets Under Management (\$)	Annual Rate (%)
\$0 to \$500,000	1.20%
\$500,001 to \$1,000,000	1.10%
\$1,000,001 to \$2,999,999	0.90%
\$3,000,000 and over	0.80%

Certain legacy Clients may be billed under a different fee schedule. The investment advisory fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees are negotiable at the sole discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with the Advisor. All securities held in accounts managed by Potomac will be independently valued by the Custodian. Potomac will not have the authority or responsibility to value portfolio securities.

The Advisor's fee is exclusive of, and in addition to, transaction and custody fees, and other related costs and expenses, described in Item 5.C. below, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

Pursuant to California Code of Regulations Section 260.238(j), the Advisor discloses that the Client may be able to obtain similar services from other services providers for a lower fee.

Use of Independent Managers

For Client assets placed within a Pinnacle model portfolio, Pinnacle charges a separate fee ranging from 0.30% to 0.45% for its sub-advisory services, depending upon the model utilized by the Client. The total blended fee, including the Advisor's fee and the Independent Manager's fee, will not exceed 3.00% annually.

Financial Planning Services

Potomac offers financial planning services either on an hourly basis or for a fixed fee. Hourly engagements are billed at a rate of up to \$300 per hour. Fixed fees range from \$300 to \$15,000. Fixed engagement fees are based on the expected number of hours to complete the engagement as estimated prior to engaging for these services and agreed to by the Client and the Advisor. Fees are negotiable based on the nature and complexity of the services to be provided and the overall relationship with the Advisor. An estimate for total hours and/or total costs will be provided to the Client prior to engaging for these services.

Retirement Plan Advisory Services

Fees for retirement plan advisory services are charged an annual asset-based fee of up to 0.75% and are billed quarterly in arrears pursuant to the terms of the retirement plan advisory agreement. Retirement plan advisory fees are based on the average daily net asset value of the Client's assets with the Custodian at the end of the prior quarter. Fees may be negotiable depending on the size and complexity of the Plan.

B. Fee Billing

Investment Management Services

Investment advisory fees are calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the beginning of the respective quarter. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with Potomac at the end of the prior quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. In addition, the Advisor will provide the Client a report itemizing the fee, including the calculation period covered by the fee, the account value and the methodology used to calculate the fee. Clients are urged to also review and compare the statement provided by the Advisor to the brokerage statement from the Custodian, as the Custodian does not perform a verification of fees. Clients provide written authorization permitting advisory fees to be deducted by Potomac to be paid directly from their account[s] held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

Use of Independent Managers

For Client assets placed within a Pinnacle model, Pinnacle's fee will be deducted from the Client's account[s] by Pinnacle.

Financial Planning Services

Financial planning fees may be invoiced up to fifty percent (50%) of the expected total fee upon execution of the financial planning agreement. The balance shall be invoiced upon completion of the agreed upon deliverable[s].

Retirement Plan Advisory Services

Retirement plan advisory fees are deducted from the assets of the Plan by the Custodian, per the terms of the retirement plan advisory agreement.

C. Other Fees and Expenses

Clients may incur certain fees or charges imposed by third parties, other than Potomac, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees charged by the Custodian, if applicable. The Advisor's recommended Custodian does not charge securities transaction fees for ETF and equity trades in a Client's account, provided that the account meets the terms and conditions of the Custodian's brokerage requirements. However, the Custodian typically charges for mutual funds and other types of investments. The fees charged by Potomac are separate and distinct from these custody and execution fees.

In addition, all fees paid to Potomac for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client may be able to invest in these products directly, without the services of Potomac, but would not receive the services provided by Potomac which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by Potomac to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

D. Advance Payment of Fees and Termination

Investment Management Services

Potomac is compensated for its investment management services in advance of the quarter in which services are rendered. Either party may terminate the investment advisory agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the investment advisory agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Advisor will refund any unearned, prepaid investment advisory fees from the effective date of termination to the end of the quarter. Fees will be deposited into the Client's account or a check for the refund will be issued to the Client. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's prior consent.

Financial Planning Services

Potomac may require an advance deposit as described above. Either party may terminate the financial planning agreement by providing advance written notice to the other party. The Client may also terminate the financial planning agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Client shall be billed for actual hours logged on the planning project times the contractual hourly rate or in the case of a fixed fee engagement, the percentage of the engagement scope completed by the Advisor. The Advisor will refund any unearned, prepaid planning fees. A check for the refund will be issued to the Client. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior consent.

Retirement Plan Advisory Services

Potomac is compensated for its services at the end of the quarter after advisory services are rendered. Either party may terminate the retirement plan advisory agreement, at any time, by providing advance written notice to the other party. The Client shall be responsible for retirement plan advisory fees up to and including the effective date of termination. The Client's retirement plan advisory agreement with the Advisor is non-transferable without the Client's prior consent.

E. Compensation for Sales of Securities

Potomac does not buy or sell securities to generate securities commissions and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above.

Certain Advisory Persons are also licensed as independent insurance professionals. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to Clients. Insurance commissions earned by these persons are separate and in addition to advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of the Advisor who are insurance agents have an incentive to recommend insurance products to Clients for the purpose of generating commissions rather than solely based on Client needs. However, Clients are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with the Advisor. Please see Item 10 – Other Financial Industry Activities and Affiliations.

Item 6 – Performance-Based Fees and Side-By-Side Management

Potomac does not charge performance-based fees for its investment advisory services. The fees charged by Potomac are as described in Item 5 above and are not based upon the capital appreciation of the funds or securities held by any Client.

Potomac does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

Item 7 – Types of Clients

Potomac provides advisory services to individuals, high net worth individuals, trusts, estates, small businesses and retirement plans. The amount of each type of Client is available on Potomac's Form ADV Part 1A. These amounts may change over time and are updated at least annually by the Advisor. Potomac does not impose a minimum relationship size or impose any specific requirements to establish an account or advisory relationship.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

A. Methods of Analysis

Potomac primarily employs fundamental and technical analysis methods in developing investment strategies for its Clients. Research and analysis from Potomac are derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

Fundamental analysis utilizes economic and business indicators as investment selection criteria. This criteria consists generally of ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends, which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the

future. Even if the trend will eventually reoccur, there is no guarantee that Potomac will be able to accurately predict such a reoccurrence.

As noted above, Potomac generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. Potomac will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, Potomac may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

B. Risk of Loss

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Potomac will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals. Please see Item 8.B. for risks associated with the Advisor's investment strategies as well as general risks of investing.

While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. Following are some of the risks associated with the Advisor's investment approach:

Market Risks

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

ETF Risks

The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs have a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.

Mutual Fund Risks

The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.

Item 9 – Disciplinary Information

There are no legal, regulatory or disciplinary events involving Potomac or its owner. Potomac values the trust Clients place in us. The Advisor encourages Clients to perform the requisite due diligence on any advisor or service provider that the Client engages. The backgrounds of the Advisor and its Advisory Persons are available on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with the Advisor's firm name or CRD# 305765.

Item 10 – Other Financial Industry Activities and Affiliations

A-B. Financial Registration and Affiliations

Neither Potomac or its Advisory Persons have any registrations or affiliations with a broker-dealer, futures commission merchant, commodity pool operator, or commodity-trading advisor.

C. Material Relationships

Insurance Agency Affiliations

Advisory Persons are also a licensed insurance professionals under Potomac Insurance Agency, Inc. doing business as Ashcraft Associates Insurance Agency. Implementations of insurance recommendations are separate and apart from the advisory serviced provided by Potomac. As an insurance professional, an Advisory Person and the firm will receive customary commissions and other related revenues from the various insurance companies whose products are sold. Advisory Persons are not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This practice presents a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Advisory Persons or the Advisor. Advisory Persons spend approximately 50% of business time on insurance cases.

D. Selection of Other Advisors

Independent Managers

As discussed in Item 4 above, the Advisor has engaged Pinnacle as an investment sub-advisor to provide discretionary management services. The Advisor will ensure that PAS is properly licensed and registered as necessary. In addition, the Advisor utilizes the back-office services of Pinnacle Advisor Solutions ("PAS"), a subsidiary of Pinnacle. PAS provides the Advisor with back-office, technology, compliance and other support services. The services provided by PAS are paid for solely by the Advisor from its revenues and are not tied, in any way, to the level of trading activity in any Client account.

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

A. Code of Ethics

Potomac has implemented a Code of Ethics (the "Code") that defines the Advisor's fiduciary commitment to each Client. This Code applies to all persons associated with Potomac ("Supervised Persons"). The Code was developed to provide general ethical guidelines and specific instructions regarding the Advisor's duties to the Client. Potomac and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Potomac's Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code, please contact the Advisor at (703) 354-3501 or via email at lbrown@potomacifs.com.

B. Personal Trading with Material Interest

Potomac allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Potomac does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. Potomac does not have a material interest in any securities traded in Client accounts.

C. Personal Trading in Same Securities as Clients

Potomac allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities that are recommended (purchase or sell) to Clients presents a conflict of interest that, as fiduciaries, must be disclosed to Clients and mitigated through policies and procedures. As noted above, the Advisor has adopted the Code to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. When trading for personal accounts, Supervised Persons have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by Potomac requiring reporting of personal securities trades by its Supervised Persons for review by the Chief Compliance Officer ("CCO"). The Advisor have also adopted written policies and procedures to detect the misuse of material, non-public information.

D. Personal Trading at Same Time as Client

While Potomac allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterward. **At no time will Potomac, or any Supervised Person of Potomac, transact in any security to the detriment of any Client.**

Item 12 – Brokerage Practices

A. Recommendation of Custodian[s]

Potomac does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/custodian (herein the "Custodian") to safeguard Client assets and authorize Potomac to direct trades to the Custodian as agreed upon in the investment advisory agreement. Further, Potomac does not have the discretionary authority to negotiate commissions on behalf of Clients on a trade-by-trade basis.

Where Potomac does not exercise discretion over the selection of the Custodian, it may recommend the Custodian to Clients for custody and execution services. Clients are not obligated to use the Custodian recommended by the Advisor and will not incur any extra fee or cost associated with using a custodian not recommended by Potomac. However, the Advisor may be limited in the services it can provide if the recommended Custodian is not engaged. Potomac may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and its reputation and/or the location of the Custodian's offices.

Potomac will generally recommend that Clients establish their account[s] at TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"), member FINRA/SIPC. TD Ameritrade will serve as the Client's "qualified custodian". Potomac maintains an institutional relationship with TD Ameritrade, whereby the Advisor receives economic benefits from TD Ameritrade (Please see below).

While the Advisor receives these economic benefits from TD Ameritrade, the Advisor believes that TD Ameritrade provides quality execution and related services for Clients at competitive prices. Price is not the sole factor the Advisor considers in evaluating best execution and the recommendation of a custodian. The Advisor also considers the quality of the brokerage services provided by TD Ameritrade, including the firm's reputation, execution capabilities, commission rates, and responsiveness to Clients and the firm. Clients are free to use

whatever broker-dealer/custodian they choose to implement financial planning recommendations. The Advisor reviews execution on an ongoing basis in compliance with its duty to seek best execution.

Participation in Institutional Advisor Platform

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

Following are additional details regarding the brokerage practices of the Advisor:

1. Soft Dollars - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with a broker-dealer/custodian in exchange for research and other services. **Potomac does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian. However, the Advisor receives certain economic benefits from the Custodian.** Potomac receives a benefit from TD Ameritrade because Potomac does not have to produce or pay for the research, products or services, which is disclosed above. Potomac may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on Potomac's clients' interest in receiving most favorable execution. Economic benefits provided by TD Ameritrade are the same services provided by TD Ameritrade to all Advisors.

2. Brokerage Referrals - Potomac does not receive any compensation from any third party in connection with the recommendation for establishing an account.

3. Directed Brokerage - All Clients are serviced on a "directed brokerage basis", where Potomac will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective account[s], unless otherwise instructed in writing by the Client. Not all advisors require their clients to direct brokerage to one custodian. By directing brokerage to the Custodian the Client may be unable to achieve most favorable execution of transactions, which could cost the Client more money. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). Potomac will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

B. Aggregating and Allocating Trades

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of the order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. Potomac will execute its transactions through the Custodian as authorized by the Client. Potomac typically executes trades for Client accounts individually and not as part of a block trade. However, when rebalancing Client accounts or replacing a common security across accounts, Potomac may aggregate orders into a block trade or trades on the same trading day. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any particular Clients' accounts.

Item 13 – Review of Accounts

A. Frequency of Reviews

Securities in Client accounts are monitored on a regular and continuous basis by Liza C. Brown, Chief Compliance Officer. Formal account and relationship reviews are conducted at least annually or more frequently depending on the needs and availability of the Client. The Advisor will review the Client's objectives and the performance of the account[s] in connection with the Client's stated objectives.

B. Causes for Reviews

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account[s]. The Client is encouraged to notify Potomac if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

C. Review Reports

The Client will receive brokerage statements no less than quarterly from the Custodian. Brokerage statements are typically provided in electronic form by the Custodian. Paper statements mailed to the Client may be charged a fee by the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. Upon request, the Advisor may also provide Clients with periodic electronic reports regarding their holdings, allocations, and performance.

Item 14 – Client Referrals and Other Compensation

A. Compensation Received by Potomac

Potomac does not receive commissions or other compensation from product sponsors, broker-dealers or any unrelated third party, except as disclosed in item 10 above. Potomac may refer Clients to various unaffiliated, non-advisory professionals (e.g. attorneys, accountants, estate planners) to provide certain financial services necessary to meet the goals of its Clients. Likewise, Potomac may receive non-compensated referrals of new Clients from various third-parties. Additionally, Potomac maintains an institutional relationship with TD Ameritrade, whereby the Advisor receives economic benefits from TD Ameritrade. Please see Item 12 above.

B. Client Referrals from Solicitors

Potomac does not engage paid solicitors for Client referrals.

Item 15 – Custody

All Clients must place their assets with a “qualified custodian”. Clients are required to engage the Custodian to retain their funds and securities and direct Potomac to utilize that Custodian for the Client’s security transactions. Each time the Advisor deducts its fee from the Client’s account[s] at the Custodian, the Advisor will send the Client an electronic fee statement that includes the period covered by the fee, the rate and the assets under management used in the calculation. Clients are urged to review the formal account statements provided by the Custodian and compare to the fee statement provided by Potomac to ensure accuracy, as the Custodian does not perform a review. For more information about custodians and brokerage practices, see Item 12 –Brokerage Practices.

The Advisor is relying on the following safeguards in regards to custody of client fund (CA CCR 260.237):

- The Advisor has custody of the funds and securities solely as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee.
- The Advisor has written authorization from the client to deduct advisory fees from the account held with the qualified custodian.
- Each time a fee is directly deducted from a client account, the Advisor concurrently:
 - Sends the qualified custodian an invoice or statement of the amount of the fee to be deducted from the client’s account; and
 - Sends the client an invoice or statement itemizing the fee. Itemization includes the formula used to calculate the fee, the value of the assets under management on which the fee is based, and the time period covered by the fee.

If the Client gives the Advisor authority to move money from one account to another account, the Advisor may have custody of those assets. In order to avoid additional regulatory requirements, the Custodian and the Advisor have adopted safeguards to ensure that the money movements are completed in accordance with the Client’s instructions.

Item 16 – Investment Discretion

Potomac generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Potomac. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client’s execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by Potomac will be in accordance with each Client’s investment objectives and goals. For Client accounts that are managed on a non-discretionary basis, Potomac is required to obtain the Client’s permission prior to effecting securities transactions.

Item 17 – Voting Client Securities

Potomac does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting. The Client may contact the Advisor at (703) 354-3501 with any questions regarding proxies.

Item 18 – Financial Information

Neither Potomac, nor its management, have any adverse financial situations that would reasonably impair the ability of Potomac to meet all obligations to its Clients. Neither Potomac, nor any of its Advisory Persons, have been subject to a bankruptcy or financial compromise. Potomac is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect advance fees of \$500 or more for services to be performed six months or more in the future.

Item 19 – Requirements for State Registered Advisors

A. Educational Background and Business Experience of Principal Officer

The Principal Officers of Potomac are Robert M. Reilly and Liza C. Brown. Information regarding the formal education and background of the Principal Officers is included in Item 2 – Educational Background and Business Experience of each person's Form ADV Part 2B – Brochure Supplement below.

B. Other Business Activities of Principal Officer

The Principal Officers have additional business activities that are detailed in Item 10 – Other Financial Activities and Affiliations.

C. Performance Fee Calculations

Potomac does not charge performance-based fees for its investment advisory services. The fees charged by Potomac are as described in Item 5 – Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any Client.

D. Disciplinary Information

There are no legal, civil or disciplinary events to disclose regarding Potomac or its Principal Officers.

Neither Potomac nor its Principal Officers have ever been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Potomac or its Principal Officers.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. As previously noted, there are no legal, civil or disciplinary events to disclose regarding Potomac or its Principal Officers.

E. Material Relationships with Issuers of Securities

Neither Potomac nor its Principal Officers has any relationships or arrangements with issuers of securities.

Form ADV Part 2B – Brochure Supplement

for

**Robert M. Reilly
Vice President & Secretary
Senior Investment Advisor**

Effective: September 18, 2020

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of Robert M. Reilly (CRD# 2013323) in addition to the information contained in the Potomac Financial Services, Inc. (“Potomac” or the “Advisor”, CRD# 305765) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the content of the Potomac Disclosure Brochure or this Brochure Supplement, please contact the Advisor at (703) 354-3501.

Additional information about Mr. Reilly is available on the SEC’s Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with his full name or his Individual CRD# 2013323.

Item 2 – Educational Background and Business Experience

Robert M. Reilly, born in 1947, is dedicated to advising Clients of Potomac as its Vice President and Secretary. Mr. Reilly attended the University of Maryland. Additional information regarding Mr. Reilly's employment history is included below.

Employment History:

Vice President and Secretary, Potomac Financial Services, Inc.	11/2019 to Present
President and Insurance Agent, Potomac Insurance Agency, Inc. dba Ashcraft Associates Insurance Agency	06/1990 to Present
Investment Advisor Representative, Westminster Financial Advisory Corp.	12/2008 to 11/2019
Registered Representative, Westminster Financial Securities Inc.	02/2008 to 11/2019

Item 3 – Disciplinary Information

There are no legal, civil or disciplinary events to disclose regarding Mr. Reilly. Mr. Reilly has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Reilly.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. **As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Reilly.**

However, the Advisor encourages Clients to independently view the background of Mr. Reilly on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with his full name or his Individual CRD# 2013323.

Item 4 – Other Business Activities

Insurance Agency Affiliations

Mr. Reilly is also a licensed insurance professional under Potomac Insurance Agency, Inc. Implementations of insurance recommendations are separate and apart from the advisory services and fees through Potomac. As an insurance professional, Mr. Reilly will receive customary commissions and other related revenues from the various insurance companies whose products are sold. Mr. Reilly is not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This presents a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Mr. Reilly or the Advisor. Mr. Reilly spends approximately 50% of his time per month in this capacity.

Item 5 – Additional Compensation

Mr. Reilly has additional business activities where compensation is received that are detailed in Item 4 above. Mr. Reilly does not receive compensation from any compensation for providing advisory services other than what is noted in Form ADV Part 2A, Item 5.

Item 6 – Supervision

Mr. Reilly serves as the Vice President and Secretary of Potomac and is supervised by Liza C. Brown, the Chief Compliance Officer. Ms. Brown can be reached at (703) 354-3501.

Potomac has implemented a Code of Ethics, an internal compliance document that guides each Supervised Person in meeting their fiduciary obligations to Clients of Potomac. Further, Potomac is subject to regulatory

oversight by various agencies. These agencies require registration by Potomac and its Supervised Persons. As a registered entity, Potomac is subject to examinations by regulators, which may be announced or unannounced. Potomac is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

Item 7 – Requirements for State Registered Advisors

A. Arbitrations and Regulatory Proceedings

State regulations require disclosure if any Supervised Person of the Advisor is subject to:

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - a. an investment or an investment-related business or activity;
 - b. fraud, false statement(s), or omissions;
 - c. theft, embezzlement, or other wrongful taking of property;
 - d. bribery, forgery, counterfeiting, or extortion; or
 - e. dishonest, unfair, or unethical practices.

2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - a. an investment or an investment-related business or activity;
 - b. fraud, false statement(s), or omissions;
 - c. theft, embezzlement, or other wrongful taking of property;
 - d. bribery, forgery, counterfeiting, or extortion; or
 - e. dishonest, unfair, or unethical practices.

Mr. Reilly does not have any disclosures to make regarding this Item.

B. Bankruptcy

If a Supervised Person has been the subject of a bankruptcy petition, that fact and the details must be disclosed. Mr. Reilly does not have any disclosures to make regarding this Item.

Form ADV Part 2B – Brochure Supplement

for

Liza C. Brown
President
Chief Compliance Officer
Investment Advisor

Effective: September 18, 2020

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of Liza C. Brown (CRD# 6655961) in addition to the information contained in the Potomac Financial Services, Inc. (“Potomac” or the “Advisor”, CRD# 305765) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the content of the Potomac Disclosure Brochure or this Brochure Supplement, please contact the Advisor at (703) 354-3501.

Additional information about Ms. Brown is available on the SEC’s Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with her full name or her Individual CRD# 6655961.

Item 2 – Educational Background and Business Experience

Liza C. Brown, born in 1995, is dedicated to advising Clients of Potomac as the President and Chief Compliance Officer. Ms. Brown earned a Bachelor's Degree in Finance from Virginia Polytechnic Institute and State University in 2018. Additional information regarding Ms. Brown's employment history is included below.

Employment History:

President and Chief Compliance Officer, Potomac Financial Services, Inc.	11/2019 to Present
Insurance Agent, Potomac Insurance Agency, Inc.	06/2019 to Present
Investment Advisor Representative, Westminster Financial Advisory Corp.	06/2019 to 11/2019
Registered Representative, Westminster Financial Securities Inc.	07/2019 to 11/2019
Analyst, Citigroup Inc.	07/2018 to 05/2019
Intern - Analyst, Citigroup Inc.	06/2017 to 08/2017
Intern, Ashcraft Insurance Agency	05/2016 to 12/2017

Item 3 – Disciplinary Information

There are no legal, civil or disciplinary events to disclose regarding Ms. Brown. Ms. Brown has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Ms. Brown.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. **As previously noted, there are no legal, civil or disciplinary events to disclose regarding Ms. Brown.**

However, the Advisor encourages Clients to independently view the background of Ms. Brown on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with her full name or her Individual CRD# 6655961.

Item 4 – Other Business Activities

Insurance Agency Affiliations

Ms. Brown is also a licensed insurance professional under Potomac Insurance Agency, Inc. Implementations of insurance recommendations are separate and apart from Ms. Brown's role with the Advisor. As an insurance professional, Ms. Brown will receive customary commissions and other related revenues from the various insurance companies whose products are sold. Ms. Brown is not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This presents a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Ms. Brown or the Advisor. Ms. Brown spends approximately 20% of her time per month in this capacity.

Item 5 – Additional Compensation

Ms. Brown has additional business activities where compensation is received that are detailed in Item 4 above. Ms. Brown does not receive compensation from any compensation for providing advisory services other than what is noted in Form ADV Part 2A, Item 5.

Item 6 – Supervision

Ms. Brown serves as the President and Chief Compliance Officer of Potomac. Ms. Brown can be reached at (703) 354-3501. Ms. Brown is also supervised by Robert Reilly, Vice President of Potomac.

Potomac has implemented a Code of Ethics, an internal compliance document that guides each Supervised Person in meeting their fiduciary obligations to Clients of Potomac. Further, Potomac is subject to regulatory oversight by various agencies. These agencies require registration by Potomac and its Supervised Persons. As a registered entity, Potomac is subject to examinations by regulators, which may be announced or unannounced. Potomac is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

Item 7 – Requirements for State Registered Advisors

A. Arbitrations and Regulatory Proceedings

State regulations require disclosure if any Supervised Person of the Advisor is subject to:

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - a. an investment or an investment-related business or activity;
 - b. fraud, false statement(s), or omissions;
 - c. theft, embezzlement, or other wrongful taking of property;
 - d. bribery, forgery, counterfeiting, or extortion; or
 - e. dishonest, unfair, or unethical practices.

2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - a. an investment or an investment-related business or activity;
 - b. fraud, false statement(s), or omissions;
 - c. theft, embezzlement, or other wrongful taking of property;
 - d. bribery, forgery, counterfeiting, or extortion; or
 - e. dishonest, unfair, or unethical practices.

Ms. Brown does not have any disclosures to make regarding this Item.

B. Bankruptcy

If a Supervised Person has been the subject of a bankruptcy petition, that fact and the details must be disclosed.

Ms. Brown does not have any disclosures to make regarding this Item.

Form ADV Part 2B – Brochure Supplement

for

**Nabih G. Nabti, CFP®
Senior Investment Advisor**

Effective: September 18, 2020

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of Nabih G. Nabti, CFP®, (CRD# 1461243) in addition to the information contained in the Potomac Financial Services, Inc. (“PFS” or the “Advisor”, CRD# 305765) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the content of the PFS Disclosure Brochure or this Brochure Supplement, please contact the Advisor at (703) 354-3501.

Additional information about Mr. Nabti is available on the SEC’s Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with his full name or his Individual CRD# 1461243.

Item 2 – Educational Background and Business Experience

Nabih G. Nabti, CFP®, born in 1939, is dedicated to advising Clients of PFS as a Senior Investment Advisor. Mr. Nabti earned a Master of Business Administration from University of San Francisco in 1968. Mr. Nabti also earned a Bachelor of Arts in Business Administration from Middle East College in 1961. Additional information regarding Mr. Nabti's employment history is included below.

Employment History:

Senior Investment Advisor, Potomac Financial Services, Inc.	02/2020 to Present
Investment Advisor Representative, Westminster Financial Securities, Inc.	11/2007 to 02/2020
Registered Representative, Westminster Financial Securities, Inc.	11/2007 to 02/2020

Certified Financial Planner™ (“CFP®”)

The Certified Financial Planner™, CFP®, and federally registered CFP® (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner™ Board of Standards, Inc. (“CFP® Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

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

- *Education* – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP® Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP® Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- *Examination* – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real-world circumstances;
- *Experience* – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- *Ethics* – Agree to be bound by CFP® Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

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

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

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

Item 3 – Disciplinary Information

There are no legal, civil or disciplinary events to disclose regarding Mr. Nabti. Mr. Nabti has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Nabti.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Nabti.***

However, the Advisor encourages Clients to independently view the background of Mr. Nabti on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with his full name or his Individual CRD# 1461243.

Item 4 – Other Business Activities

Insurance Agency Affiliations

Mr. Nabti is also a licensed insurance professional. Implementations of insurance recommendations are separate and apart from Mr. Nabti's role with PFS. As an insurance professional, Mr. Nabti will receive customary commissions and other related revenues from the various insurance companies whose products are sold. Mr. Nabti is not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This practice presents a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Mr. Nabti or the Advisor. Mr. Nabti spends approximately 40% of his time per month in this capacity.

Item 5 – Additional Compensation

Mr. Nabti has additional business activities where compensation is received that are detailed in Item 4 above. Mr. Nabti does not receive compensation from any compensation for providing advisory services other than what is noted in Form ADV Part 2A, Item 5.

Item 6 – Supervision

Mr. Nabti serves as a Senior Investment Advisor of PFS and is supervised by Liza Brown, the Chief Compliance Officer. Ms. Brown can be reached at (703) 354-3501.

PFS has implemented a Code of Ethics, an internal compliance document that guides each Supervised Person in meeting their fiduciary obligations to Clients of PFS. Further, PFS is subject to regulatory oversight by various agencies. These agencies require registration by PFS and its Supervised Persons. As a registered entity, PFS is subject to examinations by regulators, which may be announced or unannounced. PFS is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

Item 7 – Requirements for State Registered Advisors

A. Arbitrations and Regulatory Proceedings

State regulations require disclosure if any Supervised Person of the Advisor is subject to:

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - a. an investment or an investment-related business or activity;
 - b. fraud, false statement(s), or omissions;

- c. theft, embezzlement, or other wrongful taking of property;
 - d. bribery, forgery, counterfeiting, or extortion; or
 - e. dishonest, unfair, or unethical practices.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
- a. an investment or an investment-related business or activity;
 - b. fraud, false statement(s), or omissions;
 - c. theft, embezzlement, or other wrongful taking of property;
 - d. bribery, forgery, counterfeiting, or extortion; or
 - e. dishonest, unfair, or unethical practices.

Mr. Nabti does not have any disclosures to make regarding this Item.

B. Bankruptcy

If a Supervised Person has been the subject of a bankruptcy petition, that fact and the details must be disclosed. Mr. Nabti does not have any disclosures to make regarding this Item.

Privacy Policy

Effective: September 18, 2020

Our Commitment to You

Potomac Financial Services, Inc. (herein "Potomac" or the "Advisor") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. Potomac (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

Potomac does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

Why you need to know?

Registered Investment Advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

What information do we collect from you?

Driver's license number	Date of birth
Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number[s]	Income and expenses
E-mail address[es]	Investment activity
Account information (including other institutions)	Investment experience and goals

What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<p>Servicing our Clients We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.</p>	Yes	No
<p>Marketing Purposes Potomac does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where Potomac or the client has a formal agreement with the financial institution. We will only share information for purposes of servicing your accounts, not for marketing purposes.</p>	No	Not Shared
<p>Authorized Users Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent[s] or representative[s].</p>	Yes	Yes
<p>Information About Former Clients Potomac does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.</p>	No	Not Shared

State-specific Regulations

California	In response to a California law, to be conservative, we assume accounts with California addresses do not want us to disclose personal information about you to non-affiliated third parties, except as permitted by California law. We also limit the sharing of personal information about you with our affiliates to ensure compliance with California privacy laws.
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Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy and will provide you with a revised Policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting the Advisor at (703) 354-3501.