

# **Argentus Advisors, LLC**

## **Part 2A of FORM ADV: Firm Brochure**

**May 5, 2016**

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This brochure provides information about the qualifications and business practices of Argentus Advisors, LLC ("Argentus"). If you have any questions about the content of this brochure, please contact us at the phone number above. Argentus Advisors, LLC is registered with the United States Securities and Exchange Commission ("SEC") as an Investment Adviser; however, such registration is not intended to imply a certain level of skill or training. This Brochure has not been approved by the SEC or by any state securities body or regulatory authority.

Additional information about Argentus Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**ITEM 2 – SUMMARY OF MATERIAL CHANGES SINCE JUNE 17, 2015 BROCHURE**

As of May 5, 2016, Summit Advisor Solutions (Summit or SAS) has named Darren Kane as Chief Compliance Officer. Mark Richison has been named Summit's Chief Financial Officer.

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## **ITEM 4 - ADVISORY BUSINESS**

Argentus Advisors, LLC (Argentus) is registered with the Securities and Exchange Commission (SEC) as an Investment Adviser (RIA) under the Investment Advisers Act of 1940, with its principal place of business in Dallas, Texas. Argentus began conducting business in November of 2001, and the firm is a wholly owned subsidiary of SAS Capital Partners, LLC. Argentus has an affiliated sister company, SAS Capital Management dba Summit Advisor Solutions, which is also an SEC registered investment adviser. Summit Advisor Solutions provides advisory, sub-advisory and back-office support to other investment advisory firms, including Argentus. It should also be noted that SCA Holdings, LLC owns a majority interest in SAS Capital Partners, hence a majority interest in Argentus Advisors, LLC. SCA Holdings also owns Strategic Capital Alternatives, LLC, which is another SEC registered investment advisory firm. More information can be obtained about Summit Advisor Solutions and Strategic Capital Alternatives, LLC., by visiting the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

Argentus' main investment advisory business is to manage the investment portfolios of individuals, corporations, and other businesses through its investment adviser representatives (Financial Advisors) and through the use of third-party money managers. Argentus Advisor's investment advisory services are tailored to the individual needs of its clients and are based on the client's goals, investment objectives, time horizon and risk tolerance. In this capacity, Argentus and its Financial Advisors act as fiduciaries to their clients.

Argentus Advisor's Financial Advisors provide continuous investment advice to their clients regarding the investment of funds based on the individual needs of each client. The Financial Advisor will discuss your particular financial situation and will help you establish your financial goals, investment objectives, time horizons and risk tolerance. The Financial Advisor also reviews and discusses with you, your prior investment experience, all in an effort to properly advise you to ensure that the advisory services provided are appropriate.

You may elect to impose reasonable restrictions on investing in certain securities, types of securities, companies and/or industry sectors. However, Argentus may refuse to continue offering the advisory program if the firm determines that such restrictions cannot be accommodated. When advisory services are discontinued, all positions in the account are transferred to a non-discretionary, commission-based brokerage account with the custodian. The account will be subject to the terms and conditions of the agreement between you and the custodian and all advisory services and fees will no longer apply.

Argentus offers the following investment advisory services:

### **FINANCIAL ADVISOR DIRECTED ACCOUNTS**

A Financial Advisor Directed Account is one in which the account and the selected portfolio is managed by the Financial Advisor, either on a discretionary or non-discretionary basis. The Financial Advisor will recommend various stocks, bonds, mutual funds, ETFs, alternative investments and other appropriate investments to help you develop a portfolio designed to meet your financial goals and objectives. Because each type of investment involves varying degrees of risk, the Financial Advisor will only make recommendations that are consistent with your stated goals, investment objectives, risk tolerance, time horizon and liquidity needs. The Financial Advisor will then meet with you regularly to discuss the portfolio's investments, to recommend any changes to the portfolio, in an effort to remain consistent with your investment goals and objectives.

### **ADVISED MUTUAL FUNDS**

Argentus' affiliates provide advisory services and/or marketing services to several mutual funds that could be recommended by a Financial Advisor or utilized by an affiliate within one or more of its proprietary managed portfolio offerings or by a Third-Party Money Manager, within one of its managed portfolio offerings. Currently, those mutual funds are:

GVTIX & GVTAX – NLFT III Tactical Asset Allocation Fund  
NFMAX, NFM CX & NFMIX – Newfound Multi-Asset Income Fund  
NFBAX, NFB CX & NFBIX – Newfound Total Return Fund  
NFGIX & NFGAX – NLFT III Newfound Risk Mgd Global Fund  
PWRIX & PWRAX – NLFT Power Income Funds  
GHAFX – Granite Harbor Alternative Fund  
GHTFX – Granite Harbor Tactical Fund  
AFLIX, AFLEX & AFLKX – Anfield: Universal Fixed Income Fund “UFIF”  
DHAAX, DHACX, DHAIX – Day Hagen Tactical Allocation Fund  
DHQAX, DHQCX, DHQIX – Day Hagen Tactical Dividend Fund  
BGMIX, BGMVX – Balter Global Macro Fund  
BESMX, BESRX – Balter European L/S Small Cap Fund  
BEVIX, BEVRX – Balter Event-Driven Fund  
BEQIX – Balter L/S Small Cap Fund  
Crow Point – All funds

While Financial Advisors do not receive any additional compensation when such funds or models are included in the client's portfolio, Argentus' affiliate does receive fees from the funds for the services it provides. This creates a conflict of interest when such funds are recommended and/or included in the client's managed account(s). Argentus mitigates this conflict by keeping compensation to the Financial Advisor neutral and by providing this disclosure to you in this disclosure brochure.

### **THIRD-PARTY MONEY MANAGER ACCOUNTS**

In lieu of recommending individual investments and helping you develop an investment portfolio, the Financial Advisor may assist you in selecting one or more Third-Party Money Manager(s). The Financial Advisor may utilize a number of factors in determining a prudent Third-Party Money Manager or Managers including but not limited to performance, investment objectives, fees, and comparing those factors to your stated goals and objectives (determining risk tolerance and investment styles).

Clients who utilize the services of Third Party Money Managers are provided the Manager's Fact Sheet, which provides a detailed description of the manager's investment strategy and investment style. Third-Party Money Managers have their own minimum account size requirements and have their own separate fee schedule, which is in addition to the Financial Advisor's fee schedule. When you elect the services of a Third Party Money Manager, the Financial Advisor does not directly manage your assets. The assets are managed by the selected Third Party Money Manager.

Third Party Money Managers may either be Portfolio Strategists or Portfolio Managers. Portfolio Strategists provide recommended asset allocation strategies by which Argentus intends to invest the selected program assets, unless circumstances dictate that a modified allocation or investment is appropriate. Portfolio Strategists do not have discretion to trade your account and do not provide discretionary asset management services. Management of the program assets is performed by Argentus through its discretionary authority as described in the advisory agreement between you and Argentus. You may elect to employ a portfolio strategy for all or a portion of your account assets.

Portfolio Managers also provide recommended strategies, however, they actually have discretionary authority to affect trades in your account. Clients give Portfolio Managers discretionary authority through their advisory agreement with Argentus. Management of the program assets is performed by the Portfolio Manager. As with Portfolio Strategists, you may employ one or more Portfolio Managers. You may employ any combination of Portfolio Strategists and Portfolio Managers if determined to be appropriate.

Some Portfolio Managers may also provide “Overlay Services” for all or a portion of a client’s account if such services are selected. Overlay Services include but are not limited to services such as; harmonizing multiple account management services for the overall account, seeking trading and tax efficiencies or employing hedging or leveraging strategies to all or a portion of an account.

The Financial Advisor will assist you in understanding and evaluating the services provided by any Third Party Money Managers selected. If the Financial Advisor determines that a selected Third-Party Money Manager is not managing your portfolio in a manner consistent with your stated investment objectives or your financial situation changes such that the Third-Party Money Manager’s services are no longer appropriate, the Financial Advisor may recommend a more appropriate Third Party Money Manager for your account. Any change of a Third-Party Money Manager requires your written consent.

*Utilizing Summit Advisor Solutions/Strategic Capital Alternatives – “Advised Mutual Fund” (see above), and Certain Alternative Investments*

You or your Financial Advisor may also elect to hire Summit Advisor Solutions and/or Strategic Capital Alternatives, affiliates of Argentus, as a Third Party Money Manager, to provide asset management services for your account. Doing so presents a conflict of interest for the firm that you should be aware of because either Summit Advisor Solutions and/or Strategic Capital Alternatives will receive additional fees for the management of all or a portion of your account assets.

Also, Argentus affiliates, as portfolio manager, or even unaffiliated third-party money manager may utilize one or more of the “Advised Mutual Funds” described above. When an Advised Mutual Fund is utilized in your portfolio, Argentus’ affiliates will receive fees in addition to the advisory fee you pay Argentus.

One of Argentus’ affiliates that serves as the investment adviser to Advised Mutual Funds, will ultimately receive two sets of advisory fees on those assets, a sub-advisory “platform fee”, and an advisory fee embedded into the net asset value of those mutual funds that is paid to the advising affiliate, and thus Argentus has a conflict of interest when recommending or when an affiliate or a Third-Party Money Manager utilize Advised Mutual Funds in a managed portfolio.

Investment advice, utilization within proprietary or Third-Party Money Manager portfolios, or recommendations may also be provided on Real Estate Investment Trusts, Leasing Funds, and Private Note Offerings. Affiliated organizations, in certain instances, may be compensated for the distribution or sales of these investment vehicles, which creates a conflict of interest for Argentus. For example, Argentus’ affiliates Summit Advisor Solutions and/or Strategic Capital Alternatives may employ the use of Alternative investments. Alternative investments include, among other things, investments in promissory notes, limited partnerships, REITs, hedge funds, leasing agreements and managed futures. Some of these investments are issued and/or managed by Argentus’ affiliates such as, but not limited to, Aequitas Management (Aequitas Promissory Notes) and ACA (the ACA Master Select Series Trust). Because of the affiliation between Argentus and these issuers, Argentus has an inherent incentive to utilize these issues and funds, which creates a conflict of interest.

#### **FINANCIAL ADVISOR AS PORTFOLIO MANAGER:**

Some Financial Advisors offer their own Portfolio Management Services. Such services may have their own asset management fee schedule and maximum fee charges.

#### Spring Capital – ADEPT Strategy

The Spring Capital ADEPT Strategy Model utilizes a strategy known as the Advancing Dividend Equity Portfolio Theory. This is a total return strategy based on the assumption that a large percentage of long-term total market returns are attributed to dividends. The strategy focuses on companies that not only have a long dividend history, but also have a history of increasing dividends on a regular basis. Guided by metrics such as a strong balance sheet, good products, sound management, and limiting exposure to high yield stocks, the model manager selects the companies that look to continue past trends. The portfolio seeks companies it believes displays relative value and good growth characteristics. Investment opportunities are not limited by market capitalization, industry sector or geographic location.

#### **COMBINED FINANCIAL ADVISOR DIRECTED AND THIRD-PARTY MONEY MANAGER SERVICES**

You may elect to take advantage of Financial Advisor Directed Account services, as well as employ the services of one or more Third-Party Money Managers for your account(s). Such arrangements are accommodated and offered by Argentus and its Financial Advisors.

#### **RESEARCH**

Certain Financial Advisors of Argentus offer research on a subscription basis. This research reports may be provided daily, weekly, monthly, quarterly or extemporaneously, as delineated in the research agreement entered into between the client and Argentus. Additionally, Research may be provided during face-to-face meetings, depending on the needs of the client. Research may be either industry specific, such as oil & gas industry, or may be broad in nature, covering the markets in general. Research may be based on fundamental and/or technical analysis.

#### **WRAP FEE PROGRAM ACCOUNTS**

A Wrap Fee Program is an investment advisory program in which you pay one fee for both the investment advisory services and the transaction costs in your account. Argentus offers its various advisory programs as either a traditional, non-wrap fee program or as a wrap fee program. Depending on the underlying investments in your Wrap Fee Program account and how much trading you expect to do, you may pay more for a Wrap Fee Program account than if you chose an advisory program that does not have a “wrap fee” offering, or if you chose to pay separately for all of your transaction costs (e.g. – pay the advisory fee plus all transaction commissions separately). Similarly, your Financial Advisor may receive more or less compensation on your wrap fee program depending on the same circumstances. This difference in compensation may present a conflict of interest that you should be aware of and that you should discuss with your Financial Advisor.

Bear in mind, you can purchase services similar to those offered in Argentus’ Wrap Fee Program separately from unaffiliated financial service providers. Wrap Fee Programs may cost you more or less than purchasing the services from another investment adviser. Some factors to consider, other than the Wrap Fee itself, when comparing investment advisers include: (i) Account maintenance and custodial fees; (ii) Account special handling fees, such as wire funds fees; (iii) Volume of trading activity anticipated in your account; (iv) Commissions to be charged in lieu of a wrap fee; and, (v) Account termination, statement and confirmation fees. You should review all the costs for each of the management services separately (and mutual fund fees and expenses when applicable) when analyzing the cost of Argentus’ Wrap Fee Program.

Your Financial Advisor will work with you to recommend whether you should utilize a Wrap Fee Program or not, based on your individual circumstance and anticipated trading activity. Please discuss with your Financial Advisor all fees and costs associated with your Wrap Fee Program account. For further information regarding Argentus' Wrap Fee Programs, please request a copy of Argentus' Wrap Fee Program Disclosure brochure from your Financial Advisor.

## **FINANCIAL PLANNING**

Financial Advisors also provide financial planning services. Fees may be charged as a flat dollar amount, an amount based on a percentage of the assets under "advisement" or an hourly fee. A financial planning engagement may be effectuated by signing a separate "financial planning" agreement or the financial planning agreement may be incorporated into your investment management agreement as one document. Financial planning is a comprehensive evaluation, assumption and analysis of a client's current and future financial situation and needs using variable data such as current and future income, expenses, investment growth and performance, cash flows, asset values and withdrawal plans. Through the financial planning process, questions, information and analysis are considered as to how they may impact the current and future financial situation of the client. To prepare a financial plan the Financial Advisor gathers information from the client through personal interviews. Information may include the client's current financial status, tax status, current assets and liabilities, expenses, investment portfolio, future goals, investment return expectations and attitudes towards risk. The financial plan is designed to help the client create a plan and stay on track in attempting to achieve their financial goals and objectives.

In general, a financial plan may address any or all of the following areas collectively or separately: Asset Allocation, Education Planning, Estate Planning, Financial, Insurance Needs, Retirement Planning, and Business Retirement Planning.

The financial plan may not contain specific recommendations from the Financial Advisor to purchase or sell specific securities. It is entirely up to each client whether or not to implement any recommendations made.

If the client chooses to implement the recommendations made within the financial plan, the Financial Advisor may then recommend specific investments. To the extent that specific investment recommendations are made, the Financial Advisor may recommend commissionable securities or insurance transactions, in which case he or she would be acting as a registered representative of a Broker Dealer or as an insurance agent. This may create a potential conflict of interest, as the Financial Advisor may be compensated for the purchase or sale of specific securities and insurance products in addition to the financial planning fee already received.

## **SOLICITORS**

Argentus may, from time to time, utilize solicitors to introduce potential clients to its services. Solicitors are typically registered as investment advisers with either the SEC or the appropriate state authority and may provide some level of advice such as suitability and/or risk tolerance assessment. A solicitor is not involved in the actual asset management of the client's account. Solicitors share in the advisory fees paid by the client, however, the client is not paying any more for advisory services than he or she would if there were no solicitor involved. Solicitors are required to provide clients with a Solicitors Disclosure Statement, which elaborates on the solicitor's role and the relationship between the solicitor and Argentus.

## **AMOUNT OF ASSETS UNDER MANAGEMENT**

As of December 31<sup>st</sup>, 2015 Argentus had approximately \$339,000,000 of assets under management. There are no non-discretionary arrangements with respect to asset management services between Argentus and clients at this time.





**NOTE FOR ERISA PLANS:** Argentus acknowledges its status as a registered “investment adviser” with the SEC. Financial Advisors have the ability to and may provide fiduciary and/or non-fiduciary services to retirement plans (i.e., 401k, 403b, etc.). Retirement plans may or may not be subject to the U.S. Department of Labor’s Employee Retirement Income Security Act (“ERISA”).

With respect to services provided to ERISA accounts, Argentus also acknowledges its status as a “fiduciary” within the meaning of ERISA section 3(21). In most cases, the advisor is an ERISA 3(21) fiduciary tasked with "recommending," "assisting," "helping," or "advising" the sponsor as the sponsor goes about making selection/monitoring/replacement decisions.

## **ITEM 5 - FEES AND COMPENSATION**

This section is intended to assist you in understanding the costs associated with Argentus Advisor's investment advisory offerings. You should read this section carefully and also refer to your investment advisory agreement for a full description of the amount, terms, and calculation of the advisory fee applicable to your selected advisory service, as well as, information concerning ticket charges, refunds and contract termination. The fees and costs may be more or less than if you purchased a portfolio of similar investments through a brokerage arrangement or similar services through another investment adviser. It is important that you evaluate the services received in light of the fees and costs. Argentus reserves the right to negotiate fees, which may take into consideration elements like size of account and the complexity of services. Be sure to ask your Financial Advisor about the advisory program(s) considered by you and what other costs you may incur.

You should be aware that you may incur additional fees assessed by your custodian or by the individual investments within your account. Custodians charge their own transaction and administration fees. Depending on whether you are participating in a Wrap Fee Program or not, some custodial fees may be included in your advisory fee, however, not all fees would be included. You want to refer to your advisory agreement with Argentus, as well as your custodial agreement(s) when you open your account to help you understand what fees you may be subject to. Additionally, some investment product sponsors such as mutual funds and UIT's assess their own management fees. Such fees are in addition to the advisory fees you pay Argentus. You should consult with your Financial Advisor and discuss all the fees applicable to your account and investment selections before making any investment or buying decisions.

### **Investment Management Services**

Investment management pertains to securities portfolios where Argentus provides continuous and regular supervision or management services. For such services, Argentus charges investment management fees. In your investment advisory agreement with Argentus, you can find the investment management fee described as the "Total Portfolio Management Fee" which is a sum of the Financial Advisor Fee and the Annual Program Fee. The Annual Program Fee is the platform fee assessed by Argentus, to make the Advisor Directed and selected Third-Party Money Manager's services available to you.

Each Third-Party Money Manager may have a different Annual Program Fee, which will apply to the value of the assets being managed under that particular Third-Party Money Manager's strategy. Due to the fact that the value of the assets managed fluctuates from period to period and, in addition, the Annual Program Fee for each Third-Party Money Manager may be different, the Total Portfolio Management Fee will fluctuate from period to period. This is a function of the fact that different sleeves of your portfolio may employ different managers with differing fees. The percentage you pay for the services of each individual Third-Party Money Manager and your Financial Advisor does not change.

When you enter into an investment management agreement with Argentus, you authorize our firm to deduct the investment management fees directly from your account. Whether the investment management fee is assessed in advance or in arrears is stipulated in your investment management agreement with our firm.

If billed "In Advance," the fee will be assessed quarterly in advance of services being rendered and will be based on the average daily value of the assets being managed over the previous calendar quarter. The initial Fee is based on the value of the assets deposited at the time services begin. Other than the initial deposit, additional deposit or withdrawal adjustments are accounted for at the beginning of the next calendar quarter based on the average daily value of the managed assets for the prior period. If you

should terminate advisory services, any unearned fees collected in advance will be credited back to your account promptly. Argentus may not pro-rate deposits or withdrawals that are *de minimis*.

If billed "In Arrears," the fee will be assessed at the end of the quarter for which services were already provided. The fee calculation will be based on the average daily value of the managed assets over the previous calendar quarter. For deposits or withdrawals during the billing period, including the initial deposit or final withdrawal, the fee will be prorated over the billing period to account for the days services were rendered. If you terminate your agreement, any uncollected, earned fees will be due and payable by you immediately and will be deducted from the managed assets promptly.

### **Alternative Investments**

Alternative Investments include, among others, investments made in limited partnerships, hedge funds, business development companies and possibly certain mutual funds. Some alternative investments are issued by or managed by firms associated with Argentus such as Aequitas, ACA Master Select Series Trust, Genesis Capital LLC: the Granite Harbor Tactical Fund (GHTFX) and the Granite Harbor Alternative Fund (GHAFX), which, when recommended by Argentus, may present a conflict of interest.

### **Wrap Fee Programs**

A Wrap Fee Program is an investment advisory program in which you pay one fee for both investment advisory services and the transaction costs in the Program account. The "wrap fee" is not based directly upon the actual transaction or execution costs for the transactions within the account(s). Depending on the underlying investments within the Program and how much actual trading activity occurs, you may pay more or less than if you had elected to subscribe to a non-wrap fee program and pay for transactions costs separately. Your Financial Advisor will review the fee options available to help determine the best option to choose for you. Whether the service you elect is a Wrap Fee Program or whether it is not wrapped and transaction charges are assessed separately is stipulated on your advisory agreement with Argentus. For more information about Argentus Advisor's Wrap Fee Programs, please ask your Financial Advisor for an Argentus Wrap Fee Program disclosure brochure.

### **Fee Schedule and Maximums**

As mentioned above, Argentus does not utilize a set fee schedule for its advisory services. Instead, the Total Portfolio Management Fee is determined by combining your Financial Advisor's Fee with the annual Program Fee of the selected services and third-party money managers. Argentus has a maximum Total Portfolio Management Fee of 2.60% per year. For the Spring Capital ADEPT Strategy, the maximum Total Portfolio Management Fee is 1.50% per year. The specific fee you pay for advisory services offered by us is stipulated in your advisory agreement. All fees are negotiable.

### **Financial Planning Fees**

Financial planning fees may be charged as a flat dollar amount, an amount based on a percentage of the assets under "advisement" or based on a hourly fee. Financial planning fees are based on the complexity of the case and the amount of work involved in delivery of the advice. Financial planning fees can vary widely from client to client and there is no maximum fee limit. It is up to you and your Financial Advisor to agree on the amount and complexity of the planning involved and the fee for providing such services. Financial planning fees are stipulated in a financial planning agreement which may either be a separate agreement from an investment management agreement or may be combined into one agreement.

## **Potential Conflicts of Interest**

### Industry Affiliations

Transactions in securities, such as fixed income securities, non-traded real estate investment trusts (REITs), preferred stock, and private placements, may be executed by Argentus' affiliated broker-dealer, RP Capital, on behalf of advisory clients. RP Capital charges commissions or markups or receives other compensation for effecting these securities transactions. This compensation is in addition to the fees noted above. Management persons and employees of Argentus' affiliate, Summit Advisor Solutions that are also licensed as registered representatives of RP Capital may receive a portion of this compensation. Clients should be aware that this may create an incentive for Argentus to recommend investment products based on the receipt of additional compensation, rather than the needs of the client or the quality of the investment, which creates a conflict of interest. Argentus endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser. Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

### Advised Mutual Funds and Alternative Investments

Furthermore, for assets invested in "Advised Mutual Funds":

GVTIX & GVTAX – NLFT III Tactical Asset Allocation Fund  
NFMXX, NFMXX & NFMXX – Newfound Multi-Asset Income Fund  
NFBXX, NFBXX & NFBXX – Newfound Total Return Fund  
NFGIX & NFGIX – NLFT III Newfound Risk Mgd Global Fund  
PWRIX & PWRAX – NLFT Power Income Funds  
GHAFX – Granite Harbor Alternative Fund  
GHTFX – Granite Harbor Tactical Fund  
AFLIX, AFLEX & AFLKX – Anfield: Universal Fixed Income Fund "UFIF"  
DHAAX, DHACX, DHAIX – Day Hagen Tactical Allocation Fund  
DHQAX, DHQCX, DHQIX – Day Hagen Tactical Dividend Fund  
BGMIX, BGMVX – Balter Global Macro Fund  
BESMX, BESRX – Balter European L/S Small Cap Fund  
BEVIX, BEVRX – Balter Event-Driven Fund  
BEQIX – Balter L/S Small Cap Fund  
Crow Point – All funds

Argentus' affiliates that serves as the investment adviser and/or marketing agent to those mutual funds, will ultimately receive two sets of advisory fees on those assets, a sub-advisory "platform fee", and a fee embedded into the net asset value of those mutual funds that is paid to the advising affiliate, and thus Argentus has a conflict of interest when recommending or when an affiliate or a Third-Party Money Manager utilize Advised Mutual Funds in a managed portfolio.

Investment advice, utilization within proprietary or Third-Party Money Manager portfolios, or recommendations may also be provided on illiquid alternative investments. Associated organizations, in certain instances, may be compensated for the distribution or sales of these investment vehicles, which creates a conflict of interest for Argentus.

It is important to point out that these arrangements are a conflict of interest and can incentivize someone to recommend these funds based on the compensation received rather than based solely on your needs. You have the option to purchase investment products recommended to you by one of our Financial

Advisors through other financial advisory firms and/or broker/dealers that are not affiliated with Argentus. We do not compensate Financial Advisors any more or less to recommend these funds nor do we promote or incentivize our Financial Advisors, in any way, to recommend these funds over any other funds which may be available on the platform. These policies along with providing you this brochure with full disclosure are how Argentus addresses these conflicts.

#### Registered Representatives and Insurance Agents

While Argentus is not a broker-dealer or an insurance agency and is not affiliated with a broker-dealer or an insurance agency, many of the Financial Advisors registered as investment adviser representatives with Argentus are also registered representatives of unaffiliated broker-dealers and state licensed insurance agents. This means your financial advisor may receive commissions for security and insurance recommendations you execute through his or her broker-dealer or insurance practice. This relationship may present a conflict of interest for the Financial Advisor, as it creates an incentive for your Financial Advisor to recommend the purchase of securities and insurance products on the basis of compensation rather than based on your needs. Financial Advisors are fiduciaries and have an ethical obligation to always put your interests before their own.

Financial Advisors providing investment advice on behalf of Argentus, who are registered representatives of an unaffiliated broker-dealer, may recommend their broker-dealer for brokerage services. These individuals are subject to applicable rules that restrict them from conducting securities transactions away from their broker-dealer unless the broker-dealer provides the Financial Advisor with written authorization to do so. Therefore, these individuals may be limited to conducting securities transactions through their broker-dealer. It may be the case that such broker-dealer's charge higher transaction fees and/or custodial fees than other broker-dealers charge for the same services. Also, if transactions are executed through these broker-dealers, these Financial Advisors (in their capacity as registered representatives of the brokerage firm) may earn commission-based compensation as a result of placing the recommended securities transactions through their broker-dealer. This practice presents a conflict of interest because the Financial Advisor has an incentive to effect transactions for the purpose of generating a commission rather than solely based on your best interest. Additionally, this practice may preclude Argentus from achieving best execution within such an advisory account. You may utilize the broker-dealer of your choice, however, if you want your Financial Advisor to be the Financial Advisor of record for your account and you do not choose the broker-dealer your Financial Advisor is a Registered Representative of, we may not be able to accept your account.

#### Due Diligence Meetings and Gifts & Entertainment

On occasion, Financial Advisors and Argentus' personnel are invited by Third-Party Money Managers, product sponsors and other investment advisory firms to due diligence and educational meetings which they host. Argentus believes these meetings to be valuable in allowing our firm and our Financial Advisors the opportunity to better understand the products and services offered by such business associates. Consequently, Argentus permits Financial Advisors to attend these meetings. In many cases, the hosting party will offer to pay for such expenses as airfare, hotel rooms, local transportation and dining. While Argentus does maintain a Code of Ethics for which all of its Financial Advisors and personnel are subject to complying with, these events can pose a conflict of interest and incentivize the recommendation of the hosting parties products and services.

Additionally, Third-Party Money Managers, product sponsors and outside investment advisory firms may offer gifts and entertainment opportunities to our Financial Advisors and/or personnel. Such gifts and entertainment may be dinner, sporting events, concerts and the like. Argentus requires that these gifts are reported, so that we have an understanding of what is being offered and seek to ensure that there is

no undue influence or extravagance. Even though Argentus maintains a Code of Ethics and policies and procedures designed to mitigate these conflicts, these gifts are permitted and by their very nature present a potential conflict of interest.

#### Political Contributions

Argentus permits its Financial Advisors and personnel to contribute to politicians and political parties. Argentus maintains policies and procedures designed to mitigate any influence such contributions may present and to keep the firm in compliance with the industry's "Pay to Play" rules. Political contributions could create the perception that Argentus or its Financial Advisors are seeking quid pro quo.

#### Other Fees and Expenses You May Incur

The total advisory fees you pay and other costs associated with your account impact the overall performance of your portfolio. It is important to review these costs with your Financial Advisor when making your advisory and investment decisions. Costs may include, but are not necessarily limited to:

**Internal Expenses** – Internal management fees and other expenses charged by mutual funds, variable annuities and other investment product sponsors (also known as internal expenses). All mutual funds and variable annuity products, as well as, other pooled investments such as hedge funds, REITs and other alternative investments charge a fee for the management and operations of their offerings. These fees impact the overall investment performance of your portfolio.

**Brokerage Account Fees** – Argentus offers its services on various broker-dealer and custodial platforms. Each broker-dealer and/or custodian assesses different account, service and transaction charges such as, transaction fees, wire fees, trade-away fees, statement and confirmation fees, etc. Please discuss these fees with your Financial Advisor and refer to your broker-dealer/custodial agreement for more information on these types of fees

**Short-Term Trading Redemption Fees** – Some pooled investments, such as mutual funds, impose short-term trading redemption fees as high as 2% for actively trading or exchanging in and out of their funds. This could affect your Financial Advisor's or any Third-Party Money Manager's ability to manage your portfolio, as the existence of these fees may cause Argentus, your Financial Advisor and/or the Third-Party Money Manager to delay placing trades to avoid incurring these expenses.

**Variable Annuity Riders and Contract Costs** – Variable annuities assess fees which may include, but are not limited to, annual base annuity M&E charges, optional benefit rider charges, underlying sub-account management fees and contract surrender charges.

**Rights of Accumulation** – Many mutual fund families offer rights of accumulation or other sales charge discounts. You should be aware that, for many fund families, shares held in advisory accounts are not counted towards rights of accumulation and, therefore, may not count towards sales discounts on other mutual fund purchases you make outside of your advisory account. You should consult the mutual fund's prospectus for more information regarding rights of accumulations and sales discount eligibility.

**ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Argentus and its Financial Advisors do not charge Performance-Based or Side-By-Side Management Fees.

Performance-Based Fees are fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle).

Your investment management fees with Argentus are assessed as a percentage of the total value of your advisory account and are not considered performance-based.

**ITEM 7 - TYPES OF CLIENTS**

Argentus generally provides investment advisory services to individuals, including high net worth individuals. To a lesser extent, it may also provide services to pension and profit sharing plans (other than plan participants), charitable organizations, and corporations or business entities.

Argentus has an account program minimum of \$25,000, however, this minimum requirement is at our sole discretion, as there may be extenuating circumstances which may make it reasonable to accept an account with a lesser value. Each Third-Party Money Manager may have its own account program minimum.



## **ITEM 8 - METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **METHODS OF ANALYSIS**

Each Financial Advisor associated with Argentus selects from a variety of sources from which they obtain information and data concerning securities which they use to formulate their client's individual investment strategies. The main information sources include, but are not limited to:

- Financial programs and financial websites;
- Financial newspapers and magazines;
- Research materials prepared by others;
- Timing services;
- Annual reports, prospectuses, filings with the SEC; and/or
- Company press releases.

Your Financial Advisor may use charting, fundamental and/or technical analysis methods to formulate the investment advice that they provide. You should ask questions and be familiar with the sources of information used by your Financial Advisor.

### **INVESTMENT STRATEGIES**

#### **BUY AND HOLD**

Portfolio managers may purchase, or recommend for purchase, securities with the idea of holding them in the client's account for a year or longer. Typically the manager will employ this strategy when:

- The manager believes the securities to be currently undervalued, and/or
- The manager wants exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, the manager may not take advantage of short-term gains that could be profitable to a client. Moreover, if the analysis is incorrect, a security may decline sharply in value before the manager makes the decision to sell.

#### **SHORT-TERM PURCHASES**

When utilizing this strategy, a portfolio manager may purchase securities with the idea of selling them within a relatively short time (typically a year or less). The manager will do this in an attempt to take advantage of conditions that it is believed will soon result in a price swing in the securities purchased.

**Trading.** Portfolio managers may purchase securities with the possibility of selling them quickly (typically within 30 days or less). This is done in an attempt to take advantage of predictions of impending brief price swings based on analysis.

Utilizing a trading strategy creates the potential for sudden losses if the anticipated price swing does not materialize. Moreover, under those circumstances, the portfolio manager must either take a long-term position in a security that was designed to be a short-term purchase or take a realized loss. In addition, because this strategy involves more frequent trading than does a longer-term strategy, there could be a resultant increase in brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

### SHORT SELLING

Portfolio managers may borrow, or recommend to borrow, shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. Subsequently, the manager buys the same stock and returns the shares to the original owner to close the open short position. Portfolio managers engage in short selling based on an opinion that the stock will go down in price after the shares have been borrowed. If the manager is correct and the stock price has gone down since the shares were borrowed from the original owner, the client account realizes the profit.

Short selling results in some unique risks:

1. **Losses can be infinite.** A short sale loses when the stock price rises, and a stock is not limited (at least, theoretically) in how high it can go. For example, if you short 100 shares at \$50 each, hoping to make a profit but the shares increase to \$75 per share, you'd lose \$2,500. On the other hand, the price of a stock cannot fall below \$0, which limits your potential upside.
2. **Short squeezes can wring out profits.** As stock prices increase, short seller losses also increase as sellers rush to buy the stock to cover their positions. This increase in demand, in turn, can further drive the price of the stock up.
3. **Timing.** Even if a portfolio manager is correct in determining that the price of a stock will decline, the manager runs the risk of incorrectly determining when the decline will take place, i.e., being right too soon. Although a company may be overvalued, it could conceivably take some time for the price to come down; during which time you are vulnerable to margin calls, opportunity costs, etc.
4. **Inflation.** History has shown that over the long term, most stocks appreciate. Even if a company barely improves over time, inflation should drive its share price up somewhat. In fact, short selling may not be appropriate in times of inflation for that very reason, as prices may adjust upwards regardless of the value of the underlying company.

### STRATEGIC VS TACTICAL

Portfolio managers may have their own unique strategies that they employ when managing portfolios. Two common asset management approaches are “strategic” and “tactical.”

**Strategic:** A strategy that sets specific asset class allocations and then, periodically, rebalances the managed portfolio to maintain the original asset class allocation. There is typically no change in the assets classes utilized in this type of strategy.

**Tactical:** A strategy that takes a more active trading approach to investing and makes tactical market trades in portfolios in an attempt to take advantage of perceived market opportunities. This could mean a complete replacement of a poor performing asset class to an assets class expected to perform better.

Prior to investing with any portfolio manager, you are encouraged to ask questions and make sure you understand the investment strategies recommended for you by your Financial Advisor.

### **RISK OF LOSS**

#### General Risk

Investing in securities involves risk of loss that you, as the investor, should be prepared to bear. Argentus does not represent or guarantee that it can predict future results, successfully identify market tops or bottoms, or insulate client portfolios and investments from losses. The prices of, and the income

generated by, equities and other securities held in your portfolio may decline in response to certain events taking place around the world, including those directly involving the issuers whose securities you own. Conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; governmental or governmental agency responses to economic conditions; and currency, interest rate and commodity price fluctuations are all risk factors that can affect the valuation of your investments.

Argentus cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance. The value of your investments will be subject to a variety of factors, such as the liquidity and volatility of the securities markets. Portfolio transactions may give rise to tax liability, for which you are responsible.

#### Asset Allocation Risk

Asset allocation risk is the risk that your portfolio may be allocated to an asset class that underperforms other asset classes. For example, fixed-income securities may underperform equities. Accordingly, asset allocation risk will be influenced by the allocation of your portfolio among equities, fixed income, alternative and money market securities.

#### Investment and Market Risk

Securities purchased in your account(s) are subject to investment risk, including the possible loss of the entire principal amount invested. A recommendation to invest in securities and other instruments may also involve market risk, which is the risk that the value of these positions, like other investments, may move up or down, sometimes rapidly and unpredictably due to adverse market conditions and not necessarily based on the individual merits of the investment. Investment holdings in your account, at any point in time, may be worth less than the original investment, even after taking into account any reinvestment of dividends.

**Interest Rate Risk.** Fluctuations in interest rates may cause the value of investments to fluctuate. For example, the value of fixed income instruments will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income instruments tends to decrease. Conversely, as interest rates fall, the market value of fixed income instruments tends to increase. This risk will be greater for long-term securities than for short-term securities.

**Counterparty Risk.** Certain assets will be exposed to the credit risk of the counterparties when engaging in exchange-traded or off-exchange transactions as such counterparties could fail to deliver or otherwise default on their obligations. There may also be a risk of loss of assets on deposit with or in the custody of a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions, or the bankruptcy of an exchange clearinghouse.

**Liquidity Risk.** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. When investing in illiquid securities, it may not be possible to sell such securities at the most opportune times or at prices approximating the value at which they were purchased.

#### Exchange Traded Funds (ETFs)

While investing in ETFs has similar risks as investing in individual equities, ETFs typically invest in a diverse group of securities. The level of diversification varies by ETF. While ETFs reduce the effects of concentration risk as compared to investing in a single security, certain ETFs are susceptible to industry, commodity or country risk. Investing in a diverse selection of ETFs may help to reduce this risk. Another

important factor to consider with ETFs is that the portfolio of securities in which they invest are typically not actively managed. Leveraged and Inverse ETFs bear unique risks that investors who wish to trade in these should understand. It's important to read the appropriate prospectus or disclosure document specific to the leveraged or inverse ETF before investing.

#### Fixed Income Investments

One of the most important risks associated with fixed-income securities is interest rate risk, the risk encountered in the relationship between bond prices and interest rates. The price of a bond will change in the opposite direction of movements in prevailing interest rates. For example, as interest rates rise, bond prices will generally fall. If an investor has to sell a bond prior to the maturity date, an increase in interest rates could mean that the bondholder will experience a capital loss (i.e., selling the bond below its original purchase price).

Reinvestment risk is the risk that the interest rate at which the interim cash flows can be reinvested will decline and thus reinvestments will receive a lower interest rate. Reinvestment risk is greater for longer holding periods.

Default risk is commonly referred to as "credit risk" and is based on the probability that the issuer of the debt obligation may default. Default risk is rated by quality ratings assigned by commercial rating companies.

Call risk is the risk related to call provisions on debt obligations. You should be aware of four risks associated with call provisions.

- 1) The cash flow patterns of callable bonds are not known with certainty.
- 2) Since the issuer will typically exercise their right to call the bonds when interest rates have dropped, you may be exposed to reinvestment risk. You would have to reinvest the proceeds after the bond is called at relatively lower interest rates.
- 3) The potential for capital appreciation of a callable bond is reduced relative to that of a non-callable bond, because its price may not rise much above the price at which the issuer can call the issue.
- 4) If the issue is purchased at a premium, you may lose the difference between the purchase price and call price.

Inflation risk arises because the value of the cash flows being received from a debt obligation may actually lose purchasing power over the course of time due to the effects of inflation.

Liquidity risk depends on the ease with which an asset can be sold at or near its current value. The best indicator to measure an issue's liquidity is the size of the spread between the bid price and the ask price quoted by a dealer. A wider spread on the asset indicates a greater liquidity risk. If you plan on holding a bond until its maturity date, liquidity risk is less of a concern.

Finally, exchange rate risk, which is encountered in non-dollar denominated bonds or bonds whose payments occur in a foreign currency, has unknown U.S. currency cash flows. The dollar cash flows are dependent on the exchange rate at the time the payments are received. For example, consider a bond whose coupon payment is paid out in Japanese yen. If the yen depreciates relative to the U.S. dollar, fewer net dollars will be received. Conversely, if the yen should appreciate relative to the U.S. dollar, the investor will benefit by receiving more net dollars.

#### Alternative or Illiquid Investments

Some portfolio managers and some strategies utilize “illiquid investments.” These are securities and other financial instruments that are not actively or widely traded and may have a limited or non-existent secondary market (i.e., non-traded REITs, Hedge Funds, Managed Futures Funds, Business Development Companies and other “Reg-D” unregistered offerings). As a result of the limited or non-existent secondary market, it may be relatively difficult, if not sometimes impossible, for Argentus, its affiliate or a third-party portfolio manager to dispose of such investments rapidly and/or at a reasonable value when you make a liquidation or withdrawal request. This is particularly true during times of adverse market conditions. Adverse market conditions have, in the past, lead to a “liquidity crisis” (i.e., the inability to sell many securities at expected values). Neither Argentus, its affiliates, nor any portfolio manager make any assurance or guarantee that future market conditions will not result in similar liquidity issues. Investors in Illiquid Investments should carefully consider the unique risks these types of securities present before making any investment decisions. Affiliated organizations, in certain instances, may be compensated for the distribution or sales of these investment vehicles, which creates a conflict of interest for Argentus. Additionally, affiliated organizations may be the issuer of such Illiquid Investments and may be involved in the valuation of such investments. This presents a conflict of interest for SAS when such investments are held within an advisory account and billed on.

#### International Investing

Investing in the global market can assist with diversification of a portfolio but it is important to consider some of the unique risks with such a strategy. Each country has unique rules and regulations covering corporations and their stock markets which offer investors varying degrees of protection. Additionally, investing in foreign markets subjects your investment to currency risk.

Additional risk information may be available in a product’s prospectus, offering circular or on the product sponsor’s web site. Additional product specific risk information is available through the investor section of [www.sec.gov](http://www.sec.gov). Please review these resources for more detailed information on the risks related to the specific investments in your portfolio.

**ITEM 9 - DISCIPLINARY INFORMATION**

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to Client's evaluation of the Registered Investment Adviser or the integrity of its management. Neither Argentus, its owners, nor its management have been involved in any legal or disciplinary events that would have a material impact on a Client's evaluation of Argentus' advisory business or the integrity of management.

Your Financial Advisor should provide, along with this brochure, a supplement that describes his or her education, business experience, professional designations and material legal or disciplinary history, if any.

## **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **GENERAL DESCRIPTION OF OWNERSHIP STRUCTURE**

Argentus is wholly owned by SAS Capital Partners, LLC. 25% of SAS Capital Partners is owned by Argentus Holdings, LLC, which is controlled by Larry Anders and Michael Lester, SAS's President. 75% of SAS Capital Partners is owned by SCA Holdings, LLC. Ronald Robertson, Tim Feehan, and Aequitas Capital Opportunities Fund, LP, are the controlling owners of SCA Holdings LLC., which exists to hold ownership interests in one or more entities providing services to independent registered investment advisers, and is located in Gig Harbor, WA. Gary Price is a non-controlling owner of SCA Holdings LLC.

Aequitas Management, through its subsidiaries, has indirect ownership in Argentus and several of its affiliates listed on Argentus' ADV1 filing with the SEC, which can be found at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). Ron Robertson and Gary Price, who have indirect ownership in Argentus, also have an ownership interest in and are control persons for Genesis Capital Partners (a registered investment advisor) and RP Capital (a registered broker/dealer).

Tim Feehan, who has indirect ownership in SAS, also has a minor ownership stake in Alternative Capital Advisors, LLC.

### **BROKER-DEALER REGISTRATION**

Certain members of Argentus' management team, as well as several of its Financial Advisors are also registered representatives of unaffiliated broker-dealers. As registered representatives, these persons may receive separate, yet customary, commission compensation and/or trailing commissions resulting from the sale of securities products and services they may recommend.

Transactions in securities, such as fixed income securities, non-traded real estate investment trusts (REITs), preferred stock, and private placements, may be executed by Argentus' affiliated broker-dealer, RP Capital, on behalf of advisory clients. RP Capital charges commissions or markups or receives other compensation for effecting these securities transactions. This compensation is in addition to the fees noted above. Management persons and employees of Argentus or one of its affiliates may also be licensed as registered representatives of RP Capital may receive a portion of this compensation. Clients should be aware that this may create an incentive for Argentus to recommend investment products based on the receipt of additional compensation, rather than the needs of the client or the quality of the investment, which creates a conflict of interest. Argentus endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser. Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

Additionally and as noted in Item 4 above, Argentus affiliate, Summit Advisor Solutions, provides services to certain mutual fund complexes. Among the services provided are trading services in which securities trades are directed to the broker-dealer for which associated persons are the registered representative of record and for which these registered representatives receive a portion of the commission assessed to the mutual fund complex. This arrangement presents a potential conflict of interest, particularly when your Financial Advisor recommends and places your assets with these mutual fund complexes. A list of funds currently under this arrangement are provided in Item 4 of this brochure.

Financial Advisors providing investment advice on behalf of Argentus, who are registered representatives of an unaffiliated broker-dealer, may recommend their broker-dealer for brokerage services. These individuals are subject to applicable rules that restrict them from conducting securities transactions away from their broker-dealer unless the broker-dealer provides the Financial Advisor with written



authorization to do so. Therefore, these individuals may be limited to conducting securities transactions through their broker-dealer. It may be the case that such broker-dealer's charge higher transaction fees and/or custodial fees than other broker-dealers charge for the same services. Also, if transactions are executed through these broker-dealers, these Financial Advisors (in their capacity as registered representatives of the brokerage firm) may earn commission-based compensation as a result of placing the recommended securities transactions through their broker-dealer. This practice presents a conflict of interest because the Financial Advisor has an incentive to effect transactions for the purpose of generating a commission rather than solely based on your best interest. Additionally, this practice may preclude Argentus from achieving best execution within such an advisory account. You may utilize the broker-dealer of your choice, however, if you want your Financial Advisor to be the Financial Advisor of record for your account and you do not choose the broker-dealer your Financial Advisor is a Registered Representative of, we may not be able to accept your account.

### **INSURANCE AGENTS AND AGENCIES**

Certain members of Argentus' management team, as well as several of its Financial Advisors are also licensed insurance agents and/or operate insurance agencies unaffiliated with Argentus. As insurance agents and agencies, these persons receive separate, yet customary, commission compensation and/or trailing commissions resulting from the sale of insurance products and services they may recommend.

Currently, the insurance agencies operated by our affiliate, Argentus Advisors' Financial Advisors include: Kitsman Investment Management, Wealth Innovations, and Leveraged Solutions, LLC.

### **GENERAL DISCLOSURE REGARDING REGISTERED REPRESENTATIVES AND INSURANCE AGENTS**

Commission based sales may incentivize a person to recommend a commissionable product based on the compensation received, rather than based on your needs. Offering such products and services to advisory clients may present a conflict of interest. You should be aware of this conflict and should inquire further if necessary.

Each Financial Advisor is required to provide you this disclosure document along with a personal disclosure document which describes whether they are registered representatives or insurance agents, operate insurance agencies and/or other outside business activities they may be involved in which may present a conflict of interest. Providing these disclosure documents to you is an important requirement for mitigating these inherent conflicts.

### **STRATEGIC CAPITAL ALTERNATIVES, LLC**

SCA Holdings, LLC owns a controlling interest in SAS Capital Partners, LLC. SAS Capital Partners, LLC owns 100% of Argentus. SCA Holdings, LLC also owns Strategic Capital Alternatives, LLC (SCA), an SEC registered investment adviser. Our partnership with SCA is a strategic one, in that our affiliate, Summit Advisor Solutions (SAS), provides SCA a state of the art platform through which SCA is able to offer its advisory services. Not all arrangements created through our relationship with SCA present the same revenue stream to SAS, therefore, a conflict could exist as we offer advisory services to our customers. The RIA firms offering services on SAS's platform do not receive any more or less compensation based on what advisory services or Third-Party Money Managers are made available to their clients. This fact, along with the requirement to provide this disclosure brochure to you, describing the arrangement we have with SCA are among the methods we use to help mitigate this conflict. Argentus, SAS and SCA may share some of the same investment policy committee members and many of the same employees. We may occasionally trade the same or similar securities in our clients' portfolios that are traded by SAS, SCA and Genesis Capital (GC) in their clients' portfolios. When this occurs, our clients may receive a better or worse price or execution than SAS, SCA and/or GC clients depending on the order of trade execution, the type of



security traded, and the broker-dealer used. SCA utilizes the services of other third-party investment advisers, who provide specific security recommendations to SCA, which are ultimately incorporated into the SCA portfolio management offerings and are generally used to manage the equity portion of client accounts. As of the date of this Firm Brochure, SCA had sub-advisory relationships with four investment advisers for this purpose: Chilton Capital Management LLC; Granite Investment Partners, LLC; Berkshire Asset Management, LLC; and Bridge City Capital, LLC. You can find more detailed information about SCA at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

#### **ALTERNATIVE CAPITAL ADVISORS, LLC.**

ACA is majority owned by Christopher Lagrego and is minority owned by Andrew Formato, Gilbert Dunham and Argentus' CEO, Tim Feehan. ACA performs due diligence on and recommends the services of third party investment advisers who primarily recommend equity and debt investments. Additionally, ACA and/or affiliates of ACA sponsor and serve as the investment adviser to private investment funds that operate as funds of funds (i.e., ACA-Master Select Series Trust). These private investment funds are or may be recommended to Argentus' clients as part of the Alternative Investments portion of their portfolio. Clients invested in ACA's private investment funds will pay management fees and may pay performance-based fees, if certain conditions are met. ACA's fees are separate and independent of any fees that Argentus may charge to clients. Consequently, clients invested in these private investment funds will pay three or more layers of management fees, including one fee paid to Argentus, one fee paid to ACA, and one fee paid to underlying investment advisers or investment issuers. Summit Advisor Solutions (SAS), Argentus' affiliated RIA, and ACA have entered into a referral agreement in which SAS compensates ACA for business and clients ACA refers to the SAS platform. Additionally, ACA compensates SAS for business and clients SAS refers to the ACA portal. This arrangement creates a conflict of interest which investors should be aware of, since both SAS and ACA are incentivized to recommend each other's services. Clients should also be aware that a conflict of interest exists when Argentus or SAS makes available the products or services of ACA due to Tim Feehan's minority ownership. You can find more detailed information about ACA at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

#### **GENESIS CAPITAL, LLC., & GENESIS GENERAL PARTNERS, LLC.**

Gary Price and Ron Robertson are also managing members of Genesis Capital LLC ("GC") and Genesis General Partner LLC ("GGP"), also affiliated entities of Argentus. GC is a SEC registered investment adviser which provides advisory services to private investment funds and registered investment companies. Private investment funds managed by GC may have previously been recommended to clients but are currently in the process of liquidation. GGP serves as the general partner or managing member of one or more of these private investment funds. Clients invested in private investment funds will pay management fees and may pay performance-based fees, if certain conditions are met, that are in addition to Argentus' fees. Consequently, clients invested in these private investment funds will pay two or more layers of management fees, including one fee paid to Argentus and one fee paid to GC.

GC is also the investment adviser to the Granite Harbor Alternative Fund and Granite Harbor Tactical Fund (the "Funds"), which are series of the Northern Lights Fund Trust. Argentus may recommend investments in the Funds to its advisory clients. GC receives a management fee as the investment manager to the Funds in the amount of 1.95% for the Granite Harbor Alternative and Tactical Funds and 1.65% for the Anchor Alternative Income Investor Fund of each fund's average daily net asset value. Neither GC nor Argentus is affiliated with Northern Lights Fund Trust. Investments of these types may involve certain additional degrees of risk and will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability. A conflict of interest is created when Argentus recommends that a client invest in a mutual fund for which GC serves as the investment adviser since GC may receive increased advisory fee revenue as a result of that recommendation. Clients choosing

to implement' recommendations to invest in mutual funds affiliated with GC should refer to the mutual fund's prospectus for full details regarding the mutual fund's services and fees. You can find more detailed information about GC at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

#### **AEQUITAS CAPITAL OPPORTUNITIES FUND, LP.**

As an owner of SCA Holdings LLC, Aequitas Capital Opportunities Fund, LP ("ACOF"), indirectly receives a share of Argentus' net annual revenue. ACOF and/or its affiliates may refer prospective clients to Argentus and in doing so, a conflict of interest exists as such referrals may result in increased revenue to ACOF, which in turn, may be shared with ACOF's affiliates. Argentus addresses this conflict of interest by providing disclosure of the conflict and reminding prospective clients that they have a choice in whether they engage Argentus' advisory services or not. Additionally, Argentus may recommend that clients invest in various private securities, including but not limited to promissory notes, issued and/or sponsored by ACOF and/or its affiliates ("Aequitas Products"). Conflicts of interest arise when Argentus recommends Aequitas Products to its clients as ACOF and/or its affiliates may receive various monetary and non-monetary benefits when Aequitas Products are purchased. Additionally, RP Capital, an affiliate of Argentus may also receive compensation in the form of commissions, transaction fees, and/or solicitation/finders' fees from ACOF and/or its affiliates when Argentus recommends Aequitas Products to its clients. Argentus addresses these conflicts of interest by disclosing their existence, reminding clients that they are not obligated to purchase recommended investment products, and by conducting internal reviews of client account activity to verify that all recommendations made to clients are suitable to their needs and circumstances. Furthermore, the Funds which are managed by GC, which may be recommended to Argentus' clients, may invest in Aequitas Products. As noted above, a conflict of interest also exists when Argentus recommends the Funds for investment to clients.

#### **SUMMIT ADVISOR SOLUTIONS**

Summit Advisor Solutions, a firm registered with the SEC as an investment adviser, is a "related person" of Argentus due to the fact that both companies are owned by Summit Capital Partners, LLC. Summit Advisor Solutions offers a state of the art advisory platform and back-office services to other investment advisory firms. Through the platform, Summit Advisor Solutions makes a menu of Third-Party Money Managers available for other advisory firms to either sponsor their own advisory programs or solicit Summit Advisor Solutions' programs to the public. Due to the fact that Summit Advisor Solutions has different and unique arrangements with the various advisory firms offering the platform to the public, and that Summit Advisor Solutions receives compensation for the servicing, administration and, in some cases, receives revenue based on assets managed in certain registered mutual funds, conflicts of interest do exist.

Summit Advisor Solutions provides certain back-office trading and administrative services to several registered mutual funds. In some cases, Summit Advisor Solutions also receives revenue bases on assets managed in the fund. As mentioned in Items 4 and 5 above, the current list of such funds is:

- GVTIX & GVTAX – NLFT III Tactical Asset Allocation Fund
- NFMAX, NFMIX & NFMIX – Newfound Multi-Asset Income Fund
- NFBAX, NFBIX & NFBIX – Newfound Total Return Fund
- NFGIX & NFGAX – NLFT III Newfound Risk Mgd Global Fund
- PWRIX & PWRAX – NLFT Power Income Funds
- GHAFF – Granite Harbor Alternative Fund
- GHTFX – Granite Harbor Tactical Fund
- AFLIX, AFLEX & AFLIX – Anfield: Universal Fixed Income Fund "UFIF"
- DHAAX, DHACX, DHAIX – Day Hagen Tactical Allocation Fund

DHQAX, DHQCX, DHQIX – Day Hagen Tactical Dividend Fund  
BGMIX, BGMVX – Balter Global Macro Fund  
BESMX, BESRX – Balter European L/S Small Cap Fund  
BEVIX, BEVRX – Balter Event-Driven Fund  
BEQIX – Balter L/S Small Cap Fund  
Crow Point – All funds

Due to the existence of these arrangements, you should be aware that a conflict of interest arises in that Summit Advisor Solutions stands to earn more total revenue when these funds are recommended.

Argentus does not compensate its Financial Advisors any more or less for the advisory services it offers, regardless if the asset management services are directed by the Financial Advisor directly or whether you use the services of one or more model portfolios or Third-Party Money Managers, or whether any of the above mutual funds are recommended. This compensation practice, along with the requirement that you receive this disclosure brochure prior to or at the time you enter into an advisory relationship with Argentus are among the methods we utilize to help mitigate these conflicts.

#### **RP CAPITAL, LLC.**

Gary Price is the Managing Member and CEO, and Ron Robertson is a Member of RP Capital, LLC, a FINRA member broker-dealer selling tax shelters or limited partnerships in primary distributions and private placement securities. RP Capital also offers and effects transactions in corporate debt securities, U.S. government securities, municipal securities, and mortgage securities. RP Capital, LLC is an affiliate of Argentus, and, to the extent it engages in business dealings with Argentus, conflicts of interest will be present and will need to be managed by Argentus. Such business dealings could be in the form of RP Capital, LLC being used to transact corporate and municipal bond trades for Argentus's advisory clients. RP Capital, LLC earns compensation for providing these services, such as markups/markdowns for debt securities and commissions for private placements. Markups or markdowns on corporate and municipal bond transactions for Argentus clients are typically under two points. Management persons and employees of Argentus may be licensed as registered representatives of RP Capital, LLC and, as such, may receive a portion of the compensation received by RP Capital, LLC for executing securities transactions on behalf of Argentus' advisory clients. Argentus has a heightened fiduciary duty to its clients when it effects securities transactions on behalf of its clients with or through its affiliates. As a result, Argentus (and its affiliates) have implemented policies and procedures that address these conflicts of interest and endeavors to ensure that it achieves best execution for all client transactions. To the extent that Argentus engages in principal or cross agency transactions with or through RP Capital on behalf of advisory clients, such transactions will be consummated in accordance with Rule 206(3) of the Advisers Act and, as applicable. RP Capital receives remuneration from ACOF when it refers customers to ACOF and such referrals purchase ACOF issued promissory notes or other instruments issued by ACOF. This arrangement presents a conflict of interest, as RP Capital is incentivized to make such referrals.

#### **PRIVATE ADVISORY GROUP, LLC.**

Private Advisory Group, LLC. (PAG), is an SEC registered investment adviser which is indirectly owned by Aequitas Management, LLC., and is an affiliate of Argentus. PAG is also a client of Argentus' affiliate, Summit Advisor Solutions. As a result of these relationships, a conflict of interests exists as Argentus may have an incentive to favor Private Advisory Group LLC over its other client accounts. Argentus addresses this potential conflict of interest by endeavoring to treat all clients equally and fairly and by disclosing the existence of this conflict of interest.

**ASPEN GROVE EQUITY SOLUTIONS, LLC.**

Gary Price, Ronald Robertson, and Tim Feehan are also minority owners of Aspen Grove Equity Solutions, LLC, an Oregon limited liability company that owns 68% of Private Advisory Group LLC, a SEC registered investment adviser, which is also a client of Argentus' affiliate, Summit Advisor Solutions. As a result of these relationships, a conflict of interests exists as Argentus may have an incentive to favor Private Advisory Group LLC over its other client accounts. Argentus addresses this potential conflict of interest by endeavoring to treat all clients equally and fairly and by disclosing the existence of this conflict of interest.

**W. E. DONOGHUE & CO., INCORPORATED (WEDCO)**

W. E. Donoghue & Co., Incorporated (WEDCO) is an SEC Registered Investment Advisor. WEDCO is not an affiliate of Argentus. WEDCO serves as the Investment Advisor to the Power Income Funds, a registered mutual fund. Argentus has a business relationship with WEDCO, in that Argentus' affiliate, Summit Advisor Solutions, provides trading and back-office administrative services to WEDCO for its Power Income Funds and receives compensation for these services, some of which is based on the value of assets in the Power Income Funds.

To mitigate the conflicts of interest presented by this arrangement, Argentus does not offer its Financial Advisors any additional compensation, such as bonuses or higher pay rates, for recommending investments in mutual funds for which Argentus or its affiliate, Summit Advisor Solutions, has a material financial interest, nor does Argentus ever push its Financial Advisors to recommend one investment, model portfolio or Third-Party Money Manager over another. In addition, Argentus provides this disclosure brochure to all advisory clients, prior to or at the time of, entering into an advisory agreement.

**OTHER INVESTMENT ADVISERS**

Argentus provides an advisory service by which its Financial Advisors can recommend and select other investment advisors (referred to as Third-Party Money Managers) to manage all or a part of your portfolio. These Third-Party Money Managers assess a "program fee" for their services, for which Argentus shares in. This arrangement may present a conflict of interest, depending on the fee collected by Argentus. In order to help mitigate this conflict, Argentus institutes several policies. First, Argentus uses its affiliate, Summit Advisor Solution, which has a documented and measurable process for vetting Third-Party Money Managers before they can be added to the platform and for ongoing review to determine if they should remain on the platform. The amount of compensation received by Argentus is not a part of the decision making process. Additionally, Financial Advisors do not receive any more or less compensation based on what Third-Party Money Managers they recommend or select. Last, Argentus requires the delivery of this disclosure document to all advisory clients, prior to or at the time they enter into an advisory agreement with the firm.

**GENERAL STATEMENT ON CONFLICTS PRESENTED BY AFFILIATES**

Clients should be aware that the receipt of additional compensation by Argentus and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Argentus endeavors at all times to put the interest of its clients first. As part of our fiduciary duty as a registered investment adviser; we take the following steps to address the conflicts of interest noted above:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;

- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm;
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients; and
- we monitor the personal trading of the employees we've deemed "access persons" (as that term is defined under the Advisers Act) so as to reasonably ensure the prevention of abusive trading practices such as front-running and insider trading.

## **ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **CODE OF ETHICS**

As a fiduciary, Argentus has established a Code of Ethics under which all of the firm's employees and Financial Advisors must comply. Argentus accepts its fiduciary responsibility to (1) place the interests of its clients first at all times, (2) act with the utmost good faith (3) provide full and fair disclosure of all material facts and conflicts of interest to clients, and (4) conduct all personal securities transactions consistent with its Code of Ethics. Argentus' Financial advisors are held to a professional standard that requires they avoid any abuse of an individual's position of trust and responsibility, not take inappropriate advantage of their positions; comply with applicable securities laws and regulations; and maintain confidentiality of client's financial circumstances. You may request a full copy of our Code of Ethics from your Financial Advisor.

### **PERSONAL TRADING**

From time to time, Financial Advisors, or related persons, will invest in the same securities that are going to be, or have already been, bought or sold for clients' accounts. Transactions for the Financial Advisor, or a related person, could be effected at or about the same time they are effected for a client's account. Because of this, a conflict of interest could arise in that it is possible for the Financial Advisor, or a related person, to place their order ahead of a client's order. While Argentus does allow its Financial Advisors to invest in these securities, it does not allow orders to be placed ahead of clients. Placing the client's order ahead of the Financial Advisor's or the related person's does not ensure a better price, however, it does ensure that the client's trade will occur at or before that of the Financial Advisor or related person. Whenever possible, Argentus will aggregate the trades so that all the positions are filled at the same price.

### **ADVISING INVESTMENT COMPANIES**

As mentioned in Item 5 and Item 10 of this brochure, Argentus' affiliate, Summit Advisor Solutions, does advise and provide services to several registered mutual funds. Additionally, trades for these funds are often directed to a broker/dealer, which in turn shares that revenue with our associated broker/dealer, RP Capital. This is a conflict of interest in that it can incentivize Argentus to recommend one of these funds to a client for the purpose of additional compensation, rather than to act in the client's best interest. In order to mitigate this conflict, Argentus does not compensate its Financial Advisors any more or less for recommending these funds over other mutual funds available in the advisory program. Neither Argentus nor Summit Advisor Solutions promote these funds to the Financial Advisors or incentivize the Financial Advisors, in any way, to recommend these funds over other available funds. Additionally, Argentus maintains a policy that all clients must receive this disclosure brochure at the time of or prior to entering into an advisory agreement with the firm, to ensure that proper disclosure is provided.

## **ITEM 12 - BROKERAGE PRACTICES**

Argentus considers factors such as speed, reliability, cost, quality of trade execution, and the availability of services and products when selecting broker/dealers or custodians to execute your transactions. The fees and commissions that you may pay for such services may be higher than the fees and commissions available at other broker/dealer or custodian firms. Argentus believes the overall benefits and features of recommended broker/dealer and/or custodial firms are of sufficient value to warrant the fees and commissions such firms charge.

Argentus makes various broker/dealers and/or custodians available to its prospective clients. Accounts are opened and carried by the broker/dealer or custodian selected by you, the client. Argentus reserves the right not to accept an account at its sole discretion.

From time to time, recommended broker/dealers may refer prospective clients to Argentus. Such referrals could provide an incentive for us to direct business their way. Argentus does not pay for such referrals and does not charge such referred clients any more or less than what would be charged if the prospective client learned of our services any other way.

Argentus does not receive what is known as “soft dollars” from any broker/dealer or custodian. This means that neither Argentus does not pay brokerage commissions to obtain research or other products or services from broker/dealers or account custodians.

When possible, Argentus, through its trading desk, will try to aggregate the purchase or sale of securities for various client accounts. This can sometimes provide for better execution of trades more level execution across client accounts.

Argentus may permit directed brokerage arrangements in which you, the client, would select the broker/dealer or custodian to be utilized. This practice is known as “directed brokerage.” If you direct us to use a broker/dealer or custodian other than those which we recommend, Argentus may not be able to achieve most favorable execution and you may pay more or less for account transactions.

### ***REGISTERED REPRESENTATIVES***

Some Financial Advisors are also registered representatives of unaffiliated broker/dealers. This fact will be disclosed to you via the Financial Advisors ADV2B “bio brochure” which you should receive on or before account opening. Although the broker/dealer for which the Financial Advisor is registered is unaffiliated with Argentus, your account may still be held or cleared through that broker/dealer. When this is the case, your Financial Advisor may also be the registered representative of record for your account. As a registered representative, your Financial Advisor may be entitled to other compensation such as 12b-1 fees and or a portion of the ticket charges assessed for advisory programs. This arrangement creates a conflict of interest that you should be aware of. Argentus provides this disclosure brochure and this explanation in order to inform you of this conflict so that you can make an informed decision as you establish your advisory account.



**ITEM 13 - REVIEW OF ACCOUNTS**

Your Financial Advisor is responsible to ensure that the recommended advisory service you are subscribed to is suitable for you. Our advisory offerings are managed to meet a wide range of risk tolerances, so indicating an appropriate risk level or risk tolerance for your account and services is an important step in the account review process. Upon opening your account with Argentus, your Financial Advisor will gather pertinent information from you in order to help him or her assess your risk tolerance and help establish your investment goals. Subsequently, and at least annually, your Financial Advisor should meet with you to re-assess your situation and make sure nothing has changed that would require an adjustment to your portfolio strategy. This assessment, at a minimum, will include a review of your established investment objectives and financial situation, as well as an inquiry as to whether you would like to include any restrictions on management of your account.

Your account custodian will provide you with account statements at least quarterly, which will show your account holdings, securities valuations and any trading activity that occurred during the statement period. Upon request, your Financial Advisor may also provide certain account holdings, trading and performance reporting. All securities valuations are done by your custodian or directly from the product sponsor. Argentus does not provide valuations on securities.



**ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

From time to time, Argentus may pay a referral fee to a person or to another investment advisory firm for a client referral under the Investment Advisers Act of 1940, Rule 206(4)-3. The referring party must enter into a Solicitor's Agreement with Argentus and clients who are introduced under this arrangement receive a Solicitor's Disclosure Statement. The Solicitor's Disclosure Statement provides certain information to the introduced client, including but not limited to, the fact that the solicitor/introducer is receiving compensation, the nature of the compensation being received and whether or not the introduced client is paying any more or less for advisory services because of this referral fee arrangement.

**ITEM 15 - CUSTODY**

Argentus does not take custody of assets in any client account. Argentus has arrangements in place to do business with several different custodial firms, including but not limited to Charles Schwab and TD Ameritrade. Argentus will allow a client, under certain circumstances, to choose their own broker/dealer and/or account custodian (please see further explanation of “directed brokerage” under Item 12 above). The custodian is responsible for sending out account statement on at least a quarterly basis which will itemize each of the current account holdings, their values and all transactions that have occurred in the client’s account. Upon request from you, Argentus will also prepare a quarterly performance statement. You are strongly advised to compare the custodial statement with the quarterly performance report each quarter. In the event of a discrepancy, the custodian’s statement will prevail. Any discrepancies, errors, or questions should be brought to the attention of your Financial Advisor.

**ITEM 16 - INVESTMENT DISCRETION**

Although Argentus does not prohibit non-discretionary advisory services, in almost all situations the services provided to you and your account are discretionary in nature. Discretion may mean that your Financial Advisor has the authority to buy and sell securities inside of your account, without consulting you prior to placing such trades. It is also considered discretion when Argentus and/or your Financial Advisor can hire or fire Third-Party Money Managers on your behalf in the management of your portfolio. When you sign the Argentus client management agreement, you are providing Argentus and your Financial Advisor a “limited” power-of-attorney, permitting Argentus and your Financial Advisor to take such discretionary action. The authority is limited in that, neither Argentus nor your Financial Advisor ever assume the authority to withdraw funds or securities from your account.

## **ITEM 17 - VOTING CLIENT SECURITIES**

Argentus Advisors may employ the services of its affiliate, Summit Advisor Solutions (SAS) to vote client proxies, when requested by such clients and accepted by Argentus.

SAS is an “advisory platform.” As such, SAS provides advisory and administrative services to its many RIA clients. SAS offers its RIA clients proxy voting services. It is up to each individual RIA client as to whether they elect to use SAS to vote its client’s proxies.

SAS provides proxy voting and asset recovery services to its RIA clients who choose to subscribe to such services.

SAS utilizes ProxyEdge platform, a service provided by Broadridge Investor Communication Solutions, Inc. (“Broadridge”) to assist with its proxy voting and asset recovery services. Through the ProxyEdge platform, SAS employs the services of a “Recommendation Provider” which is a third party proxy research and due diligence firm. The Recommendation Provider assesses and analyzes corporate governance and proxy issues and makes independent recommendations as to how to vote securities proxies in the client’s best interest. By utilizing a Recommendation Provider, SAS avoids any conflict of interest it might have with any particular proxy voting event.

The ProxyEdge platform is preprogrammed to vote all authorized client proxies in accordance with the recommendation provided by the Recommendation Provider. If a client or RIA firm requests, in writing, that we vote a particular proxy event a particular way, SAS will access the ProxyEdge platform and vote the proxy as requested.

At least annually, SAS will conduct a review of the Recommendation Provider’s activities and voting history. The review is designed to identify any conflicts of interests the Recommendation Provider might have and to document their competency and independence.

All proxy voting records and history will be maintained on the ProxyEdge platform for a minimum of five years.

If you would like to request a free copy of SAS’s proxy voting procedures or would like to request a free copy of how SAS voted a particular proxy for you, please contact us at (972) 663-6300 or email us at [Compliance@sas-3.com](mailto:Compliance@sas-3.com)