



March 29, 2018

Client Disclosure Brochure:

- Form ADV Part 2A
- Form ADV Part 2B
- Privacy Notice

This Brochure provides information about the qualifications and business practices of Strategic Financial Services. This disclosure information should be carefully considered before you become a Client of Strategic Financial Service. If you have any questions about the contents of this brochure, please call us at the numbers above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Strategic Financial Services also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Where a reference is made to being a "registered investment adviser" throughout this document, the term "registered" does not imply a certain level of skill or training. "Registered" means that the company has filed the necessary documentation to maintain registration as an investment advisor with the Securities and Exchange Commission.

Strategic Financial Services, Inc.  
114 Business Park Drive | Utica, NY 13502  
315.724.1776 | 800.937.4461  
Strategic Sky Direct Line: 315.272.1925  
[www.investstrategic.com](http://www.investstrategic.com)

## Item 2 – Material Changes

This section of the ADV Part 2A Brochure is meant to describe any material changes relating to Strategic Financial Services that clients should be aware of since the last update of this brochure.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures, within 120 days of the close of our business' fiscal year, if any do arise in the future. We may provide other ongoing disclosure information about material changes as necessary.

Currently our Brochure may be requested by contacting Strategic at any of the numbers on the cover page of this Brochure.

Additional information about Strategic Financial Services is available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

There have been no material changes since our last annual filing on 3/31/2017.

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## **Advisory Business**

Strategic Financial Services, Inc. (hereinafter referred to as “Strategic”, “we”, “us”, and “our”) is a registered investment advisor with the United States Securities and Exchange Commission. Strategic has been in business since 1979 and is wholly owned by Alan R. Leist Jr., Judith Vicks Sweet, and Alan R. Leist III.

We offer three main services; wealth counseling, investment management, and employer retirement plan services. Clients have the discretion to determine the nature of the services they receive.

### **Strategic Core Program (“SCP”)**

As part of our Strategic Core Program we offer wealth counseling and investment management services. This program is generally designed for clients with investable assets of at least \$250,000. Exceptions may be made at our discretion.

Clients have the choice of utilizing our investment management services or both our investment management and wealth counseling services. We currently do not offer wealth counseling as a standalone service.

### **Wealth Counseling Services**

The breadth of our wealth counseling services provided to a client will depend on their unique needs and goals. An initial discovery meeting is held with a client to help us gain greater insight into their vision for their ideal life, their financial commitments, and how they view and experience risk. Following the discovery meeting, and once the prospect has committed to be a client, an initial financial plan will be developed with the intent of ensuring the client’s entire financial picture is aligned with their personal values and their vision for an ideal life. As part of the plan we will recommend an investment strategy with the intent of implementing the strategy utilizing our in-house investment management services. In addition, the plan may involve or recommend consultation with other professionals such as attorneys or accountants. These professionals may charge a fee above and beyond the fees charged by Strategic as outlined in the *Fees and Compensation* section of this brochure. The plan is a living item that will be revised periodically as the client’s circumstances, goals, and life events dictate. Plans may be communicated in written documents or verbally with the client.

In general, our wealth counseling services and the financial plan can address any or all the following areas:

- Retirement Planning
- Personal Budgeting
- Risk Management
- Wealth Transfer
- Business Planning
- Education Planning
- Philanthropy
- Investment Management
- General Oversight & Coordination

When an annuity or 529 plan is recommended as part of the plan, the client may implement investment strategies and insurance recommendations through a Strategic advisor who is also a registered representative of Cadaret, Grant & Co., a broker dealer, or a licensed insurance agent of various insurance companies. Clients are under no obligation to implement such recommendations through a Strategic advisor. Please refer to *Other Financial Industry Activities*

*and Affiliations* for more information on Strategic advisors who are also registered representatives of Cadaret, Grant & Co., or a licensed insurance agent.

### **Investment Management Services**

We will design a portfolio using one of or a combination of the following investment vehicles; stocks, bonds, mutual funds and/or exchange traded funds (ETFs). Selection and combination of investment vehicles will depend on numerous factors including the client's risk tolerance, investment horizon, tax sensitivity and dollar value of account. The client's global asset allocation is tailored to their client profile and unique needs.

Generally, client assets are managed in pre-defined allocation strategies where multiple accounts may be invested in the same, or similar securities, with a similar global allocation. All clients can request reasonable restrictions on how their account is invested and allocated. In addition, clients may place restrictions and/or limitations on the sale of certain high basis or legacy securities held in a discretionary account. For portfolio management reasons, these restricted securities may be moved to a separate like registered account. Clients are responsible for communicating any imposed investing restrictions to Strategic. Our team will review each restriction request and if we cannot honor the client's request, the client will be notified and offered alternative solutions.

Primarily, we provide investment management services on a discretionary basis. In a few circumstances, we do offer the management of a non-discretionary accounts where the client would like to direct the trading.

### **Strategic SKY Program**

The Strategic Sky Program is an alternative wealth counseling and investment management solution for clients who would not otherwise meet our Strategic Core Program minimum requirement of \$250,000 in investable assets and/or those who require less complex wealth counseling services.

### **Wealth Counseling Services**

The breadth of the wealth counseling services provided to clients under the Strategic Sky Program will depend on their unique needs and goals. In general, our wealth counseling services can address any or all the following areas:

- General retirement planning and forecasting
- General education planning and forecasting
- Insurance analysis
- Preferred resources for additional professional services – (i.e. Accountants and Attorneys)
- Budgeting

### **Investment Management Services**

Strategic Sky utilizes life-style asset allocation models that are set by our investment committee. In an attempt to control costs, the mix of funds selected for inclusion within these allocation models may be more limited than those used in our Strategic Core Program.

All accounts are managed on a discretionary basis. Strategic does tailor advisory services to the individual needs of the client. Each client's asset allocation is tailored to meet their specific needs. Clients can request restrictions be placed on their account. The client's dedicated financial consultant will review each request and if we cannot honor the client's request, the client will be notified and offered alternative solutions.

All accounts under the Strategic Sky platform will be opened at Charles Schwab. In addition, all trades executed on this platform will be executed with Charles Schwab. Clients do not have the option to direct brokerage.

### **Employer Retirement Plan Services**

We provide investment management and counseling services to employer sponsored retirement plans. There are three main components of the services we provide; employee services, trustee services, and investment management. Employers have the discretion to select the services they require.

Employee services include:

- Plan enrollment meetings
- One-on-one plan participant meetings/calls designed to provide a more personalized experience
- Group education meetings designed to educate participants on the plan investments, investment concepts and contribution options

Trustee services include:

- Plan design and communications
- Plan servicer provider search
- General plan reviews on costs, investments, cash flow, and plan demographics

Investment management services include:

- Investment selection, monitoring, assessing and analyzing
- Act as either a 3(38) investment manager or 3(21) investment manager.

When supported by the plan recordkeeper, our firm provides participant directed accounts the option of offering Asset Allocation Model Portfolios designed by Strategic. These models offer a selection of managed model portfolios representing different asset allocation strategies based on factors such as time horizon and risk tolerance. The model portfolios consist of mutual funds selected from the universe of available no-load or load-waived funds with a goal of consistent investment results. To the extent that a provider will allow, Strategic will monitor, manage, and rebalance the model portfolios according to the goals of each model and not according to the individual needs of plan participants.

Employers have the discretion to select the plan providers and platforms of their choice. At client request we will recommend a variety of different plan providers to clients. Recommendations are given based on the plan sponsor's objectives, costs and servicing requirements.

When providing guidance to plan participants we may request additional information from clients so that we have a fuller picture of their financial health. Our guidance is based on the information provided and stated needs and wants, as well as other factors.

Strategic may suggest clients establish a discretionary investment advisory account with our investment management division. Clients are under no obligation to implement such recommendations through this division.

Clients may also implement a retirement plan through a Strategic advisor who is also a registered representative of Cadaret, Grant & Co., a broker dealer. Clients are under no obligation to implement such recommendations. Please refer to *Other Financial Industry Activities and Affiliations* for more information on Strategic advisors who are also registered representatives of Cadaret, Grant & Co and the conflicts this may create.

We do not have a stated account or relationship minimum that a client must satisfy. However, before providing these services Strategic will evaluate each relationship to make sure that it is a good fit for both the client and Strategic.

### **Total Assets Under Management**

As of December 31, 2017, discretionary assets under management totaled \$1,028,345,809 and non-discretionary assets totaled \$154,118,160.

### **Miscellaneous Additions**

**Limitation of Wealth Counseling and Non-Investment Counseling:** To the extent specifically requested by the client to do so, Strategic may generally provide wealth counseling and counseling regarding non-investment related matters, such as estate planning, insurance, tax planning, etc. Strategic does not serve as an attorney, insurance agency or accountant and no portion of our services should be construed as the same. Strategic does not prepare estate planning documents or tax returns. We may recommend the services of other professionals for certain non-investment implementation purpose including Strategic's representatives who are licensed insurance agents. The client is under no obligation to engage the services of any such recommended professional. These services may result in fee above and beyond the fees we charge the client. If the client engages a recommended unaffiliated professional, and a dispute arises thereafter relative to the engagement, the client agrees to seek recourse exclusively from and against the engaged professional. The recommendation to purchase an insurance policy from a Strategic representative in their capacity as an insurance agent presents a conflict of interest, as the receipt of commissions may provide incentive to recommend products based on commissions received rather than a client's needs. Please see *Other Financial Industry Activities and Affiliations* for more information on this conflict.

**Retirement Rollovers:** As part of our investment advisory services, we may recommend that an individual withdraw the assets from their employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage. If the individual elects to roll the assets to an IRA that is subject to our management, we will charge the individual an asset-based fee as set forth in the agreement executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover for the purpose of generating fee-based compensation rather than solely based on the individual's needs. The individual is under no obligation, contractually or otherwise, to complete the rollover. Moreover, if the individual does complete the rollover, they are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, an individual should consider the costs and benefits of the following:

An employee will typically have four options:

- Leaving the funds in your employer's (former employer's) plan.
- Moving the funds to a new employer's retirement plan.
- Cashing out and taking a taxable distribution from the plan.
- Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

- Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
- Employer retirement plans generally have a more limited investment menu than IRAs.
- Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
  - Your current plan may have lower fees than our fees.
- If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
- You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
  - Our strategy may have higher risk than the option(s) provided to you in your plan.
  - Your current plan may also offer financial advice.
  - If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
  - Your 401k may offer more liability protection than a rollover IRA; each state may vary.
- Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules, so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
  - You may be able to take out a loan on your 401k, but not from an IRA.
  - IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
  - If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
  - Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

Plan participants of the retirement plans that we service may also elect to roll into the plan an existing IRA Rollover or an existing account in a previous employer's retirement plan. Ability to do so depends on the provisions of the plan document. If an individual elects to roll assets into a plan that we service, the assets that are rolled into the plan will be subject to the fees of the plan, which includes our management fee that is set forth in the agreement executed with our firm. This practice presents a conflict of interest because persons providing advice on our behalf have an incentive to recommend rolling assets into the plan for the purpose of generating fee-based compensation rather than solely based on the individual's needs. The individual is under no obligation, contractually or otherwise, to complete the rollover.

**Client Obligations:** Each client is advised that it remains their responsibility to promptly notify us if there is ever a change in their financial situation or investment objectives for the purpose of reviewing/evaluation/revising our previous recommendations and/or services.



## Fees and Compensation

### Strategic Core Program ("SCP")

#### **Investment Management Services and Wealth Counseling Services**

The core price schedule for wealth counseling and investment management services in the Strategic Core Program is as follows:

<b>Core Price Schedule</b>	<b>Client's Assets Under Management</b>
<b>1.50%</b>	<b>First \$250,000</b>
<b>0.90%</b>	<b>Next \$1,750,000</b>
<b>0.70%</b>	<b>Next \$3,000,000</b>
<b>0.50%</b>	<b>Above \$5,000,000</b>

The core price schedule for investment management only services in the Strategic Core Program is as follows:

<b>Investment Management Only</b>	<b>Client's Assets Under Management</b>
<b>1.20%</b>	<b>First \$250,000</b>
<b>0.65%</b>	<b>Next \$1,750,000</b>
<b>0.50%</b>	<b>Next \$3,000,000</b>
<b>0.35%</b>	<b>Above \$5,000,000</b>

Fees will be charged every three months in advance. Client accounts will be placed in one of three three-month fee cycles at the discretion of Strategic. The fee will be calculated as of the last business day of each three-month cycle and is based on the market value (as determined by the advisor) of all the assets in the account. The Advisor will receive no start-up or termination fees, nor will it be subject to any penalties. Fee deductions are reflected on custodial statements. Clients may request fee statements directly from us. Any such request should be made to the client's advisor.

We retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. This can include the complexity of the client relationship, assets to be placed under management, anticipated future deposits, related persons and account composition, among other factors. We may group certain client households for the purpose of determining the annualized fee.

Legacy clients may be grandfathered in fee schedules different than the schedules named above.

Generally, we deduct our advisory fee(s) directly from client account(s). However, we may, at our discretion, allow a client to be billed directly for their management fees.

### Strategic SKY Program ("SSP")

The core price schedule for wealth counseling and investment management services in the Strategic SKY Program is as follows:

Core Price Schedule	Client's Assets Under Management
1.50%	First \$250,000
0.90%	Next \$1,750,000
0.70%	Next \$3,000,000
0.50%	Above \$5,000,000

\*Households are subject to a minimum quarterly fee of \$200

*Households subject to the \$200 quarterly minimum will pay a higher annual fee than the 1.50% referenced above.*

*The quarterly minimum fee will be prorated across each account proportionately as a percentage of the total household.*

Fees will be charged every calendar quarter in advance from the account the fee was earned. The fee will be calculated as of the last business day of each calendar quarter cycle (Dec. 31, March 31, June 30, September 30) and is based on the market value (as determined by the advisor) of the assets in the account(s). The fee for the calendar quarter in which the Agreement becomes effective and the calendar quarter in which it is terminated will be pro-rated based on the number of days that the Agreement is in effect. We will receive no start-up or termination fees.

We retain the discretion to negotiate alternative fees or to waive the quarterly minimum fee on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. This can include the complexity of the client relationship, assets to be placed under management, anticipated future deposits, related persons and account composition, among other factors. We may group certain client households for the purpose of determining the annualized fee.

Fees will be deducted from the account from which it was earned. Clients cannot negotiate how fees are paid.

### General Information (Pertaining to Both SCP and SSP)

**Termination of Advisory Relationship:** A client agreement may be terminated at any time, by either party, for any reason upon written notice. As disclosed above, certain fees are paid in advance of our services. Any prepaid, unearned fees will be refunded on a pro-rata basis per the number of days remaining in the billing period.

**Mutual Fund and Exchange Trade Fund Fees:** A client will pay a fee on the portion of their assets that are invested in a money market, mutual fund or exchange traded fund. These fees are separate and distinct from the fees and expenses charge by Strategic. Money market, mutual fund and exchange traded fund companies set their fees and they are not negotiable. We will provide the client with the fee schedules of money market, mutual fund, and exchange traded funds upon request.

**Custodial and Brokerage Fees:** A client will pay a custodial fee to the account custodian. We recommend, but do not require, that a client use Charles Schwab & Co., Inc. (Schwab) as their account custodian. Schwab's current fee structure will be presented to the client upon establishing an account or in advance if requested by the prospective client. Schwab's fee

structure is not negotiable. A client who chooses to use another custodian will pay fees according to that custodian's fee schedule. A client will receive a copy of a custodian's fee schedule prior to establishing an account.

A client may pay transaction fees to brokers. Strategic selects the brokers that execute trades for client accounts. Brokerage fees vary per broker. Please refer to the section on *Brokerage Practices* for information on how Strategic selects brokers. In certain circumstances, clients can request which brokers are used to execute trades for their accounts.

**Additional Fees:**

Strategic does charge a fee for ILIT Trust Administration. Generally, this annual fee does not exceed \$500. Clients are mailed a bill for services rendered.

At our discretion, we may charge an Estate Administration fee. This fee is negotiated with the client and agreed upon prior to estate administration services commencing. The clients will be billed directly, or fees will be deducted from accounts depending on the type of accounts and services being offered.

A small number of legacy clients may pay a quarterly financial planning fee. This fee was negotiated with the client and the client is billed quarterly. A client will pay the financial planning fee at the end of the billing period.

We may recommend the purchase of life, disability, long term care insurance and various other forms of insurance. Clients have complete discretion to implement any aspect of the recommended financial plan. Clients who implement securities and insurance recommendations from the financial plan, regardless of who the transactions are conducted through, may pay commissions and fees that are separate and distinct from our fees. Clients should, and are encouraged to, inquire about the additional transaction fees that are associated with implementing these recommendations. Please refer to the section *Commissions or Sales Charges for Recommendations of Securities or Investment Products*.

We have partnered with Chicago Clearing Corporation to file class action claims on behalf of our clients. Chicago Clearing Corporation will deduct a fee of 15% of the clients' pro rata share of the plan of allocation of the settlements. Clients are not charged a fee unless they are entitled to proceeds from a filing. Upon request, Strategic will opt clients out of this service. We will take no responsibility to file the claims on behalf of a client that choose to opt out of this service. We receive no fee for this service. We make a best effort attempt to provide Chicago Clearing Corporation with the client account history needed to properly file a claim. Clients may still receive direct mailings regarding class action claim filings and we encourage them to confirm with us that a claim is being filed on their behalf with Chicago Clearing. We currently do not offer class action claims filing services for clients of the Strategic Sky Program.

### **Employer Retirement Plan Services**

We do not have a set advisory fee schedule for the retirement plan services offered. Annual fees generally do not exceed 1% of plan assets. Fees are negotiated with the plan sponsor and are largely dependent on the servicing needs of the client and the size of the plan in both assets and participants.

For advisory relationships, clients are generally billed on either a monthly or quarterly basis from the plan custodian and/or record keeper. The plan sponsor and Strategic, in a written agreement, will authorize the custodian/record keeper to calculate and distribute the management fee to Strategic. The exact fee calculation methodology and frequency of the billing is often dependent on the policies and capabilities of the custodian and/or record keeper.

For consulting arrangements with a pre-define expiration period, we will charge the client an upfront flat fee. This fee is based on the complexity of the services provided. In consulting arrangements, the client has the option of paying an annual retainer fee for predetermined services. The annual retainer fee would be paid annually in advance.

Generally, clients can terminate their Agreement with Strategic at any time upon 30 day written notice (or such period as may be mutually agreed upon by the parties) which shall be effective when received by either party. If a client pays a fee in advance and the advisory contract is terminated prior to the delivery of services, the client can request a rebate of unearned fees. Upon request, Strategic will rebate the management fee from the date it receives its termination notice to the end of the current billing period.

Clients may establish retirement plans through a Strategic employee who is also a registered representative of Cadaret, Grant. In these circumstances, we are either paid based on the commission payouts of the funds or a levelized fee across all investments. Commission payouts are non-negotiable and are determined by the fund company in the fund's prospectus. Non-fee level commission payout structures create a conflict of interest because it creates an incentive for an advisor to recommend funds with a higher commission payout rather than recommendations based on the client's best interest. Strategic will no longer establish plans that do not have a fee level structure. Clients who are operating under an existing non-fee level commission structure may be required to move their plan to a levelized structure at their current custodian or move to a custodian that can accommodate the structure. Fee-level clients will be provided with an explanation of the fee-level arrangement. Please refer to the section *Commissions or Sales Charges for Recommendations of Securities or Investment Products*.

We will recommend plan record keepers, custodians and third-party administrators. Clients have complete discretion to select these additional service providers. Clients may pay record keeping, custodial and administrative fees that are transactions separate and distinct from Strategic's management fees. Clients should, and are encouraged to, inquire about the additional fees that are associated with their retirement plan. Each client's retirement planning scenarios are different as are the fees associated with their plan.

### General Information

**Commission or Sales Charges for Recommendations of Securities:** Clients that establish accounts with an advisor that is a registered representative of Cadaret, Grant & Co. are charged under a commission arrangement. Clients are under no obligation to engage such individuals and may choose brokers or agents with no affiliation to Strategic. Under the arrangement Cadaret, Grant & Co. may charge brokerage commissions to affect security transactions and thereafter, a portion of these commissions may be paid by Cadaret to such supervised persons. The brokerage commissions charged by Cadaret may be higher or lower than those charged by other broker-dealers. In addition, such supervised individuals may also receive ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment.

1. The practice of accepting compensation for the sale of securities or other investment products creates a conflict of interest because this relationship gives Strategic a financial incentive to recommend purchases and sales in a client's account based on the commissions we receive, rather than based solely on the client's best interest. Strategic addresses this conflict by fully disclosing the fees or fee schedules associated with any client transactions. In addition, all trades are monitored and reviewed in an effort to identify trading that is inconsistent with client's investment objectives, risk tolerance or account restrictions, or is otherwise not in the client's best interest. Clients are urged to monitor trading in their own accounts by reviewing the written trade confirmations and the account

statements delivered to them directly from the custodian. The mutual funds that are purchased under this arrangement are generally load based funds.

2. Clients also have complete discretion to establish accounts and execute trades through other brokers or agents that are not affiliated with Strategic.
3. Commissions and other compensation for the sale of investment products we recommend to our clients is not Strategic's primary compensation source.
4. Clients will not pay the advisor both a commission and a management fee on the same assets.

## **Performance-Based and Side-By-Side Management**

Strategic does not charge a performance-based fee.

## **Types of Clients**

Strategic generally provides investment advice to the following types of client:

- Individuals
- High-net-worth individuals
- Trusts, Estates, Foundations or Charitable Organizations
- Corporations
- Non-Profit Institutions
- Pension, Profit Sharing Plans, 401(k) Plans and other Qualified Retirement Plans
- Other Business Entities

Please refer to the section *Advisory Business* for information on requirements for establishing an account/relationship.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

### **Wealth Counseling**

We will conduct an initial discovery meeting with prospective client. During the initial consultation, the prospective client will be asked to discuss their needs and desired goals of the wealth counseling process. Based upon that meeting and the determined desired financial plan, the prospective client will be asked to provide (if applicable to the desired plan) the following information:

- Most recent income tax returns
- Copies of current estate documents
- List of assets, liabilities and cash flows
- Copies of current investment accounts and cost basis
- Copies of retirement accounts and estimated annual contributions
- Life insurance and disability insurance policies
- Estimated annual living expenses
- Annual social security statements
- Any business contracts
- Summary statements on company provided benefits
- Client goals, financial needs, time horizon, and other applicable items

Once agreeing to become a client, we will design a financial plan based upon the information provided by the client and their stated goals and objectives. Strategic may perform various

techniques in analyzing and designing a financial plan. Techniques may include, but are not limited to forecasting, budgeting, data analysis and investment models. Strategic may use a combination of both proprietary techniques and/or financial planning software, such as MoneyGuidePro to develop the clients plan. The client is advised that there is no guarantee, stated or implied, that their wealth counseling goals or objectives will be achieved.

All methods of analysis and wealth counseling involve material risks, including the risk of loss. Forecasting, data analysis and budgeting rely on information provided by the client and relies on historical economic data in an attempt to create a forward looking financial plan. Forecasting and budgeting include the risk of using historical data which is not indicative of future economic trends or future needs of clients. Investment models focus on developing an overall investment asset allocation that is designed to meet the client's objectives and goals. Investment models are subject to material risks, such as loss, and rely on specific economic conditions so that investment accounts may perform in a manner that meets the client's objectives and needs. As a result, financial modeling includes the risk of not taking into consideration the overall state of the economy and markets.

Any investment recommendation made as part of a client's financial plan will be coordinated with our investment management process. All investments contain risks and may lose value.

### **Investment Management**

Strategic employs an investment process centered on fundamental research. Fundamental analysis can be considered in macro ("top down") and micro ("bottom up") contexts. Macro analysis includes, but is not limited to, review of major economic activity reports, labor market, interest rate, inflation, commodity, currency data, and central bank policies. Micro analysis, primarily at the level of an industry or individual security, considers current and expected conditions in such variables as sales, earnings, business strategies, credit spreads, and debt coverage. In both macro and micro analysis, we review the level of asset prices, and form judgments as to their worth, both in an absolute, as well as a relative, context.

We design our investment strategies combining top-down analysis, bottom-up selection and secular themes. Asset classes and individual securities that fit favorably among those three criteria are emphasized within our investment strategies.

Clients are advised that investing in any securities involves risk of loss and should be prepared to bear this risk when investing.

With respect to our fundamental economic and security analysis, it is possible that we could err materially in assessing the attractiveness of an asset, or the overall thrust of an investment strategy, resulting in loss for an investor.

We generally aim to avoid frequent trading of securities and keep portfolio turnover reasonable in order to control transaction costs.

Depending on the appropriateness to each client's portfolio, we may utilize a mix of individual securities, mutual funds, exchange-traded funds, and cash equivalents to construct a diversified portfolio.

The market value of a security may decline due to general market conditions that are not specifically related to a particular company, such as adverse economic conditions, changes in the outlook for corporate earnings, and adverse investor sentiment. A security's market value may also decline because of factors that affect a particular sector or industry.

When investing in fixed income, there are many risks to be considered, including, but not limited to, interest rate risk, inflation risk, credit risk, principal risk, duration risk and reinvestment risk.



Some of the risks of investing in mutual funds include, but are not limited to, material underperformance, high fees and expenses, trading limitations, tax consequences, capital gains distributions, excessive trading, investment style drift, lack of control over fund transactions, and management turnover.

Risks of investing in exchange-traded funds include cost of trading, availability, liquidity, and tracking error to the respective benchmark.

An investment in a cash-equivalent money market fund or stable value fund is not a bank deposit and is not insured or guaranteed by the FDIC or any other government agency. The value of investment in the fund can fluctuate, sometimes resulting in a loss of principal.

### **Employer Retirement Plan Services**

We will conduct an initial discovery meeting with a prospective client. During the initial discovery phase the prospective will be asked to discuss their needs in areas such as plan design, administration and investments. This discovery will serve as the basis for an in-depth screening process aimed at launching a full range of retirement plan services for the client.

When supported by the plan recordkeeper, our firm provides participant directed accounts the option of offering Asset Allocation Model Portfolios designed by Strategic.

Our primary method of analysis and investment strategy is mutual fund analysis and the implementation of Asset Allocation Model Portfolios designed by Strategic. As previously mentioned, the availability of Asset Allocation Model Portfolios is dependent upon the plan recordkeeper. These models offer a selection of managed model portfolios representing different asset allocation strategies based on factors such as time horizon and risk tolerance. The model portfolios consist of mutual funds selected from the universe of available no-load or load waived funds with a goal of consistent investment results. To the extent that a provider will allow, Strategic will monitor, manage, and rebalance the model portfolios according to the goals of each model and not according to the individual needs of plan participants.

All methods of analysis and investment strategy involve material risks, including the risk of loss. Investment models focus on developing an overall investment asset allocation that is designed to meet the objectives and goals of a certain model allocation. Investment models are subject to material risks, such as loss, and rely on specific economic conditions to perform in a manner that meets the objectives of the model. Financial modeling includes the risk of not taking into consideration the overall state of the economy and markets. In addition, the use of modeling may take into account the historic performance of certain asset classes either throughout history or during specific economic conditions. Historical performance is not an indicator and cannot predict future performance. Relying on historical performance to make decisions is flawed and can result in loss.

The majority of investment recommendations we make involve the use of mutual funds. Investing in mutual funds involves material risks, including the risk of loss. One of these material risks is the cost of annual fees and other expenses impairing fund performance. Lack of control is also a risk that investors encounter. Investors and advisors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades. Another risk is price uncertainty. Mutual fund investors face this risk because the price at which shares are purchased and sold is based on the fund's net asset value, which may not be calculated until hours after the transaction has already been processed. Clients should read a fund's prospectus and shareholder reports to learn about its investment strategy for potential risks.

### **General Information**

The risks outlined above are not exhaustive and client portfolios may be subject to material losses, including a complete loss of principal, that result from factors beyond the scope of this discussion.

## **Disciplinary Information**

Strategic Financial Services does not have any reportable disciplinary events.

## **Other Financial Industry Activities and Affiliations**

### **Registered Representative of a Broker Dealer**

Alan R. Leist, Jr., Iris L. Buczkowski, Alan R. Leist, III, and Michael McGraw, advisors of Strategic, are also registered representatives of Cadaret, Grant & Co., a broker dealer. In their capacity as registered representatives, they may sell general securities for which they may receive commissions. Advisors of Strategic may recommend, but do not require, that clients implement aspects of their investment portfolio with one of the above mentioned registered representatives of Cadaret, Grant & Co. Clients are under no obligation to implement such recommendations through a Strategic advisor who is also a registered representative of Cadaret, Grant & Co. Please refer to the section on *Fees and Compensation* for more information. Nancy Meininger, Michael Leist, Kim White, Laura Powers and are administrative representative of Cadaret, Grant & Co. Currently, they do not actively seek to sell general securities.

Employing individuals who are registered with a broker dealer can create a conflict of interest for Strategic. It can be difficult for the client to fully understand when the advisor is acting as a registered rep of a broker dealer or as an investment advisor of a registered investment advisor. When acting as a registered rep of a broker dealer the advisor is required to fulfill a suitability obligation to their clients. The suitability obligation can be defined as making recommendations that the advisor reasonable believes are consistent with the best interests of the underlying client or customer. The advisor is compensated when the recommendation he or she makes are executed. (See section on *Commission or Sales Charges for Recommendations of Securities above*.) In addition, the broker dealer model may place limitations on the type of products that are available to our clients.

When acting as an investment advisor of a registered investment advisor, we are paid on a fee basis and we are held to a fiduciary standard that requires us to put the client's interests above our own. It is our belief that the fiduciary standard better protects clients than the suitability standard. To mitigate the risks associated of operating with advisors who are registered reps of a broker dealer and investment advisors of a registered investment advisor, we plan is to open all new accounts under our investment advisor fee-based business. There are a few exceptions to this, mainly 529 and annuity accounts.

We may request existing broker dealer clients move their accounts to our fee-based model. This may create a conflict in that Strategic will now be charging a management fee on securities that we have already received upfront commission payments. We will review each client's new fee structure to ensure that it is appropriate considering the services we are providing.

### **Receipt of Insurance Commission**

Alan Leist, Jr., Iris Buczkowski, Laura Powers, Michael McGraw, Matthew Blancovich, Lori Curtin and Aaron Evans are also licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain



insurance products. A conflict of interest exists to the extent that the advisor may recommend the purchase of insurance products where he or she receives insurance commissions or other additional compensation.

## **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

We enforce rules of conduct for all of our employees under a Code of Ethics. The Code of Ethics is designed to, among other things; govern personal securities trading activities in the accounts of certain employees, immediate family/household accounts and accounts in which an employee has a beneficial interest. The Code is based upon the principle that Strategic and its employees owe a fiduciary duty to our clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid:

- a. Serving our own personal interests ahead of clients,
- b. Taking inappropriate advantage of our position within Strategic, and
- c. Any actual or potential conflicts of interest or any abuse of our position of trust and responsibility.

The Code is designed to ensure that the high ethical standards long maintained by Strategic continue to apply. The purpose of the Code is to preclude activities that may lead to, or give the appearance of, conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of our firm continues to be a direct reflection of the conduct of each employee.

A copy of our Code of Ethics will be presented to any client or prospective client upon request.

We do not recommend to clients, or buy or sell for client accounts, securities in which Strategic or an employee of Strategic has a material financial interest.

With limitations, our employees may invest in the same securities that are recommended to clients. This activity may create a conflict of interest because employees may perform personal security transactions before, or after, clients' transactions are executed to obtain a more favorable outcome. We take several steps to ensure that:

- a. The interest of client accounts will at all times be placed first;
- b. All personal securities transactions will be conducted in such a manner to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility; and
- c. Employees do not take inappropriate advantage of their positions.

To address the potential risks, our Code of Ethics requires reporting requirements that allow us access to review and monitor certain employee personal trading activity. Transactions that are deemed inconsistent with our Code of Ethics are subject to cancellation or correction at the employee's expense. Employees are prohibited from investing in certain securities or investment products. For certain securities/products they are required to seek prior approval from the CCO. Employees who violate the Code of Ethics as it relates to personal trading practices may be subject to sanctions. Sanction may include, among other things, education or formal censure; a letter of admonition; disgorgement of profits; restrictions on such person's personal securities transactions; fines, suspension, reassignment, demotion or termination of employment; or other

significant remedial action. Determinations regarding appropriate disciplinary responses will be made and administered on a case-by-case basis.

## **Brokerage Practices**

### **The Brokers and Custodians We Use**

Our objective is to obtain the lowest commission rates that commensurate with the research and brokerage services made available to us. We consider the following factors when selecting and determining the reasonableness of broker-dealer commissions.

- a. Ability to execute orders
- b. Ability to execute orders in volatile markets
- c. Commissions rate
- d. Knowledge of market
- e. Financial Strength
- f. Service quality
- g. Confidentiality
- h. Familiarity with firm
- i. Soft Dollar Arrangements
- j. Research offerings and quality
- k. Availability of other products and services that benefit us, as described below

We have a fiduciary obligation to obtain best execution for our client transactions. We may pay a broker dealer an amount greater than the compensation that could be obtained from another broker or dealer if the research or other services are deemed superior. If a broker is allowed a commission in excess of that which another broker might have charged for executing the same transaction, it is done in recognition that such broker's special services are of great importance to us and our client(s). Research services furnished by brokers may be used in servicing all our accounts and not just those whose commission dollars contributed to the services. All clients benefit from the research received from the brokers with whom we deal. We do not seek to allocate benefits to client accounts proportionately to the soft dollar credits they generate. Although we seek best execution of transactions, clients should understand that obtaining research and services by means of soft dollar benefits represents a conflict of interest since it enables us to receive research that we might otherwise have to produce ourselves or purchase with our own money. Research may be proprietary or third party. Proprietary research is provided directly from a broker (for example, research provided by broker analysts and employees about a specific security or industry or region). Third party research is provided by the payment by a broker, in full or in part, for research services provided by third parties.

We will evaluate the quality and cost of services received from broker/dealers on at least an annual basis. As part of the evaluations, we consider the quality and cost of services available from alternative broker/dealers. A summary of our review is generated on an annual basis. Members of our investment team conduct the review.

When selecting, or recommending brokers, we do not consider whether it or an employee of Strategic receives client referrals from the broker.

Generally, our agreement with clients grant us the discretionary authority to enter orders for securities transactions with the brokers, dealers, or issuers as we select. Clients are not permitted to direct brokerage.

We maintain a Trade Allocation Policy for the purchase and sales of securities. The allocation policy states we will aggregate trades when it is consistent with the duties of best execution. Trades will be aggregated when the opportunity is present. Clients that participate in an aggregated trade will participate at the average share price of the transaction. Clients will be presented with a copy of Strategic's Trade Allocation Policy upon request.

We purchase individual bonds for clients. Our policy for allocating fixed income is based first on a "wait list" and then on which client account is furthest from its target fixed income allocation. "Wait list" refers to the bond allocation list that is kept to track those client accounts for which Strategic is seeking to purchase individual bonds. We will first purchase bonds for those clients that have been on the list the longest. If two clients have been on the wait list for the same period, we will seek to allocate a trade to the client account that is furthest from its target fixed income allocation.

We do not maintain custody of your assets that we manage or advise, although we may be deemed to have custody of your assets if you give the authority to withdrawal assets from our account. (See section on Custody below) Your assets must be maintained in an account with a "qualified custodian," generally a broker-dealer of a bank. We recommend, but do not require, that clients establish their advisory accounts with Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, Member SIPC, as the qualified custodian. We are independently owned and operated and not affiliated with Schwab or any other custodian our client's elect to use. While we recommend that you use Schwab as a custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. Even though your account may be maintained at Schwab, or another custodian, we can still use other brokers to execute trades for your account, as described above.

If a client elects to establish an account with a custodian other than Schwab it may affect Strategic's ability to achieve best execution. In addition, it may affect Strategic's ability to aggregate these trades with accounts held at other custodians or Strategic's ability to trade with certain brokers. If a client account is unable to be aggregated with accounts of other custodians, it may cost clients more money because the client may pay more in commissions or receive less favorable net prices on transactions for the account than would otherwise be the case. If there are multiple aggregated orders the largest orders will be placed and filled before the next largest aggregate order is placed.

Schwab Advisor Services is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institution brokerage-trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis and at no charge to us. Following is a more detailed description of Schwab's support services:

Services that Benefit You the Client. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that May Not Directly Benefit You the Client. Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data • Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services that Generally Benefit Only Strategic. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. This creates an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's and not Schwab's services that benefit only us.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

## **Review of Accounts**

### **Strategic Core and Strategic SKY Programs**

We recommend, at a minimum, an annual review with a client to discuss potential changes to the client's goals, objectives, needs, risk tolerance, financial well-being, etc. During this review we will also assess investment performance and suitability with the client.

If a client and advisor do not meet for a period greater than a year, and after a reasonable effort is made by us to do so, the client's account will be managed based on the previously communicated expectations.

Frequency of review meetings is generally at the discretion of the client and is subject to the ongoing arrangement.

Volatile markets and other market conditions, such as security or sector performance, may trigger reviews of client accounts and financial plans.

We are continuously reviewing the discretionary managed accounts of our clients. Trading activity and general rebalancing are dependent on the investment model of the account. If no transactions are warranted, significant periods of time may go by without any transactions taking place. If there is no account activity, Strategic is still actively supervising the account.

Clients receive a monthly or quarterly account statement directly from the custodian, broker dealer, or Mutual Fund Company. WE generated reports, such as a portfolio summary, portfolio appraisal, portfolio performance, insurance summaries and financial plan overviews are also offered on a case by case basis as we meet with clients throughout the year or at the client's request. Clients can request more specific reports. We provide clients with the option of accessing electronic reports from a secured online portal. Clients need to request online access before it will be granted. Most of our reports are generated from Advent's Axys® portfolio management and reporting software.

Our Strategic SKY Program clients have access to an online platform that is updated daily with account balances, holdings, transactions, and performance.

### **Employer Retirement Plan Services**

We monitor the performance of plan investment options and Strategic Asset Allocation Models on a quarterly basis or as market conditions require. We do recommend semi-annual or annual review meetings for plan sponsors. These meetings allow us to determine if there are any material changes in the overall retirement planning needs of the client. In addition, plan investment offerings will be reviewed for suitability and adequate performance. Frequency of review meetings is at the discretion of the client.

We are available to plan participants for additional reviews as needed.

Volatile markets and other market conditions, such as security or sector performance, may trigger reviews of investment options and Strategic Asset Allocation Models. Changes in client objectives, financial standing or constraints may also trigger additional reviews. Clients can also request more frequent reviews.

Plan sponsor and plan participants (where applicable) receive a monthly or quarterly account statement directly from the custodian, broker dealer, or Mutual Fund Company. We generate reports such as a plan summary, plan cash flow, mutual fund line-up performance, and mutual fund review commentary which are offered on a case-by-case basis as we meet with clients throughout the year or at the client's request. Clients can request more specific reports. Custodians and plan providers may offer electronic account access to plan participants and plan sponsors.

### **Client Referrals and Other Compensation**

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above. (See section Brokerage Practices above)

We do not directly or indirectly compensate any person for client referrals.

### **Custody**

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct your account custodian to deduct advisory fees directly from your account or if you grant us authority to move money to another person's account.

In all circumstances a qualified custodian will maintain the physical custody of client funds and securities. Clients directly receive custodial account statements on a monthly or quarterly basis. Clients that request and receive monthly or quarterly statements directly from us are urged to compare the statements to those they receive from the qualified custodian. We may engage an independent public accountant to conduct annual surprise audits related to the firm's custodial role.

### **Investment Discretion**

Strategic does accept discretionary authority to manage securities account on behalf of clients. Strategic will exercise this authority when the client has signed a Strategic Investment Advisory Agreement which grants Strategic discretionary authority. Strategic will take discretion over the securities to be purchased and sold, the amount of securities to be purchased or sold, when transactions are made, and the financial institutions to be utilized. Clients may request limitations of this authority. For example, limitations may be placed on the type of securities that can be bought or sold.

Strategic's retirement plan division does not have the discretionary authority over the retirement plan assets or of the accounts of plan participants. However, Strategic may have the discretionary authority to add/replace/remove funds and rebalance our Asset Allocation Models. New clients grant Strategic this authority through our Investment Management Agreement. Clients may request limitations of this authority. For example, limitations may be placed on the type of securities that are available for plan participants to purchase.

Clients are encouraged to review any agreement they sign with Strategic.

### **Voting Client Securities**

We accept the authority to vote client securities on behalf of clients. We will only accept this authority when it has been granted to them as part of our Strategic Investment Advisory Agreement. We recognize the importance of this role as a driver in enhancing shareholder value. We have adopted Proxy Voting Guidelines that provide a framework for supporting proposals that insure sound corporate governance and that align the long-term interests of the shareholder with company management. We evaluate each proposal on an individual basis and vote in a manner determined to be in the best interest of the shareholders. Although not a preferred option, clients can direct our vote solicitations by providing instructions to us. If a client would like to elect how to vote a proxy for a specific issue or for all their securities managed by Strategic, they should contact their advisor. We will make a best effort attempt to accommodate client requests. We cannot control the timing, guarantee, or provide assurance that a vote can be overrode if it was already submitted. We address potential conflicts of interest thru our investment committee. Responsibility and input of any conflicted party regarding proxy voting would be eliminated if it is determined there is a conflict of interest. Clients are provided a copy of proxy voting records and Proxy Voting Guidelines upon request.

When we do not have the authority to vote client securities, clients will receive their proxies or other solicitations directly from their custodian. Clients can request our opinion as it relates to a

solicitation. We will provide an independent unbiased opinion that is in our perceived best interest of the client. We will not offer an opinion if a conflict of interest is identified. We will notify the client of the conflict of interest and refuse an opinion.

### **Financial Information**

This section is not applicable to Strategic.



**Alan R Leist, Jr., CFP – CEO**

114 Business Park Drive | Utica, NY 13502  
315.724.1776

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**Educational Background and Business Experience**

**Year of Birth:** 1946

**Education:**

- MBA Business Administration, Farleigh Dickinson University, NJ
- BA Liberal Arts, Syracuse University, NY

**Business Background:**

- Strategic Financial Services; 1979 to Present
  - Chief Executive Officer

**Security and Insurance Licenses: Series:** 7, 24, and 63 Securities Licenses  
New York State Life/Accident Health Insurance License

**Professional Designations:** Certified Financial Planner (CFP)

The CFP is a professional certification mark granted by the Certified Financial Planner Board of Standards, Inc (CFP Board). The CFP is awarded to individuals who meet the CFP Board's education, examination, work experience, and ethics requirements. Eligible candidates must have, at a minimum, a bachelor's degree (or its equivalent) from an accredited college or university to obtain the CFP certification. The candidate must also successfully pass a written examination, have three years of professional experience in the financial planning field and meet the CFP Board's ethical requirements. To maintain the certification, the CFP Board requires individuals to complete a minimum of 30 hours of continuing education every two years and renew an agreement to abide by the CFP Board's Standards of Professional Conduct. For more information on the CFP certification please visit [www.cfp.net](http://www.cfp.net).

**Disciplinary Information**

No events have occurred that are applicable to this item.

**Other Business Activities**

Mr. Leist is also a registered representative of Cadaret, Grant & Co., a broker dealer. In his capacity as a registered representative he may sell general securities and investment products for which he may receive commissions. A conflict of interest exists to the extent that Mr. Leist recommends the purchase and/or sale of securities or investment products where he receives a commissions or other additional compensation because of the recommendations he makes. This practice gives Mr. Leist the incentive to recommend investment products based on the compensation received, rather than on the client's needs.

Mr. Leist is also a licensed insurance agent with various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. A conflict of interest exists to the extent that Mr. Leist recommends the purchase of insurance products where he receives insurance commissions or other additional compensation. This practice gives Mr. Leist the incentive to recommend investment products based on the compensation received, rather than on the client's needs.

Strategic addresses these conflicts by fully disclosing the fees or fee schedules associated with any client transactions. In addition, all trades are monitored and reviewed in an effort to identify trading that is inconsistent with client's investment objectives, risk tolerance or account restrictions, or is otherwise not in the client's best interest. Clients are urged to monitor trading in their own accounts by reviewing written trade confirmations delivered to them and by reviewing account statements delivered to them directly from the custodian.

**Additional Compensation**

Mr. Leist does not receive any additional economic benefit from third parties for providing advisory services.

**Supervision**

Strategic's Executive Committee and CCO are generally responsible for supervising and monitoring all client relationship managers and client accounts. Supervision includes account, correspondence, and various other periodic reviews. To reach Strategic's CCO, contact Kasey Williams at 1.800.937.4461.



**Judith V. Sweet, CFA - President**

114 Business Park Drive | Utica, NY 13502  
315.724.1776

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**Educational Background and Business Experience**

**Year of Birth:** 1960

**Education:**

- BA Economics, Bucknell University, PA

**Business Background:**

- President for Strategic Financial Services; 1989 to Present

**Professional Designations:** Chartered Financial Analyst (CFA)

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. There are currently more than 90,000 CFA charterholders working in 135 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

**Disciplinary Information**

No events have occurred that are applicable to this item.

**Other Business Activities**

Strategic is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Mrs. Sweet is not actively engaged in any such activities.

**Additional Compensation**

Mrs. Sweet does not receive any additional economic benefit from third parties for providing advisory services.

**Supervision**

Strategic's Executive Committee, Investment Committee and CCO are generally responsible for supervising and monitoring all client relationship managers and client accounts. Supervision includes account, correspondence, and various other periodic reviews. To reach Strategic's CCO, contact Kasey Williams at 1.800.937.4461.

**Alan R Leist, III, CFA – Senior Advisor and Managing Principal**  
114 Business Park Drive | Utica, NY 13502  
315.724.1776

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### **Educational Background and Business Experience**

**Year of Birth:** 1972

#### **Education:**

- MBA, The Johnson School of Management, Cornell University
- BA Economics, Colgate University, NY

#### **Business Background:**

- Managing Director, Investment and Management Committees for Strategic Financial Services; 2005-Present
- Institutional Equity Trader for Fulcrum Global Partners; 2005
- Institutional Equity Trader for Merrill Lynch; 1994-2005

**Security Licenses: Series:** 7, 24, 55 and 63 Securities Licenses

**Professional Designations:** Chartered Financial Analyst (CFA)

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. There are currently more than 90,000 CFA charterholders working in 135 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

### **Disciplinary Information**

No events have occurred that are applicable to this item.

### **Other Business Activities**

Mr. Leist is also a registered representative of Cadaret, Grant & Co., a broker dealer. In his capacity as a registered representative he may sell general securities and investment products for which he may receive commissions. A conflict of interest exists to the extent that Mr. Leist recommends the purchase and/or sale of securities or investment products where he receives a commissions or other additional compensation because of the recommendations he makes. This practice gives Mr. Leist the incentive to recommend investment products based on the compensation received, rather than on the client's needs.

Strategic addresses these conflicts by fully disclosing the fees or fee schedules associated with any client transactions. In addition, all trades are monitored and reviewed in an effort to identify trading that is inconsistent with client's investment objectives, risk tolerance or account restrictions, or is otherwise not in the client's best interest. Clients are urged to monitor trading in their own accounts by reviewing written trade confirmations delivered to them and by reviewing account statements delivered to them directly from the custodian.

### **Additional Compensation**

Mr. Leist does not receive any additional economic benefit from third parties for providing advisory services.

### **Supervision**

Strategic's Executive Committee, Investment Committee and CCO are generally responsible for supervising and monitoring all client relationship managers and client accounts. Supervision includes account, correspondence, and various other periodic reviews. To reach Strategic's CCO, contact Kasey Williams at 1.800.937.4461.

**David S. Lemire, CFA – Senior Advisor**  
114 Business Park Drive | Utica, NY 13502  
315.724.1776

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#### **Educational Background and Business Experience**

**Year of Birth:** 1967

##### **Education:**

- MBA Finance and Information Technology, Fordham University – Graduate School of Business, NY
- BA Political Science, Kenyon College, Gambier, OH

##### **Business Background:**

- Senior Advisor for Strategic Financial Services; 2011 to Present
- President of Adirondack Financial Services; 2007 to 2011
- Director of Research for M. Griffith-Locke; 2005 to 2007

##### **Professional Designations:** Chartered Financial Analyst (CFA)

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. There are currently more than 90,000 CFA charterholders working in 135 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

#### **Disciplinary Information**

No events have occurred that are applicable to this item.

#### **Other Business Activities**

Strategic is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Mr. Lemire is not actively engaged in any such activities.

#### **Additional Compensation**

Mr. Lemire does not receive any additional economic benefit from third parties for providing advisory services.

#### **Supervision**

Strategic's Executive Committee, Investment Committee and CCO are generally responsible for supervising and monitoring all client relationship managers and client accounts. Supervision includes account, correspondence, and various other periodic reviews. To reach Strategic's CCO, contact Kasey Williams at 1.800.937.4461.

**Iris Buczkowski – Senior Advisor**

114 Business Park Drive | Utica, NY 13502  
315.724.1776

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**Educational Background and Business Experience**

**Year of Birth:** 1979

**Education:**

- MBA Accounting and Finance, SUNY Institute of Technology, NY
- BA Finance, SUNY Institute of Technology, NY

**Business Background:**

- Senior Advisor for Strategic Financial Services; 2002 - Present

**Security and Insurance Licenses: Series:**

- Series 7, 63, and 65 Securities Licenses
- New York State Life/Accident Health Insurance License

**Professional Certifications:** Certified Long-Term Care Planner (CLTC)

The CLTC is a professional certification award by the Certified Long-Term Care Board of Standards, Inc. The CLTC certification is focused on the field of long-term care planning and provides legal, accounting, insurance, and financial service professionals the critical tools necessary to address the subject matter with their middle-age clients. CLTC candidates must complete a two-day class and successfully pass a written exam. Following certification individuals are required to take continuing education to maintain their certification. For more information on the CLTC please visit [www.ltc-cltc.com](http://www.ltc-cltc.com).

**Disciplinary Information**

No events have occurred that are applicable to this item.

**Other Business Activities**

Mrs. Buczkowski is also a registered representative of Cadaret, Grant & Co., a broker dealer. In her capacity as a registered representative he may sell general securities and investment products for which she may receive commissions. A conflict of interest exists to the extent that Mrs. Buczkowski recommends the purchase and/or sale of securities or investment products where she receives a commissions or other additional compensation because of the recommendations she makes. This practice gives Mrs. Buczkowski the incentive to recommend investment products based on the compensation received, rather than on the client's needs.

Mrs. Buczkowski is also a licensed insurance agent with various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. A conflict of interest exists to the extent that Mrs. Buczkowski recommends the purchase of insurance products where he receives insurance commissions or other additional compensation. This practice gives Mrs. Buczkowski the incentive to recommend investment products based on the compensation received, rather than on the client's needs.

Strategic addresses these conflicts by fully disclosing the fees or fee schedules associated with any client transactions. In addition, all trades are monitored and reviewed in an effort to identify trading that is inconsistent with client's investment objectives, risk tolerance or account restrictions, or is otherwise not in the client's best interest. Clients are urged to monitor trading in their own accounts by reviewing written trade confirmations delivered to them and by reviewing account statements delivered to them directly from the custodian.

**Additional Compensation**

Mrs. Buczkowski does not receive any additional economic benefit from third parties for providing advisory services.

**Supervision**

Strategic's Executive Committee, Investment Committee and CCO are generally responsible for supervising and monitoring all client relationship managers and client accounts. Supervision includes account, correspondence, and various other periodic reviews. To reach Strategic's CCO, contact Kasey Williams at 1.800.937.4461.

**Aaron Evans, CFA, CFP - Senior Advisor**  
114 Business Park Drive | Utica, NY 13502  
315.724.1776

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### **Educational Background and Business Experience**

**Year of Birth:** 1981

#### **Education:**

- MBA Finance, Simon Graduate School of Business, University of Rochester, Rochester NY
- BS Electrical and Computer Engineering, University of Rochester, Rochester NY
- Graduate Fellow Engineering Leadership, Northeastern University, Boston, MA

#### **Business Background:**

- Senior Advisor for Strategic Financial Services; 2016 - Present
- Analyst/Financial Planning Associate for Strategic Financial Services; 2011-2016
- Engineer and Project Management for Lockheed Martin; 2005-2011

**Insurance Licenses:** New York State Life/Accident Health Insurance License

**Professional Designations:** Chartered Financial Analyst (CFA), Certified Financial Planner (CFP)  
New York State Life/Accident Health Insurance License

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. There are currently more than 90,000 CFA charter holders working in 135 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

The CFP is a professional certification mark granted by the Certified Financial Planner Board of Standards, Inc (CFP Board). The CFP is awarded to individuals who meet the CFP Board's education, examination, work experience, and ethics requirements. Eligible candidates must have, at a minimum, a bachelor's degree (or its equivalent) from an accredited college or university to obtain the CFP certification. The candidate must also successfully pass a written examination, have three years of professional experience in the financial planning field and meet the CFP Board's ethical requirements. To maintain the certification, the CFP Board requires individuals to complete a minimum of 30 hours of continuing education every two years and renew an agreement to abide by the CFP Board's Standards of Professional Conduct. For more information on the CFP certification please visit [www.cfp.net](http://www.cfp.net).

### **Disciplinary Information**

No events have occurred that are applicable to this item.

### **Other Business Activities**

Mr. Evans is also a licensed insurance agent with various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. A conflict of interest exists to the extent that he recommends the purchase of insurance products where he receives insurance commissions or other additional compensation. This practice gives him the incentive to recommend investment products based on the compensation received, rather than on the client's needs.

Strategic addresses these conflicts by fully disclosing the fees or fee schedules associated with any client transactions. In addition, all trades are monitored and reviewed in an effort to identify trading that is inconsistent with client's investment objectives, risk tolerance or account restrictions, or is otherwise not in the client's best interest. Clients are urged to monitor trading in their own accounts by reviewing written trade confirmations delivered to them and by reviewing account statements delivered to them directly from the custodian.

### **Additional Compensation**

Mr. Evans does not receive any additional economic benefit from third parties for providing advisory services.

### **Supervision**

Strategic's Executive Committee, Investment Committee and CCO are generally responsible for supervising and monitoring all client relationship managers and client accounts. Supervision includes account, correspondence, and various other periodic reviews. To reach Strategic's CCO, contact Kasey Williams at 1.800.937.4461.

**Michael McGraw, CFP – Financial Advisor**  
114 Business Park Drive | Utica, NY 13502  
315.724.1776

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### **Educational Background and Business Experience**

**Year of Birth:** 1980

#### **Education:**

- BS Business Administration, University at Buffalo, NY
- M.S.Ed. Career and Technical Education, Buffalo State College, NY

#### **Business Background:**

- Financial Advisor for Strategic Financial Services; 2015 - Present
- Financial Planning Associate for Strategic Financial Services: 2011-2015
- Business Education Teacher at Whitesboro Central School District: 2010-2011
- Adjunct Professor, Business and Finance Dept. at Hudson Valley Community College: 2009-2010
- Business Education Teacher at Hoosick Falls Central School District: 2008-2010

**Security and Insurance Licenses: Series:** 7 and 63 Securities Licenses  
New York State Life/Accident Health Insurance License

#### **Professional Designations:** Certified Financial Planner (CFP)

The CFP is a professional certification mark granted by the Certified Financial Planner Board of Standards, Inc (CFP Board). The CFP is awarded to individuals who meet the CFP Board's education, examination, work experience, and ethics requirements. Eligible candidates must have, at a minimum, a bachelor's degree (or its equivalent) from an accredited college or university to obtain the CFP certification. The candidate must also successfully pass a written examination, have three years of professional experience in the financial planning field and meet the CFP Board's ethical requirements. To maintain the certification, the CFP Board requires individuals to complete a minimum of 30 hours of continuing education every two years and renew an agreement to abide by the CFP Board's Standards of Professional Conduct. For more information on the CFP certification please visit [www.cfp.net](http://www.cfp.net).

#### **Disciplinary Information**

No events have occurred that are applicable to this item.

#### **Other Business Activities**

Mr. McGraw is also a registered representative of Cadaret, Grant & Co., a broker dealer. In his capacity as a registered representative he may sell general securities and investment products for which he may receive commissions. A conflict of interest exists to the extent that Mr. McGraw recommends the purchase and/or sale of securities or investment products where he receives a commissions or other additional compensation because of the recommendations he makes. At this time, he is not actively selling securities.

Mr. McGraw is also a licensed insurance agent with various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. A conflict of interest exists to the extent that he recommends the purchase of insurance products where he receives insurance commissions or other additional compensation. This practice gives him the incentive to recommend investment products based on the compensation received, rather than on the client's needs.

Strategic addresses these conflicts by fully disclosing the fees or fee schedules associated with any client transactions. In addition, all trades are monitored and reviewed in an effort to identify trading that is inconsistent with client's investment objectives, risk tolerance or account restrictions, or is otherwise not in the client's best interest. Clients are urged to monitor trading in their own accounts by reviewing written trade confirmations delivered to them and by reviewing account statements delivered to them directly from the custodian.

#### **Additional Compensation**

Mr. McGraw does not receive any additional economic benefit from third parties for providing advisory services.

#### **Supervision**

Strategic's Executive Committee, Investment Committee and CCO are generally responsible for supervising and monitoring all client relationship managers and client accounts. Supervision includes account, correspondence, and various other periodic reviews. To reach Strategic's CCO, contact Kasey Williams at 1.800.937.4461.

**Melissa Fernalld- Financial Advisor**  
114 Business Park Drive | Utica, NY 13502  
315.272.1925

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#### **Educational Background and Business Experience**

**Year of Birth:** 1983

##### **Education:**

- BS Management, SUNY Oswego, NY; 2005
- AAS, Accounting, Herkimer County Community College; 2003

##### **Business Background:**

- Financial Advisor for Strategic Financial Services; 2016- Present
- Wealth Management Specialist for Strategic Financial Services; 2011-2016
- Operations Specialist for Strategic Financial Services; 2007 to 2011
- Representative in Client Management for BNY Mellon; 2005-2007

#### **Disciplinary Information**

No events have occurred that are applicable to this item.

#### **Other Business Activities**

Strategic is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Mrs. Fernalld is not actively engaged in any such activities.

#### **Additional Compensation**

Mrs. Fernalld does not receive any additional economic benefit from third parties for providing advisory services.

#### **Supervision**

Strategic's Executive Committee, Investment Committee and CCO are generally responsible for supervising and monitoring all client relationship managers and client accounts. Supervision includes account, correspondence, and various other periodic reviews. To reach Strategic's CCO, contact Kasey Williams at 1.800.937.4461.

#### **Supervision**

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**Laura E. Powers – Financial Advisor**

114 Business Park Drive | Utica, NY 13502  
315.724.1776

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**Educational Background and Business Experience**

**Year of Birth:** 1980

**Education:**

- MBA Technology Management, SUNY Institute of Technology, NY
- BA Psychology, SUNY Institute of Technology, NY

**Business Background:**

- Financial Advisor for Strategic Financial Services; 2015 - Present
- Director of Retirement Plan Services for Strategic Financial Services; 2011-2015
- Retirement Plan Services Associate and Operations Specialist for Strategic Financial Services; 2004-2011

**Security and Insurance Licenses: Series:** 6 Securities License  
New York State Life/Accident Health Insurance License

**Disciplinary Information**

No events have occurred that are applicable to this item.

**Other Business Activities**

Mrs. Powers is an administrative representative of Cadaret, Grant & Co., a broker dealer. As an administrative representative, she is not permitted to solicit commission-based business. No conflicts of interest have been identified in connection to this relationship.

Mrs. Powers is also a licensed insurance agent with various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. A conflict of interest exists to the extent that Mrs. Powers recommends the purchase of insurance products where he receives insurance commissions or other additional compensation. This practice gives Mrs. Powers the incentive to recommend investment products based on the compensation received, rather than on the client's needs.

Strategic addresses these conflicts by fully disclosing the fees or fee schedules associated with any client transactions. In addition, all trades are monitored and reviewed in an effort to identify trading that is inconsistent with client's investment objectives, risk tolerance or account restrictions, or is otherwise not in the client's best interest. Clients are urged to monitor trading in their own accounts by reviewing written trade confirmations delivered to them and by reviewing account statements delivered to them directly from the custodian.

**Additional Compensation**

Mrs. Powers does not receive any additional economic benefit from third parties for providing advisory services.

**Supervision**

Strategic's Executive Committee, Investment Committee and CCO are generally responsible for supervising and monitoring all client relationship managers and client accounts. Supervision includes account, correspondence, and various other periodic reviews. To reach Strategic's CCO, contact Kasey Williams at 1.800.937.4461.



**Gregory A. Mattacola, Esq. – Financial Advisor**  
114 Business Park Drive | Utica, NY 13502  
315.724.1776

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#### **Educational Background and Business Experience**

**Year of Birth:** 1971

##### **Education:**

- BA English/Political Science, St. Bonaventure University
- Juris Doctor, SUNY Buffalo School of Law

##### **Business Background:**

- Financial Advisor at Strategic Financial Services; 2018-Present
- Owner of The Mattacola Law Firm; 2003-2016
- Counsel at Hancock Estabrook LLP; 2016-2017
- Vice-President at Rome Memorial Hospital, Inc.; 2011-2016

#### **Disciplinary Information**

No events have occurred that are applicable to this item.

#### **Other Business Activities**

Strategic is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Mr. Mattacola, in certain pre-approved circumstances, will provide legal counsel for compensation. Mr. Mattacola will not provide any legal counsel to clients of Strategic Financial Services.

#### **Additional Compensation**

Mr. Mattacola does not receive any additional economic benefit from third parties for providing advisory services.

#### **Supervision**

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#### **Supervision**

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**William Rust – Financial Consultant**

114 Business Park Drive | Utica, NY 13502  
315.272.1925

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**Educational Background and Business Experience**

**Year of Birth:** 1990

**Education:**

- BA Management, St. John Fisher College

**Business Background:**

- Financial Consultant at Strategic Financial Services; 2017-Present
- Regional Sales Specialist, Pioneer Investments; 2013-2017
- Financial Advisor at Edward Jones; 2012-2013

**Disciplinary Information**

No events have occurred that are applicable to this item.

**Other Business Activities**

Strategic is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Mr. Rust is not actively engaged in any such activities.

**Additional Compensation**

Mr. Rust does not receive any additional economic benefit from third parties for providing advisory services.

**Supervision**

Strategic's Executive Committee, Investment Committee and CCO are generally responsible for supervising and monitoring all client relationship managers and client accounts. Supervision includes account, correspondence, and various other periodic reviews. To reach Strategic's CCO, contact Kasey Williams at 1.800.937.4461.

**Supervision**

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**Kim E. White – Financial Advisor – Retirement Plans**

114 Business Park Drive | Utica, NY 13502  
315.724.1776

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**Educational Background and Business Experience**

**Year of Birth:** 1959

**Education:**

- Associates in Business Management, Utica School of Commerce, NY

**Business Background:**

- Financial Advisor – Retirement Plans for Strategic Financial Services; 2013 - Present
- Retirement Plan Account Management for Adirondack Financial Services; 2007 – 2013
- Retirement Plan Associate for Bank of America (legacy Fleet Bank); 1994-2007

**Security and Insurance Licenses: Series:** 6 and 63 Securities License  
New York State Life/Accident Health Insurance License

**Disciplinary Information**

No events have occurred that are applicable to this item.

**Other Business Activities**

Ms. White is an administrative representative of Cadaret, Grant & Co., a broker dealer. As an administrative representative, she is not permitted to solicit commission-based business. No conflicts of interest have been identified in connection to this relationship.

Mrs. White is also a licensed insurance agent with various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. A conflict of interest exists to the extent that Ms. White recommends the purchase of insurance products where he receives insurance commissions or other additional compensation. This practice gives Ms. White the incentive to recommend investment products based on the compensation received, rather than on the client's needs.

Strategic addresses these conflicts by fully disclosing the fees or fee schedules associated with any client transactions. In addition, all trades are monitored and reviewed in an effort to identify trading that is inconsistent with client's investment objectives, risk tolerance or account restrictions, or is otherwise not in the client's best interest. Clients are urged to monitor trading in their own accounts by reviewing written trade confirmations delivered to them and by reviewing account statements delivered to them directly from the custodian.

**Additional Compensation**

Ms. White does not receive any additional economic benefit from third parties for providing advisory services.

**Supervision**

Strategic's Executive Committee, Investment Committee and CCO are generally responsible for supervising and monitoring all client relationship managers and client accounts. Supervision includes account, correspondence, and various other periodic reviews. To reach Strategic's CCO, contact Kasey Williams at 1.800.937.4461.

**Douglas Walters, CFA – Chief Investment Officer**

114 Business Park Drive | Utica, NY 13502  
315.724.1776

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**Educational Background and Business Experience**

**Year of Birth:** 1972

**Education:**

- MBA Finance, MIT Sloan School of Management, Cambridge, MA
- MS Mechanical Engineering, Massachusetts Institute of Technology, Cambridge, MA
- BA Mechanical Engineering, Clarkson University, Potsdam, NY

**Business Background:**

- Portfolio Manager; Strategic Financial Services; 2014 to Present
- Director, Senior Equity Analyst; EVA Dimensions; 2013-2014
- Director, CROCI Investment Strategy and Valuation Group; Deutsche Bank; 2008-2013
- Director, Capital Structure Analysis; Deutsche Bank; 2004-2008
- Vice President, Capital Goods Equity Research; Deutsche Bank; 2001-2004

**Professional Designations:** Chartered Financial Analyst (CFA)

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. There are currently more than 90,000 CFA charter holders working in 135 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

**Disciplinary Information**

No events have occurred that are applicable to this item.

**Other Business Activities**

Strategic is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Mr. Rust is not actively engaged in any such activities.

**Additional Compensation**

Mr. Walters does not receive any additional economic benefit from third parties for providing advisory services.

**Supervision**

Strategic's Executive Committee, Investment Committee and CCO are generally responsible for supervising and monitoring all client relationship managers and client accounts. Supervision includes account, correspondence, and various other periodic reviews. To reach Strategic's CCO, contact Kasey Williams at 1.800.937.4461.

**Max Berkovich – Portfolio Manager**

114 Business Park Drive | Utica, NY 13502  
315.724.1776

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**Educational Background and Business Experience**

**Year of Birth:** 1982

**Education:**

- BA Economics and Political Science, Utica College of Syracuse University, NY

**Business Background:**

- Portfolio Manager and Trader for Strategic Financial Services; 2011-Present
- Portfolio Analyst and Trader for Strategic Financial Services; 2004-2011

**Disciplinary Information**

No events have occurred that are applicable to this item.

**Other Business Activities**

Strategic is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Mr. Berkovich is not actively engaged in any such activities.

**Additional Compensation**

Mr. Berkovich does not receive any additional economic benefit from third parties for providing advisory services.

**Supervision**

Strategic's Executive Committee, Investment Committee and CCO are generally responsible for supervising and monitoring all client relationship managers and client accounts. Supervision includes account, correspondence, and various other periodic reviews. To reach Strategic's CCO, contact Kasey Williams at 1.800.937.4461.

### FACTS

What does Strategic Financial Services do with your personal information?

Why?	<p>The management and employees of Strategic Financial Services respect the privacy of nonpublic personal information that we collect from our clients. We are committed to protecting your privacy and maintaining confidentiality and security of the personal information you provide to us that helps us give you better service and complete your transactions more effectively.</p> <p>Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.</p>
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What?	<p>The types of personal information we collect and share depends on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>▪ Social Security Number and Income</li> <li>▪ Address and Occupation</li> <li>▪ Assets and Investment Objectives</li> </ul> <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
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How?	<p>All financial companies need to share customer's personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customer's personal information; the reasons Strategic Financial Services chooses to share; and whether you can limit this sharing.</p>
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Reasons we can share your personal information.	Does Strategic Financial Services share?	Can you limit this sharing?
<b>For our everyday business purposes-</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	We do not disclose any nonpublic personal information about our customers, former customers, or prospective customers to anyone, except as permitted by law.
<b>For our marketing purposes-</b> to offer our products and services to you	No	N/A
<b>For joint marketing with other financial companies</b>	No	N/A
<b>For our affiliates' everyday business purposes-</b> information about your transactions and experiences	No	N/A
<b>For our affiliates' everyday business purposes-</b> information about your creditworthiness	No	N/A
<b>For non-affiliates to market to you</b>	No	N/A

Questions?	Call (315) 724-1776 or go to <a href="http://www.investstrategic.com">www.investstrategic.com</a>
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Who we are	
Who is providing this notice?	Strategic Financial Services
What we do	
How does Strategic Financial Services protect my personal information?	We have always considered the protection of sensitive information to be a sound business practice and a foundation of customer trust. We restrict access to our client's nonpublic personal information to those employees and affiliates who need to know that information to provide you with the services you request. To protect the security and confidentiality of your personal information we maintain physical, electronic, and procedure safeguards that comply with our professional standards.
How does Strategic Financial Services collect my personal information?	<p>Personal information we collect may come from the following sources:</p> <ul style="list-style-type: none"> <li>▪ Information we receive from you on applications, client profile sheets and through discussion.</li> <li>▪ Information about your transaction with us, our affiliates, or others, such as securities transactions, withdrawals and account transfers.</li> </ul> <p>We do not collect consumer report information.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> <li>▪ sharing for affiliates' everyday business purposes - information about your creditworthiness</li> <li>▪ affiliates from using information to market to you</li> <li>▪ sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies.
Joint Marketing	A formal agreement between nonaffiliated financial companies that together market products or services to you.

Other Important Information	
<p>Strategic strives to maintain accurate information about you and your accounts. If you believe that our records contain inaccurate information about you or your accounts, please contact us immediately so that we can update any inaccurate information.</p> <p>Strategic Financial Services will provide you notice of our privacy policy annually, as long as you maintain an ongoing relationship with us.</p> <p>Strategic Financial Services also maintains a business continuity plan, including alternate processing facilities, to address disruptions in our normal course of business. These plans are reviewed annually and updated as necessary. In the event of a significant business interruption you can contact us by phone at (315) 724-1776 or visit our website at <a href="http://investstrategic.com">investstrategic.com</a>.</p>	