



A REGISTERED INVESTMENT ADVISOR

FIRM BROCHURE

ADV PART 2A

This brochure provides information about the qualifications and business practices of Southern Capital Advisors, LLC. If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed below. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Southern Capital Advisors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Southern Capital Advisors, LCL's CRD number is 292275. Southern Capital Advisors, LLC is an SEC registered investment adviser. Registration does not imply a certain level of skill or training.

Jason Lockridge | Chief Compliance Officer

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Updated 08/20/2019

ITEM 2: MATERIAL CHANGES

This item discusses only the material changes that have occurred since SCA's initial filing of this brochure.

- SCA has updated its Assets Under Management.
- SCA has updated Items 4 and 5 to include a description of its pension/benefit plan consulting services and included a range of fees for those services.
- SCA has updated Item 4 to include a fee range for its annual flat rate portfolio management services.
- SCA has updated Item 10 to include information regarding Southern Capital Consulting, LLC, a tax and accounting company owned by Mr. Lockridge and Mr. Johnson.

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ITEM 4: ADVISORY BUSINESS

DESCRIPTION OF SERVICES

Southern Capital Advisors, LLC (“SCA” or the “Firm”) is a registered investment adviser which has been in business since November 2017 and is principally owned by Charles L. Johnson. The firm is organized as a Limited Liability Company in the state of Tennessee.

SCA offers ongoing portfolio management services, primarily discretionary and primarily through a wrap fee program. Details of this program can be found in our Wrap Fee Program Brochure. The Firm also offers non-wrap fee services (and non-discretionary services) which are discussed in this brochure. Clients are required to enter into an agreement for investment advisory services. At the onset of the agreement, clients participate in detailed discussions regarding goals and investment objectives, risk tolerance and time horizon, liquidity and cash flow needs, and other factors pertaining to the individual’s investment policy (and these are documented in the client’s Investment Policy Statement, or IPS). SCA, as part of the agreement, may request discretion to manage investment portfolios in a manner consistent with the aforementioned policy (see “Portfolio Management Services” below for more details about the investment management process).

In general, SCA does not utilize third-party managers, although we reserve that capability and may implement such strategies on an as-needed basis. In the event of such an arrangement, the fees shared with the third-party manager would be disclosed.

PORTFOLIO MANAGEMENT SERVICES

SCA offers discretionary and nondiscretionary portfolio management services based on the individual goals, objectives, time horizon, risk tolerance, liquidity, and cash flow needs of each client. SCA creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that is appropriate for each client’s specific situation. Portfolio management services include, but are not limited to, the following:

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| • Investment strategy | • Personal investment policy |
| • Asset allocation | • Asset selection |
| • Risk tolerance | • Regular portfolio monitoring |

SCA evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. SCA will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is provided to each client.

SCA seeks to ensure that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of SCA’s economic, investment or other financial interests. To meet its fiduciary obligations, SCA attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, SCA’s policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid

favoring one client over another over time. It is SCA's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

FINANCIAL PLANNING & CONSULTING SERVICES

SCA may, separate from portfolio management services, engage in stand-alone arrangements for financial planning and/or consulting services. Financial planning and consulting services may include but are not limited to: general financial planning; investment and non-investment related planning; insurance planning; tax concerns; retirement planning; college planning; debt/credit planning; retirement plan consulting; and business consulting.

Prior to engaging the Firm to provide planning or consulting services, clients are generally required to enter into a Financial Planning Agreement with the Firm setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to the Firm commencing services. Clients may terminate the agreement without penalty, for full refund of SCA's fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Agreement generally upon written request.

PENSION/BENEFIT CONSULTING SERVICES

SCA offers consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans). Pension consulting may include, but is not limited to:

- Plan design and policy construction
- Identifying investment objectives and restrictions
- Providing guidance on various assets classes and investment options
- Recommending money managers to manage plan assets in ways designed to achieve objectives
- Monitoring performance of money managers and investment options and making recommendations for changes or recommending other service providers, such as custodians, administrators and broker-dealers
- Creating a written pension consulting plan

These services are based on the goals, objectives, demographics, time horizon, and/or risk tolerance of the plan and its participants.

SERVICES GENERALLY LIMITED TO SPECIFIC TYPES OF INVESTMENTS

SCA generally limits its investment advice to equities, mutual funds, fixed income securities, real estate funds (including REITs), ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds and non-U.S. securities, although SCA primarily recommends equities, mutual funds, and ETFs. SCA may use other securities as well to help diversify a portfolio when applicable.

CLIENT TAILORED SERVICES AND CLIENT IMPOSED RESTRICTIONS

SCA will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by SCA on behalf of the client. SCA may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in

investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent SCA from properly servicing the client account, or if the restrictions would require SCA to deviate from its standard suite of services, SCA reserves the right to end the relationship.

WRAP FEE PROGRAM

SCA acts as portfolio manager for and sponsor of a wrap fee program, which is an investment program where the client pays one state fee that includes management fees, transaction costs, fund expenses, and other administrative fees. However, this brochure describes SCA's non-wrap fee advisory services; clients utilizing SCA's wrap fee program should reference the separate Wrap Fee Program Brochure. SCA manages the investments in the wrap fee program but does not manage those wrap fee accounts any differently than it would manage non-wrap fee accounts. Fees paid under the wrap fee program will be given to SCA as management/advisory fees. Please also see Item 5 and Item 12 of this brochure for more information.

AMOUNTS UNDER MANAGEMENT

SCA has the following assets under management:

Discretionary Assets	Non-discretionary Assets	Date Calculated
\$174,088,584	\$1,256,295	December 2018

ITEM 5: FEES AND COMPENSATION

ADVISORY FEES

SCA provides investment advisory services in exchange for an annual fee based on the amount of assets under the Firm's management. In general, fees are applied using a tiered fee schedule (see below) and fees decrease at certain asset levels to provide more value to the client. To determine the fee, all assets within a household are aggregated for the purpose of billing, although all assets in the household may not necessarily be billed.

Maximum Fee Schedule (actual fees are determined at the onset of the relationship and may be lower):

Household Assets	Annual Fee
Up to \$499,999	2.00%
\$500,000 - \$999,999	1.60%
\$1,000,000 - \$5,000,000	1.20%
Above \$5,000,000	1.10%

FEE DISCRETION

SCA, at its sole discretion, may negotiate to charge a lesser or higher fee based upon certain criteria, such as anticipated future earning/investing capacity, anticipated future assets, assets to be managed and the complexity of that management, related accounts, pre-existing client relationships, account

retention and pro bono activities. SCA may also offer a flat rate fee (not-tiered) schedule or discounted fees for certain strategies (e.g., cash management, option overlay strategies, etc.). Annual fees range from 0.05% to 2.00%. The Firm reserves the right to create additional fee schedules. The specific fee schedule for a client is attached/disclosed in the investment advisory contract that is signed at the beginning of each client relationship.

FINANCIAL PLANNING & CONSULTING FEES

SCA may, separate from portfolio management services, engage in stand-alone arrangements for financial planning and/or consulting services. Financial planning and consulting services may include but are not limited to: general financial planning; investment and non-investment related planning; insurance planning; tax concerns; retirement planning; college planning; debt/credit planning; retirement plan consulting (see section above); and business consulting. The Firm's planning and consulting fees are negotiable and may range from \$100-\$400 on an hourly basis (and can be arranged on a fixed-fee basis as needed), depending on the level and scope of the service(s) required and the professional(s) rendering service(s). Hourly fees are generally paid in arrears upon completion.

Prior to engaging the Firm to provide planning or consulting services, clients are generally required to enter into a Financial Planning Agreement with the Firm setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to the Firm commencing services. Clients may terminate the agreement without penalty, for full refund of SCA's fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Agreement generally upon written request.

PENSION/BENEFIT PLAN CONSULTING FEES

SCA may charge a fixed project-based fee to provide clients with retirement plan consulting services. Each engagement is unique and is structured to address the needs of each client, thus fees are negotiated individually by project and documented in an Agreement. Fees vary according to the services rendered. If SCA has agreed to serve as investment advisor to a plan, the Firm may also charge an asset-based fee for those ongoing services. Those plan advisory fees range from 0.10%-1.00% (annually).

PAYMENT OF FEES

The annual advisory fee (i.e., portfolio management fee) is prorated (divided by 12) and charged monthly in arrears (at the end of the month) and is based on the average daily balance of the portfolio for that month. If an account is closed or transferred during the month, SCA will send a final bill at the conclusion of that month.

Advisory fees are withdrawn directly from the client's account(s) with written client authorization (investment advisory contract). Clients may terminate the agreement without penalty for a full refund of SCA's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

Financial Planning fees are paid via check or wire. Hourly financial planning fees are paid in arrears upon completion. For long-term projects, SCA may request periodic payment as services are rendered.

CLIENT RESPONSIBILITY FOR THIRD PARTY FEES

Clients are responsible for the payment of all third-party fees (i.e., custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by SCA. Please see Item 12 of this brochure regarding the broker-dealer/custodian.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

SCA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

ITEM 7: TYPES OF CLIENTS

TYPES OF CLIENTS

SCA generally provides advisory services to individuals (including high-net-worth individuals), pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

ACCOUNT REQUIREMENTS

As a condition for starting and maintaining an investment advisory relationship, SCA generally imposes a minimum portfolio size of \$50,000.

The Firm, at its sole discretion, may accept clients with smaller portfolios based upon certain criteria, such as anticipated future earning/investing capacity, anticipated future assets, assets to be managed and the complexity of that management, related accounts, pre-existing client relationships, account retention and pro bono activities. SCA only accepts clients with less than the minimum portfolio size if, in SCA's opinion, the smaller portfolio size will not compromise the client's ability to maintain an investment risk level that is appropriate given the client's risk tolerance profile. SCA may aggregate the portfolios of related clients to meet the minimum portfolio size.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

SCA may utilize a combination of fundamental, technical/cyclical, quantitative, and behavioral financial methods of analysis in the application of investment strategies for the client. SCA primarily uses long-term investment strategies, but these strategies may include both long-term and short-term trading, margin transactions and options trading (including covered calls, uncovered options, or spreading strategies), and in rare cases, short sales.

MATERIAL RISKS INVOLVED

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear. The types of risks involved may include but are not limited to:

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| • Market Risk | • Inflation Risk | • Interest Rate Risk |
| • Economic Risk | • Political Risk | • Regulatory Risk |
| • Company Risk | • Currency Risk | • Concentration Risk |
| • Credit Risk | • Reinvestment Risk | • Liquidity Risk |

Fundamental analysis involves the analysis of the financial condition and competitive position of a particular fund or issuer. This process typically involves an analysis of the management team, investment strategies, style parameters, style drift, past performance, financial strength in relation to the asset class, concentrations of risks and exposures, and its role in the Firm's portfolio model(s). A substantial risk in relying on fundamental analysis is that while the overall health and position of a company or fund may be good, developing market conditions may negatively impact the value of the security. It is possible that the value of a security may not reach the perceived value expectations.

Technical and cyclical analysis are similar and involve analysis of past market data (including price and volume) and the assessment of conditions at the macro (the economy or whole markets) and/or micro (company/sector specific) level. The risks of technical and/or cyclical analysis are that past results are not always indicative of future results and markets/companies to not always behave in predictable patterns and new patterns may emerge over time.

Quantitative analysis deals with measurable factors as distinguished from qualitative considerations; such as company valuations, cost of capital, relative performance, etc. The risks of qualitative analysis are similar to the risks of technical or cyclical analysis.

Behavioral analysis involves the examination of conventional economics as well as behavioral and psychological factors. Behavioral finance methodology combines the qualitative and quantitative approach to provide explanations for why investors may, at times, make irrational financial decisions. Where conventional theories have failed to explain certain patterns and behaviors, this analysis seeks the underlying reasons and biases that cause some investors to behave in ways that are contrary to their best interests. The risks relating to behavioral analysis are that it relies on identifying trends in human behavior that may not be successful in predicting future trends or behavior.

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Margin transactions use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

Options transactions involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

Short sales entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

Short term trading risks include liquidity, economic stability, and inflation, in addition to the long term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

RISKS OF SPECIFIC SECURITIES UTILIZED

SCA's use of short sales, margin transactions and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked bonds) are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically

may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

Real estate funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

Annuities are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

Options are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk

Non-U.S. securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

ITEM 9: DISCIPLINARY INFORMATION

SCA has not been involved in any legal or disciplinary events that are material to a client’s evaluation of its advisory business or the integrity of management. There are no criminal or civil actions, no administrative proceedings, and no self-regulatory organization proceedings to report.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

POSSIBLE CONFLICTS OF INTEREST

Charles Lee Johnson is a Certified Public Accountant and, from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. SCA always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of SCA in connection with such individual's activities outside of SCA.

Charles Lee Johnson and Jason Lockridge are Owners of Southern Capital Consulting, LLC, a tax and accounting company. From time to time, they may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. Southern Capital Advisors, LLC always acts in the best interest of the client and clients always have the right to decide whether or not to utilize the services of any representative of Southern Capital Advisors, LLC in such individual's outside capacities.

FINANCIAL INDUSTRY ACTIVITIES: BROKER/DEALER

As of the date of this Brochure, neither SCA nor its representatives has any broker/dealer affiliation (i.e., none of the firm's employees are registered representatives of a broker/dealer).

FINANCIAL INDUSTRY ACTIVITIES: FUTURES AND/OR COMMODITIES

Neither SCA nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

OTHER INVESTMENT ADVISORS

SCA does not utilize nor select other advisors or third-party managers. All assets are managed by SCA management. In the course of the financial planning process, it is common for referrals to be made to other professionals who are more qualified to assist with certain aspects of a client's financial plan (attorneys, CPA's, etc.). SCA seeks to make referrals that are in the best interest of the client and is not compensated for referrals or participate in quid-pro-quo arrangements for such referrals.

ITEM 11: CODE OF ETHICS

CODE OF ETHICS

SCA has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and 16 Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping,

Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

RECOMMENDATIONS INVOLVING MATERIAL FINANCIAL INTERESTS

SCA does not recommend that clients buy or sell any security in which a related person to SCA or SCA itself has a material financial interest.

INVESTING PERSONAL MONEY IN THE SAME SECURITIES AS CLIENTS

Representatives of SCA may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of SCA to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. SCA will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

TRADING SECURITIES AT/AROUND THE SAME TIME AS CLIENTS' SECURITIES

From time to time, representatives of SCA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of SCA to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, SCA will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

ITEM 12: BROKERAGE PRACTICES

FACTORS USED TO SELECT CUSTODIANS AND BROKER/DEALERS

SCA seeks to recommend a custodian/broker based on SCA's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and SCA may also consider the market expertise and research access provided by the custodian/broker, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the custodian/broker that may aid in SCA's research efforts. SCA will never charge a premium or commission on transactions beyond the actual cost imposed by the custodian/broker.

SCA generally requires that clients use Fidelity Brokerage Services, LLC.

RESEARCH AND OTHER SOFT DOLLAR BENEFITS

While SCA has no formal soft dollar program in which soft dollars are used to pay for third-party services, SCA may receive research, products, or other services from custodians and brokers in connection with client securities transactions ("soft dollar benefits"). SCA may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar

research, whether or not the client's transactions paid for it, and SCA does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. SCA benefits by not having to produce or pay for the research, products, or services, and SCA will have an incentive to recommend a custodian/broker based on receiving research or services. Clients should be aware that SCA's acceptance of soft dollar benefits may result in higher commission charges to the client.

SCA has an arrangement with National Financial Services, LLC and Fidelity Brokerage Services, LLC (Fidelity) through which Fidelity provides SCA "platform services." The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like SCA in conducting business and in serving the best interests of their clients but that may benefit SCA. Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables SCA to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. However, most clients of SCA do not pay these charges due to participation in the Wrap Fee Program. As part of the arrangement, Fidelity also makes available to SCA, at no additional charge to Registrant, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by SCA (within specified parameters). These research and brokerage services presently include services such as no cost/low cost use of financial planning software and other technology services that SCA would otherwise have to pay for and are used by SCA to manage accounts for which SCA has investment discretion. As a result of receiving such services for no additional cost, SCA may have an incentive to continue to use or expand the use of Fidelity's services. SCA examined this potential conflict of interest when it chose to enter into the relationship with Fidelity and has determined that the relationship is in the best interests of SCA's clients and satisfies its client obligations, including its duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where SCA determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although SCA will seek competitive rates, to the benefit of all clients, it may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by SCA will generally be used to service all SCA's clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. SCA and Fidelity are not affiliates, and no broker-dealer affiliated with SCA is involved in the relationship between SCA and Fidelity.

BROKERAGE FOR CLIENT REFERRALS

SCA receives no referrals from a broker or third-party in exchange for using that broker or third-party.

CLIENTS DIRECTING WHICH BROKER/DEALER/CUSTODIAN TO USE

SCA will require clients to use a specific broker/custodian to execute transactions. Not all advisers require clients to use a particular broker/custodian.

AGGREGATING (BLOCK) TRADING FOR MULTIPLE CLIENT ACCOUNTS

If SCA buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, SCA would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. SCA would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

ITEM 13: REVIEW OF ACCOUNTS

FREQUENCY AND NATURE OF PERIODIC REVIEWS AND WHO MAKES THOSE REVIEWS

Client accounts are reviewed at least quarterly by Jason B Lockridge, Chief Compliance Officer & Charles L Johnson, Managing Member. Jason B Lockridge is the Chief Compliance Officer and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at SCA are assigned to this reviewer.

Financial planning accounts are reviewed upon financial plan creation and plan delivery by Charles L. Johnson, Managing Member & Jason B. Lockridge, Chief Compliance Officer. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

FACTORS THAT WILL TRIGGER A NON-PERIODIC REVIEW OF CLIENT ACCOUNTS

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, SCA's services will generally conclude upon delivery of the financial plan.

CONTENTS AND FREQUENCY OF REGULAR REPORTS PROVIDED TO CLIENTS

Each client will receive, at least quarterly from the custodian, a written report that details the client's account including assets held and asset value (which will come from the custodian).

Each financial planning client will receive the financial plan upon completion.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

REFERRALS & ECONOMIC BENEFITS PROVIDED BY/TO THIRD PARTIES

SCA does not receive any economic benefit, directly or indirectly from any third-party for advice rendered to SCA clients. In the course of the financial planning process, it is common for referrals to be made to other professionals who are more qualified to assist with certain aspects of a client's financial plan (attorneys, accountants, etc.). SCA seeks to make referrals that are in the best interest of the client and is not compensation for referrals or participate in quid-pro-quo arrangements for such referrals.

SCA does not pay financial compensation to a non-employee in exchange for client referrals or introductions. SCA does receive referrals from current clients, SCA members, attorneys, accountants, employees, and other similar sources without compensation.

ITEM 15: CUSTODY

When advisory fees are deducted directly from client accounts at client's custodian, SCA will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

ITEM 16: INVESTMENT DISCRETION

SCA provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, SCA generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, SCA's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to SCA).

ITEM 17: VOTING CLIENT SECURITIES (PROXY VOTING)

SCA acknowledges its fiduciary obligation to vote proxies on behalf of those clients that have delegated it, or for which it is deemed to have, proxy voting authority. SCA will vote proxies on behalf of a client solely in the best interest of the relevant client. SCA has established general guidelines for voting proxies. SCA may also abstain from voting if, based on factors such as expense or difficulty of exercise, it determines that a client's interests are better served by abstaining. Further, because proxy proposals and individual company facts and circumstances may vary, SCA may vote in a manner that is contrary to the general guidelines if it believes that it would be in a client's best interest to do so. If a proxy proposal presents a conflict of interest between SCA and a client, then SCA will disclose the conflict of interest to

the client prior to the proxy vote and, if participating in the vote, will vote in accordance with the client's wishes.

Clients may obtain a complete copy of the proxy voting policies and procedures by contacting SCA in writing and requesting such information. Each client may also request, by contacting SCA in writing, information concerning the manner in which proxy votes have been cast with respect to portfolio securities held by the relevant client during the prior annual period. Clients can send written requests to the Chief Compliance Officer at jason@southernadvisor.com.

ITEM 18: FINANCIAL INFORMATION

SCA does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

Neither SCA nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

SCA has not been the subject of a bankruptcy petition in the last ten years.