

## Item 1 Cover Page



# SineCera Capital, LLC

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October 29, 2019

This Brochure provides information about the qualifications and business practices of SineCera Capital, LLC ("SineCera", "us", "we", "our"). If you have any questions about the contents of this Brochure, please contact us at (512) 980-4600 or via email at [info@sineceracapital.com](mailto:info@sineceracapital.com). 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 SineCera is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by using a unique identifying number, known as a CRD number. The CRD number for SineCera is 298872. The SEC's web site also provides information about any persons affiliated with SineCera who are registered, or are required to be registered, as Investment Adviser Representatives of SineCera.

SineCera is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information that you may use to determine whether to hire or retain them.

## Item 2    Material Changes

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Since our initial SEC registration In June of 2019, we have applied for registration In the State of Texas.

In the future, this section of the Brochure will discuss only the specific material changes that were made to the Brochure and will provide you with a summary of all material changes that have occurred since the last filing of this Brochure. This section will also identify the date of our last annual Brochure update.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 90 days of the close of our business' fiscal year end which is December 31. We will provide other ongoing disclosure information about material changes as they occur. We will also provide you with information on how to obtain the complete brochure. Currently, our Brochure may be requested at any time, without charge, by contacting Kevin Kaylakie at (512) 980-4600.

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## Item 4 – Advisory Business Introduction

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### Our Advisory Business

SineCera is a registered investment adviser that was founded in 2018 and is owned by Kevin A. Kaylakie, Anthem Holdings, Inc., White Stone Associates, LLC, Kainon Land & Minerals, LLC, Atlas Royalty, LLC.

### Services

SineCera offers asset management, financial planning and consulting services, with an emphasis on building portfolios designed to meet the needs of our clients. SineCera offers investment products including but not limited to: stocks, bonds, mutual funds, exchange-traded funds (ETF's), real estate investment trusts (REIT's), options, alternative investments, and private placements. Our focus is on helping you develop and execute plans that are designed to build and preserve and grow your wealth. We are available during normal business hours either by telephone, fax, email, or in person by appointment to answer your questions.

### Tailored Asset Management Services

As part of the active asset management process we will meet with you to discuss your financial circumstances, investment goals and objectives, and to determine your risk tolerance. We will ask you to provide statements summarizing current investments, income and other earnings, recent tax returns, retirement plan information, other assets and liabilities, wills and trusts, insurance policies, and other pertinent information.

Based on the information you share with us, we will analyze your situation and tailor a portfolio with appropriate asset allocations and investment strategies. Our recommendations and ongoing management are based upon your investment goals, objectives and risk tolerance. We will monitor the account, trade as necessary, and communicate regularly with you.

We will work with you on an ongoing basis to evaluate your asset allocation as well as rebalance your portfolio to keep it in line with your goals as necessary. We will be reasonably available to help you with questions about your account.

\* Please note that pursuant to the investment advisory agreement you are obligated to notify us promptly when your financial situation, goals, objectives, or needs change.

\* You shall have the ability to impose reasonable restrictions on the management of your account, including the ability to instruct us not to purchase certain mutual funds, stocks or other securities. These restrictions may be a specific company security, industry sector, asset class, or any other restriction you request.

Under certain conditions, securities from outside accounts may be transferred into your advisory account; however, we may recommend that you sell any security if we believe that it is not suitable for the current recommended investment strategy. Additionally, trading may be required to meet initial allocation targets, after substantial cash deposits that require investment allocation, and/or after a request for a withdrawal that requires liquidation of a position.

Periodically, your account may need to be rebalanced or reallocated in order to reestablish the targeted percentages of your initial asset allocation. This rebalancing or reallocation will occur as required or pursuant to the schedule we have determined together.

You will be responsible for all tax consequences resulting from the sale of any security, rebalancing or reallocation of the account. You are responsible for any taxable events in these instances. We are not tax professionals and do not give tax advice. However, we will work with your tax professionals to assist you with tax planning.

You will be notified of any purchases or sales through trade confirmations and statements that are provided by the custodian. These statements list the total value of the account, itemize all transaction activity, and list the types, amounts, and total value of securities held. You will at all times maintain full and complete ownership rights to all assets held in your account, including the right to withdraw securities or cash, proxy voting and receiving transaction confirmations.

We may also provide you with quarterly performance statements. These statements give you additional feedback regarding performance, educate you about our long-term investment philosophy, and describe any changes in current strategy and allocation along with the reasons for making these changes.

### **Third-Party Money Managers**

We may determine that opening an account with a professional third-party money manager is in your best interests. We may recommend several third-party money managers.

These programs allow you to obtain portfolio management services that typically require higher minimum account sizes outside of the program. The money managers selected under these programs will have discretion to determine the securities they buy and sell within the account, subject to reasonable restrictions imposed by you. Due to the nature of these programs, each of the independent money managers is obligated to provide you with a separate disclosure document. You should carefully review this document for important and specific program details, including pricing.

Under these programs, we may:

- Assist in the identification of investment objectives
- Recommend specific investment style and asset allocation strategies
- Assist in the selection of appropriate money managers and review performance and progress
- Recommend reallocation among managers or styles within the program
- Recommend the hiring and firing of money managers utilized by you.

You should read the ADV Part 2 disclosure document of the money manager you select for complete details on the charges and fees you will incur.

### **Financial Planning and/or Consulting**

We provide services such as comprehensive financial planning, estate planning, business planning and educational planning. Fee based financial planning is a comprehensive relationship which incorporates

many different aspects of your financial status into an overall plan that meets your goals and objectives. The financial planning relationship consists of face-to-face meetings and ad hoc meetings with you and/or your other advisors (attorneys, accountants, etc.) as necessary.

In performing financial planning services, we typically examine and analyze your overall financial situation, which may include issues such as taxes, insurance needs, overall debt, credit, business planning, retirement savings and reviewing your current investment program. Our services may focus on all or only one of these areas depending upon the scope of our engagement with you.

It is essential that you provide the information and documentation we request regarding your income, investments, taxes, insurance, estate plan, etc. We will discuss your investment objectives, needs and goals, but you are obligated to inform us of any changes. We do not verify any information obtained from you, your attorney, accountant or other professionals.

If you engage us to perform these services, you will receive a written agreement detailing the services, fees, terms and conditions of the relationship. You will also receive this Brochure. You are under no obligation to implement recommendations through us. You may implement your financial plan through any financial organization of your choice.

We obtain information from a wide variety of publicly available sources. We do not have any inside private information about any investments that are recommended. All recommendations developed by us are based upon our professional judgment. We cannot guarantee the results of any of our recommendations. Choosing which advice to follow is your decision.

If you decide to implement our recommendations, we will help you open a custodial account(s). The funds in your account will generally be held in a separate account, in your name, at an independent custodian, and not with us. We recommend using Fidelity or Schwab; however, you may use any custodian you wish.

### **Wrap Fee**

The Adviser does not sponsor or participate in a third-party sponsored wrap fee program.

### **Assets Under Management**

As of our most recent calculation In October of 2019, we have \$4,850,224 in discretionary assets under management and \$32,007,384 in nondiscretionary assets under management.

## **Item 5 – Fees and Compensation**

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### **Asset Management Fee Schedule**

SineCera does not impose a minimum account balance for the opening of an account with the Adviser. The fee charged is based upon the amount of money invested. Multiple accounts of immediately-related family members, at the same mailing address, may be considered one consolidated account for billing purposes. Fees are charged monthly in advance. Payments are due and will be assessed on the first day of each month based on the previous month's ending balance of the account(s). The Adviser will/will not pro rate for deposits and withdrawals in the account during the billing period. The Adviser's fees generally

range from 0.10% to 1.00% depending upon the facts and circumstances regarding the individual client accounts.

The fees shown above are annual fees and may be negotiable based upon certain circumstances. No increase in the annual fee shall be effective without prior written notification. SineCera believes the advisory fee is reasonable considering the fees charged by other investment advisers offering similar services/programs.

If a client wishes to engage SineCera for due diligence on their alternative investments, the fees will be assessed as either a flat fee of \$20,000 annually or be considered part of the assets under management fee calculation subject to the consulting agreement.

All recommendations developed by us are based upon our professional judgment. We cannot guarantee the results of any of our recommendations.

### **Automatic Payment of Fee**

The Client agrees to authorize the Custodian to pay directly to SineCera upon receipt of notice, the Account's investment advisory services fee. Fee withdrawals will occur no more frequently than monthly from the Client's Account, unless specifically instructed otherwise by the Client.

The Custodian will send to the Client a statement, at least quarterly, indicating all amounts disbursed from the Account, including the fee paid directly to SineCera. SineCera's access to the Assets of the Account will be limited to trading and the withdrawals authorized above.

If you do not want us to charge your account for the fee, you may pay the fee directly to us. We will send you an invoice detailing the fee calculation. Fees are due in full fifteen (15) days after receipt of the invoice. These invoices are uploaded into the Client portal for review and payment as long as the Client has agreed to electronic delivery in their Advisory Agreement.

### **Third-party Fees**

Our fees do not include brokerage commissions, transaction fees, and other related costs and expenses. You may incur certain charges imposed by custodians, third-party investment companies and other third parties. These include fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds, money market funds and exchange-traded funds (ETFs) also charge internal management fees, which are disclosed in the fund's prospectus. These fees may include, but are not limited to, a management fee, upfront sales charges, and other fund expenses. Certain strategies offered by us may involve investment in mutual funds and/or ETFs. Load and no load mutual funds may pay annual distribution charges, sometimes referred to as "12(b)(1) fees". These 12(b)(1) fees come from fund assets, and thus indirectly from clients' assets. We do not receive any compensation from these fees. All of these fees are in addition to the management fee you pay us. You should review all fees charged to fully understand the total amount of fees you will pay. Services similar to those offered by us may be available elsewhere for more or less than the amounts we charge. Our brokerage practices are discussed in more detail under Item 12 – Brokerage Practices.

## Financial Planning Fees

The following fee schedule applies for financial planning services:

Minimum	Fee
Starting at	\$20,000

The fees shown above are the minimum for financial plans. An estimate for total hours will be determined at the start of the advisory relationship. SineCera may also provide a comprehensive financial plan for a fee, which may be negotiable depending upon the nature and complexity of the client's circumstances. A deposit of 50% of the fee is due at the time the agreement is signed. The remainder of the fee is due upon presentation of an investment plan or the rendering of consulting services. Investment plans will be presented to you within 90 days of the contract date, provided that all information needed to prepare the investment plan has been promptly provided to us. We do not accept prepayment of more than \$500 in fees per client, six months or more in advance. The financial planning agreement will terminate once you receive the final plan.

The Financial Planning Agreement will show the fee you will pay.

If the plan is implemented through us, we may receive compensation from the sale of insurance products or advisory services recommended in the financial plan. This compensation would be in addition to the financial planning fee you pay. The fees and expenses you pay for the purchase of these products may be more or less than the expenses you would pay should you decide to implement our recommendations through another investment advisory firm or broker-dealer and are typically determined by the broker-dealer or investment company sponsoring the product. Therefore, a conflict of interest may exist between our interests and your interests since we may recommend products that pay us compensation. We may have an incentive to recommend particular products based upon the potential compensation rather than your needs. This potential conflict is addressed in our Code of Ethics.

Based upon your needs, we may also provide consultations throughout the year to advise and counsel you about other financial issues. We can help you with transition planning, major transaction analysis, coordinated with cash flow needs, retirement needs, estate planning needs, income tax planning, life and disability insurance needs, investment needs, college education planning, and alternative investment due diligence

## Item 6 – Performance Based Fee and Side by Side Management

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We do not charge any performance-based fees. These are fees based on a share of capital gains on or capital appreciation of the assets of a client.



## Item 7 – Types of Client(s)

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We provide investment advisory services to high net worth individuals, trusts, estates, business entities, foundations and endowments, family offices and charitable organizations. We have no minimum account opening balance but generally impose a minimum client net worth of \$10,000,000. SineCera Capital may choose to aggregate family and/or business relationships to meet the minimum net worth requirement. SineCera Capital may, in its sole discretion, accept clients with smaller net worth based but certain criteria such as the future capacity to meet the minimal net worth requirements.

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

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### Methods of Analysis

SineCera Capital utilizes both fundamental and technical analysis while employing an optimal asset allocation strategy based on the principles of Post-Modern Portfolio Theory. (“PMPT”).

We use fundamental analysis, technical analysis, long-term, and short-term investment strategies as part of our overall investment management discipline. The implementation of these analyses as part of our investment advisory services to you may include any, all or a combination of the following:

### Risk- Parity

Based on the Post-Modern Portfolio Theory, the Risk-Parity type approach seeks to balance the risk allocation as opposed to the asset allocation.

Research has shown that the majority of investment return in a diversified asset allocation strategy is generated by exposure to three different types of risk premia:

1. Equity Risk Premium - Reward to stockholders for providing capital to underlying businesses and to the overall economy.
2. Interest Rate Risk Premium – Reward to bondholders for lending money to governments and corporations over the long term (which can be seen in a rising yield curve).
3. Inflation Risk Premium - Hedge for rising inflation, typically through exposure to commodities and/or inflation-linked bonds.

The Advisor believes investment strategies should be constructed based upon each underlying investment’s risk contribution to the overall portfolio. Based on research and historical analysis, this “risk focused” approach can generate superior risk-adjusted returns versus traditional “diversified” strategies that tend to have equity-centric risk profiles (i.e. most of the risk is concentrated in the equity allocation).

## **Fundamental Analysis**

Fundamental analysis is a technique that attempts to determine a security's value by focusing on the underlying factors that affect a company's actual business and its future prospects. Fundamental analysis is about using real data to evaluate a security's value. It refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.

The end goal of performing fundamental analysis is to produce a value that we can compare with the security's current price, with the aim of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short).

## **Technical Analysis**

Technical Analysis is a technique that attempts to determine a security's value by developing models and trading rules based upon price and volume transformation. Technical analysis assumes that a market's price reflects all relevant information, so the analysis focuses on the history of a security's trading behavior rather than external drivers such as economic, fundamental and news events. The practice of technical analysis incorporates the importance of understanding how market participants perceive and act upon relevant information rather than focusing on the information itself. Ultimately, technical analysts develop trading models and rules by evaluating factors such as market trends, market participant behaviors, supply and demand and pricing patterns and correlations.

As with other types of analysis, the predictive nature of technical analysis can vary greatly; models and rules are often modified and updated as new patterns and behaviors develop. Past performance is not an indicator of future return.

## **Investment Strategies**

In order to perform this analysis, we use resources, such as: Research

The investment strategies we use to implement any investment advice given to you include, but are not limited to:

- Long term purchases -securities held at least a year
- Short term purchases - securities sold within a year
- Asset Allocation
- Debt Securities
- Exchange Traded Funds (ETFs)
- Mutual Funds
- Private Funds
- Real Estate Funds and Real Estate Investment Trusts (REITS)
- Option writing, including covered options, uncovered options or spreading strategies.

## **Risk of Loss**

We cannot guarantee our analysis methods will yield a return. In fact, a loss of principal is always a risk. Investing in securities involves a risk of loss that you should be prepared to bear. You need to understand

that investment decisions made for your account by us are subject to various market, currency, economic, political and business risks. The investment decisions we make for you will not always be profitable nor can we guarantee any level of performance.

A list of all risks associated with the strategies, products and methodology we offer are listed below:

### **Alternative Investment Risk**

Investing in alternative investments is speculative, not suitable for all clients, and intended for experienced and sophisticated investors who are willing to bear the high economic risks of the investment, which can include:

- Loss of all or a substantial portion of the investment due to leveraging, short-selling or other speculative investment practices
- Lack of liquidity in that there may be no secondary market for the fund and none expected to develop
- Volatility of returns
- Absence of information regarding valuations and pricing
- Delays in tax reporting
- Less regulation and higher fees than mutual funds.

### **Bond Fund Risk**

Bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher yields of the risks associated with bond funds include:

- Call Risk - The possibility that falling interest rates will cause a bond issuer to redeem—or call—its high-yielding bond before the bond's maturity date.
- Credit Risk — the possibility that companies or other issuers whose bonds are owned by the fund may fail to pay their debts (including the debt owed to holders of their bonds). Credit risk is less of a factor for bond funds that invest in insured bonds or U.S. Treasury bonds. By contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk.
- Interest Rate Risk — the risk that the market value of the bonds will go down when interest rates go up. Because of this, you can lose money in any bond fund, including those that invest only in insured bonds or Treasury bonds.
- Prepayment Risk — the chance that a bond will be paid off early. For example, if interest rates fall, a bond issuer may decide to pay off (or "retire") its debt and issue new bonds that pay a lower rate. When this happens, the fund may not be able to reinvest the proceeds in an investment with as high a return or yield.

### **Cyclical Analysis Risk**

Looking at market cycles in conjunction with other investment strategies can be useful when making investment decisions. However, market cycles are not always predictable. Each financial investment

strategy has benefits and risks. Not every investment decision will be profitable, and there can be no guarantee of any level of performance.

### **Fundamental Analysis Risk**

Fundamental analysis, when used in isolation, has a number of risks:

- There are an infinite number of factors that can affect the earnings of a company, and its stock price, over time. These can include economic, political and social factors, in addition to the various company statistics.
- The data used may be out of date.
- It is difficult to give appropriate weightings to the factors.
- It assumes that the analyst is competent.
- It ignores the influence of random events such as oil spills, product defects being exposed, and acts of God and so on.

### **Exchange Traded Fund (“ETF”) Risk**

Most ETFs are passively managed investment companies whose shares are purchased and sold on a securities exchange. An ETF represents a portfolio of securities designed to track a particular market segment or index. ETFs are subject to the following risks that do not apply to conventional funds:

- The market price of the ETF’s shares may trade at a premium or a discount to their net asset value;
- An active trading market for an ETF’s shares may not develop or be maintained; and
- There is no assurance that the requirements of the exchange necessary to maintain the listing of an ETF will continue to be met or remain unchanged

### **Mutual Funds Risk**

The following is a list of some general risks associated with investing in mutual funds.

- **Country Risk** - The possibility that political events (a war, national elections), financial problems (rising inflation, government default), or natural disasters (an earthquake, a poor harvest) will weaken a country’s economy and cause investments in that country to decline.
- **Currency Risk** -The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk.
- **Income Risk** - The possibility that a fixed-income fund’s dividends will decline as a result of falling overall interest rates.
- **Industry Risk** - The possibility that a group of stocks in a single industry will decline in price due to developments in that industry.
- **Inflation Risk** - The possibility that increases in the cost of living will reduce or eliminate a fund’s real inflation-adjusted returns.

- **Manager Risk** -The possibility that an actively managed mutual fund's investment adviser will fail to execute the fund's investment strategy effectively resulting in the failure of stated objectives.
- **Market Risk** -The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.
- **Principal Risk** -The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

### **Stock Fund Risk**

Overall "market risk" poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons, such as the overall strength of the economy or demand for particular products or services.

### **Technical Analysis risk**

- Technical analysis is derived from the study of market participant behavior and its efficacy is a matter of debate.
- Methods vary greatly and can be highly subjective; different technical analysts can sometimes make contradictory predictions from the same data.
- Models and rules can incur sufficiently high transaction costs.

### **Overall Risks**

Clients need to remember that past performance is no guarantee of future results. All funds carry some level of risk. You may lose some or all of the money you invest, including your principal, because the securities held by a fund goes up and down in value. Dividend or interest payments may also fluctuate, or stop completely, as market conditions change.

Before you invest, be sure to read a fund's prospectus and shareholder reports to learn about its investment strategy and the potential risks. Funds with higher rates of return may take risks that are beyond your comfort level and are inconsistent with your financial goals.

While past performance does not necessarily predict future returns, it can tell you how volatile (or stable) a fund has been over a period of time. Generally, the more volatile a fund, the higher the investment risk. If you'll need your money to meet a financial goal in the near-term, you probably can't afford the risk of investing in a fund with a volatile history because you will not have enough time to ride out any declines in the stock market.

## **Item 9 – Disciplinary Information**

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Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management.

We do not have any information to disclose concerning SineCera or any of our IARs. We adhere to high ethical standards for all IARs and associates.

## **Item 10 – Other Financial Industry Activities and Affiliations**

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Neither SineCera nor any of its management persons are registered as a broker-dealer or registered as a representative of a broker-dealer, nor does it have any pending application to register. In addition, neither SineCera nor its management persons are affiliated with any broker-dealer.

SineCera and its management persons are not registering as a commodity pool operator, futures commission merchant, or commodity trading advisor.

### **Other Financial Industry Affiliations**

The IARs of SineCera do not participate in other business activities or have any outside affiliations at this time.

## **Item 11 – Code of Ethics, Participation or Interest in Client Accounts and Personal Trading**

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### **General Information**

We have adopted a Code of Ethics for all IAR's of the firm describing its high standards of business conduct, and fiduciary duty to you, our client. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All of our IAR's must acknowledge the terms of the Code of Ethics annually, or as amended.

### **Participation or Interest in Client Accounts**

Our Compliance policies and procedures prohibit anyone associated with SineCera from having an interest in a client account or participating in the profits of a client's account without the approval of the CCO.

The following acts are prohibited:

- Employing any device, scheme or artifice to defraud
- Making any untrue statement of a material fact
- Omitting to state a material fact necessary in order to make a statement, in light of the circumstances under which it is made, not misleading
- Engaging in any fraudulent or deceitful act, practice or course of business
- Engaging in any manipulative practices

Clients and prospective clients may request a copy of the firm's Code of Ethics by contacting the CCO.

## Personal Trading

We may recommend securities to you that we will purchase for our own accounts. We may trade securities in our account that we have recommended to you as long as we place our orders after your orders. This policy is meant to prevent us from benefiting as a result of transactions placed on behalf of advisory accounts.

Certain affiliated accounts may trade in the same securities with your accounts on an aggregated basis when consistent with our obligation of best execution. When trades are aggregated, all parties will share the costs in proportion to their investment. We will retain records of the trade Order (specifying each participating account) and its allocation. Completed Orders will be allocated as specified in the initial trade order. Partially filled Orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

SineCera has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of "Access Persons". The policy requires that an Access Person of the firm provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Adviser selects; provided, however that at any time that the Adviser has only one Access Person, he or she shall not be required to submit any securities report described above.

We have established the following restrictions in order to ensure our fiduciary responsibilities regarding insider trading are met:

- No securities for our personal portfolio(s) shall be bought or sold where this decision is substantially derived, in whole or in part, from the role of IARs of SineCera, unless the information is also available to the investing public on reasonable inquiry. In no case, shall we put our own interests ahead of yours.

## Privacy Statement

We are committed to safeguarding your confidential information and hold all personal information provided to us in the strictest confidence. These records include all personal information that we collect from you or receive from other firms in connection with any of the financial services they provide. We also require other firms with whom we deal with to restrict the use of your information. Our Privacy Policy is available upon request.

## Conflicts of Interest

SineCera's IARs may employ the same strategy for their personal investment accounts as it does for its clients. However, IARs may not place their orders in a way to benefit from the purchase or sale of a security.

We act in a fiduciary capacity. If a conflict of interest arises between us and you, we shall make every effort to resolve the conflict in your favor. Conflicts of interest may also arise in the allocation of investment opportunities among the accounts that we advise. We will seek to allocate investment

opportunities according to what we believe is appropriate for each account. We strive to do what is equitable and in the best interests of all the accounts we advise.

## **Item 12 – Brokerage Practices**

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### **Factors Used to Select Custodians**

In recommending a custodian/broker-dealer, we look for a company that offers relatively low transaction fees, access to desired securities, trading platforms, and support services. We may recommend clients use Fidelity or Schwab as the qualified custodian for their accounts when utilizing our asset management services.

### **Soft Dollars**

Our firm does not receive soft dollars in excess of what is allowed by Section 28(e) of the Securities Exchange Act of 1934. The safe harbor research products and services obtained by our firm will generally be used to service all of our clients but not necessarily all at any one particular time.

### **Economic Benefits**

SineCera may recommend that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, or with Fidelity to maintain custody of clients' assets and to effect trades for their accounts. The final decision to custody assets with Schwab or Fidelity is at the discretion of the Adviser's clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. SineCera is independently owned and operated and not affiliated with Schwab or Fidelity. Schwab and Fidelity provide SineCera with access to its institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services or Fidelity. Schwab's and Fidelity's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For SineCera client accounts maintained in its custody, Schwab and Fidelity generally do not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through them or that settle into accounts.

Schwab and Fidelity also make available to SineCera other products and services that benefit SineCera but may not benefit its clients' accounts. These benefits may include national, regional or SineCera specific educational events organized and/or sponsored by either of the custodians. Other potential benefits may include occasional business entertainment of personnel of SineCera personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist SineCera in managing and administering clients' accounts. These include software and other technology (and related



technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of SineCera's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of SineCera's accounts, including accounts not maintained at these custodians. Schwab Advisor Services and Fidelity also make available to SineCera other services intended to help SineCera manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab and Fidelity may make available, arrange and/or pay vendors for these types of services rendered to SineCera by independent third parties. Either custodian may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to SineCera. While, as a fiduciary, SineCera endeavors to act in its clients' best interests, SineCera's recommendation/requirement that clients maintain their assets in accounts at Schwab or Fidelity may be based in part on the benefit to SineCera of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided, which may create a potential conflict of interest.

## **Best Execution**

We have an obligation to seek best execution for you. In seeking best execution, the determinative factor is not the lowest possible commission 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, reputation and responsiveness. Therefore, we will seek competitive commission rates, but we may not obtain the lowest possible commission rates for account transactions.

## **Brokerage for Client Referrals**

In selecting and/or recommending broker-dealers, we do not take into consideration whether or not we will receive client referrals from the broker-dealer or third-party.

## **Directed Brokerage**

Clients are permitted to use the custodian of their choosing. Not all advisory firms permit you to direct brokerage. If you elect to select your own broker-dealer or custodian and direct us to use them, you may pay higher or lower fees than what is available through our relationships. Generally, we will not negotiate lower rates below the rates established by the executing broker-dealer or custodian for this type of directed brokerage account, unless we believe that such rate is unfair or unreasonable for the size and type of transaction. In all instances, we will seek best execution for you.

## **Trading**

Transactions for each client account generally will be affected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may (but are not obligated to) combine or "batch" such Orders to obtain best execution, to negotiate more favorable

commission rates or to allocate equitably among our clients' differences in prices and commission or other transaction costs. Under this procedure, transactions will be price-averaged and allocated among our clients in proportion to the purchase and sale orders placed for each client account on any given day.

Transactions placed in an asset management account by a third-party manager will be executed through their broker-dealer or custodian. In determining best execution for these transactions, the third-party manager is looking at 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. While they look for competitive commission rates, they may not obtain the lowest possible commission rates for account transactions. The aggregation and allocation practices of mutual funds and third-party managers that we recommend to you are disclosed in the respective mutual fund prospectuses and third-party manager disclosure documents which will be provided to you.

## **Item 13 – Review of Accounts**

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### **Reviews**

Reviews are generally prepared and/or conducted on a quarterly basis unless requested less frequently by the client. Reviews will be conducted by our Chief Compliance Officer, Kevin Kaylakie. You may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Generally, we will monitor for changes and shifts in the economy, changes to the management and structure of a mutual fund or company in which client assets are invested, and market shifts and corrections.

### **Reports**

You will be provided with account summary statements reflecting the transactions occurring in the account and account performance on at least a quarterly basis using Addepar software. These statements will be written or electronic depending upon what you selected when you opened the account. You will be provided with paper confirmations for each securities transaction executed in the account by the custodian. You are obligated to notify us of any discrepancies between the statements provided by SineCera and the custodian(s) or any concerns you have about the account(s).

## **Item 14 – Client Referrals and Other Compensation**

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We do not receive any economic benefit from someone who is not a client for providing investment advice or other advisory services to our clients nor do we directly or indirectly pay any compensation to another person if they refer clients to us.

## Item 15 – Custody

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We do not have physical custody of any accounts or assets. However, we may be deemed to have custody of your account(s) since we have the ability to deduct your advisory fees from the custodian. We recommend Fidelity or Schwab as the custodian and/or broker-dealer for all your accounts. You should receive at least quarterly statements from the broker-dealer or custodian that holds and maintains your investment assets. We urge you to carefully review such statements and compare this official custodial record to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. If you notice any discrepancies, please contact SineCera.

We do not debit the client fees directly from your advisory account. We send information to your custodian to debit your fees and to pay them to us. You authorized the custodian to pay us directly at the onset of the relationship.

### **Standing Letter of Authorization**

SineCera does not utilize standing letters of authorizations (SLOA's) currently.

## Item 16 – Investment Discretion

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We manage assets on a discretionary basis. If you provide discretion authority, which will be evidenced via the written, discretionary agreement between the client and the Adviser, we will have the authority to determine the following without your consent:

- Securities to be bought or sold for your account
- Amount of securities to be bought or sold for your account
- Broker-dealer to be used for a purchase or sale of securities for your account
- Commission rates to be paid to a broker or dealer for your securities transaction.

In all cases this discretion is exercised in a manner consistent with your stated investment objectives for your account and in accordance with any restrictions placed on the account(s)

When active asset management services are provided on a discretionary basis the client will enter into a separate custodial agreement with the custodian. The custodian agreement will include a limited power of attorney to trade in the client's account(s) which authorizes the custodian to take instructions from us regarding all investment decisions for your account.

We may also provide non-discretionary "unmanaged" portfolio services where the securities will be included in the comprehensive reports.

## **Item 17 – Voting Client Securities**

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As a matter of firm policy and practice, we do not have any authority to and do not vote proxies on behalf of advisory clients. You retain the responsibility for receiving and voting proxies for any and all securities maintained in your portfolios. We may provide advice to you regarding your voting of proxies. The custodian will forward you copies of all proxies and shareholder communications relating to your account assets.

## **Item 18 – Financial Information**

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We are required to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that would impair our ability to meet any contractual and fiduciary commitments to you, our client. We have not been the subject of any bankruptcy proceedings. In no event shall we charge advisory fees that are both in excess of twelve hundred dollars and more than six months in advance of advisory services rendered.

## **Item 19 – Requirements for State Registered Advisers**

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### **Principals**

There is one principal of SineCera, Kevin Kaylakie. He is the Chief Compliance Officer and was born in 1979. His education information, business background, and other business activities can be found in the Form ADV Part 2B Brochure Supplement below.

### **Performance Fees**

We do not charge a performance-based fee (fees based on a share of capital gains on, or capital appreciation of, the assets of a client) for our normal asset management accounts.

### **Disclosable Events**

Neither SineCera nor Kevin Kaylakie has no reportable events to disclose here.

### **Other Relationships**

Neither SineCera nor Kevin Kaylakie has any relationship with any issuer of securities.

## ADV Part 2B Brochure Supplement – Kevin A. Kaylakie

### Item 1 – Cover Page



Kevin A. Kaylakie

CRD #5154435

SineCera Capital, LLC

4407 Bee Caves Rd. | Suite 412

Austin, TX 78746

(512) 980-4600

October 29, 2019

This Brochure supplement provides information about Kevin A. Kaylakie and supplements the SineCera ("SineCera") Brochure. You should have received a copy of that Brochure. Please contact Kevin A. Kaylakie if you did not receive the Brochure or if you have any questions about the contents of this supplement.

Additional information about Kevin A. Kaylakie, CRD #5154435 is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Educational Background and Business Experience

Full Legal Name: Kevin A. Kaylakie

Year of Birth: 1979

### Education

Bachelor of Science in Business Administration  
Auburn University, Auburn, AL

2002

### Designations

CFP®

College of Financial Planning, Denver, CO

2009

### Minimum Designation Requirements

#### Certified Financial Planner (CFP)

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

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 76,000 individuals have obtained CFP® certification in the United States.

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

**Prerequisites/Experience:** Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year)

**Educational Requirements:** Complete an advanced college level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning.

**Examination Type:** Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances.

**Ethics:** Agree to be bound by CFP Board's Standards of Professional/Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

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

**Continuing Education/Experience Requirements:** Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct to maintain competence and keep up with developments in the financial planning field.

**Ethics:** Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

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

#### **CPWA®, Certified Private Wealth Advisor® - 2014**

The Investment Management Consultants Association certifies finance personnel as Certified Private Wealth Advisors.

To receive a CPWA designation, an individual must fulfill the following requirements:

**Prerequisites:** Candidates must meet all of the following

- Bachelor's degree from an accredited college or university or one of the following designations or licenses: CIMA, CIMC, CFA, CFP, ChFC, or CPA license
- A satisfactory record of ethical conduct, as determined by IMCA's Admissions Committee
- Five years of professional client-centered experience in financial services or a related industry

**Educational Requirements:** Candidates must meet all of the following:

- Six-month pre-study education component
- Five-day in-class portion of the program at The University of Chicago School of Business

**Examination Type:** Final exam for in-class portion (online, proctored)

**Continuing Education Requirements:** 40 hours every two years

#### **Business History**

September 2014 – Present | Vice-President and Wealth Strategist at Northern Trust

August 2011 – September 2014 | Senior Advisor at Durbin Bennett Private Wealth Management

August 2008 – August 2011 | Financial Advisor at Merrill Lynch

#### **Item 3 – Disciplinary History**

Neither SineCera nor Kevin A. Kaylakie has any disciplinary history to disclose.

#### **Item 4 – Other Business Activities**

Kevin A. Kaylakie serves as Treasurer and Investment Committee Chairman of the Hospice Austin Fund. Kevin A. Kaylakie also serves as a Board member for the Mary Claire Project. Kevin A. Kaylakie also serves as a committee member for the Austin Opera Endowment Fund.

**Item 5 – Additional Compensation**

Kevin A. Kaylakie does not receive any other compensation.

**Item 6 – Supervision**

Kevin A. Kaylakie is the Chief Compliance Officer and performs all supervisory duties for his firm.

**Item 7 – Requirements for State-Registered Advisers**

Kevin A. Kaylakie has no reportable events to disclose here.



## ADV Part 2B Brochure Supplement – Adam J. Packer

### Item 1 – Cover Page



Adam J. Packer

CRD #5132040

SineCera Capital, LLC  
4407 Bee Caves Rd., Ste. 412  
Austin, TX 78746  
(512) 980-4600  
October 29, 2019

This Brochure supplement provides information about Adam J. Packer and supplements the SineCera ("SineCera") Brochure. You should have received a copy of that Brochure. Please contact Kevin A. Kaylakie if you did not receive the Brochure or if you have any questions about the contents of this supplement.

Additional information about Adam J Packer, CRD #5132040 is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Full Legal Name: Adam J. Packer

Bachelor of Arts: Business Economics

Chartered Financial Analyst (CFA®)

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**Item 3 – Disciplinary History**

Neither SineCera nor Adam J. Packer has any disciplinary history to disclose.

**Item 4 – Other Business Activities**

Adam J. Packer has no outside business activities and/or affiliations to disclose.

**Item 5 – Additional Compensation**

Adam J. Packer does not receive any other compensation.

**Item 6 – Supervision**

Adam J. Packer is supervised by the CCO, Kevin Kaylakie. Please contact Kevin Kaylakie at (512) 980-4600 with questions regarding supervision.

**Item 7 – Requirements for State-Registered Advisers**

Adam J. Packer has no reportable events to disclose here.