

Simplicity Wealth

Part 2A of Form ADV: Firm Brochure

This brochure provides information about the qualifications and business practices of Simplicity Wealth. If you have any questions about the contents of this brochure, please contact us at 855-575-7441 or by email at: simplicitywealth@simplicitygroup.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

We are a registered investment adviser. Registration does not imply a certain level of skill or training.

Additional information about Simplicity Wealth is also available on the SEC's website at www.advisorinfo.sec.gov. Simplicity Wealth's CRD number is: 300572.

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Item 2: Material Changes

This Item identifies and summarizes only those material changes that have occurred since the last annual update of our firm brochure. Since this is our initial firm brochure, there are no material changes to disclose.

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Introduction and Overview

This brochure contains important information. We encourage you to read it carefully and ask questions if there is any information that you do not understand.

In this brochure, references to “we,” “us,” “our,” or “our firm” refer to Simplicity Wealth. Individuals who serve as our managers, officers, employees, and investment adviser representatives may also be referred to as our “advisers.” Our firm’s clients and prospective clients are referred to as “you,” “your,” or “our clients.”

Simplicity Wealth is an investment adviser registered with the SEC since 2019. Our principal owners are Simplicity Financial Marketing Holdings Inc. and Advisory Alpha, LLC. Katie Koeman serves as our Chief Compliance Officer.

We have an Investment Team that provides oversight of the investment management process, including portfolio allocation, security analysis, and investment selection. The Investment Team is led by Steve Osterink, Jr., CFA®, CFP®, AIF® and Steve Osterink Sr.

Types of Advisory Services

The specific advisory services that we offer are as follows:

Sub-Advisor Relationships

When appropriate for your situation, we may select a third-party manager to act as a sub-advisor for your account. When we do so, we will select a manager whose style and talent best fits your individual needs and objectives. Your agreement with us gives us the authority to hire or fire these managers on your behalf. Once a sub-advisor is selected, we will continue to monitor their performance. The following investment management services we offer are provided by Advisory Alpha, LLC.

Core Allocation Series - Our Core Allocation Series is composed of five portfolio models: Guardian, Yield Plus, Fundamental, Dynamic, and Opportunity. These portfolios are institutional-quality, diversified solutions structured to reach a diverse range of investment goals.

- Strive to deliver optimal total return (growth and income) through an actively-managed, go-anywhere investment approach
- Extensively diversified across traditional and specialized investment types including stocks, bonds, foreign investments, hard assets, and hybrid securities
- Form the foundation of each investor’s portfolio by seeking maximum returns based on the stated level of risk

Focused Objectives Series - Our Focused Objectives Series is a collection of specialty portfolios, which offer targeted investment solutions specific to clients with unique financial goals. These investment strategies are typically only appropriate for a portion of your investable assets and designed for higher net worth investors or investors with more complexity within their financial plan.

The Enhanced Income portfolio employs a unique multi-asset-class approach to generating yield.

- Strives to maximize portfolio yield by focusing on income-producing investments exclusively
- Includes diverse and specialized income sources beyond dividends and interest
- Attempts to control risk and avoid overconcentration through disciplined diversification

The Select Reserves portfolio is an actively-managed strategy that flexibly allocates across a diverse group of bond assets.

- Prioritizes capital preservation through active risk management and strives to generate modest total return
- Includes broad bond exposure that has the potential to provide attractive yield, even in low interest rate environments
- Tactically balances the overall portfolio between varying maturities and risk exposures

The Patriot portfolio is a sector rotation strategy dedicated to building wealth by investing in US equities.

- Focuses on capital appreciation and growth from US investments
- Offers active management that attempts to profit from undervalued market sectors
- Uses broad-market exposure to strategically manage risk and provide foundational US equity diversification

The Defined Horizon portfolio is an innovative, bond-ladder strategy seeking high income and predictable cash flow.

- Strives for higher yield, relative to other fixed rate investments
- Invests in shorter-term bonds with the goal of managing default risk and interest rate sensitivity.
- Supports a five-year or short-term investment objective

The Total Value portfolio is an event-driven strategy focused on deeply undervalued, high income generating opportunities.

- Seeks deeply discounted Closed End Funds (CEFs) where the share price is less than the net asset value of the fund holdings

- Strives for maximum total return (income and growth) by identifying asset classes perceived to offer the most return opportunity
- Provides powerful diversification potential due to the specialized investment strategy and focus on high yield, undervalued investments

The Balanced Achiever portfolio is a tactical asset allocation strategy that provides risk management through broad diversification.

- Flexibly allocates within a moderate conservative to moderate aggressive risk profile
- Provides complimentary exposure to strategic or passive investment portfolios
- Offers a high degree of active management including the ability to be defensive in adverse market environments

The Manager Select portfolio includes a selection of actively managed mutual funds that can flexibly allocate across financial markets in search of investment opportunity.

- Offers dual active management including allocation decisions across funds and security selection decisions within each fund
- Includes multiple and distinct professional investment teams that can complement one another and provide powerful diversification
- Adapts investment exposures based on market conditions, but always provides foundational diversification across stocks, bonds, and alternative assets

The Global Growth portfolio is a strategically managed world equity allocation that seeks maximum capital appreciation.

- Provides diversified equity exposure designed to participate in long-term growth from US and foreign economies
- Includes a broad set of equity asset classes spanning large, mid, and small caps as well as developed and emerging markets
- Adapts the allocation using a systematic analysis that attempts to uncover market segments showing the most return potential

Classic Portfolios Series - The Classic Portfolio Series includes the Classic Income portfolio which is designed for moderate conservative investors and the Classic Growth portfolio which is designed for moderate aggressive investors. Both portfolios are composed of traditional investment exposures.

- Focuses on total return (growth and income) through traditional allocation across a reduced number of holdings
- Provides simplified diversification that we believe offers attractive, long-term return potential
- Delivers a cost-effective solution with low turnover, minimal internal fund expenses, and no transaction fees

Variable Annuity Services - We manage a series of portfolios on a fee-based variable annuity platform. Versions of our Core Allocation portfolios and select focused objective portfolios are offered and constructed using the subaccounts made available by the variable annuity platform. This allows for larger tax-deferrals and it allows you to consolidate variable annuity gains under a single contract. With access to more than 350 subaccounts, all portfolio models are appropriately managed and diversified according to the stated investment objective. The platform charges a monthly flat fee, subaccounts are subject to their internal expenses, and we charge a management fee.

Retirement Plan Services - Our turnkey retirement plan platform provides qualified retirement plan sponsors with a flexible, yet easy solution that includes significant fiduciary protection and powerful investment selections. We generally serve as a 3(38) Investment Fiduciary but may serve in a 3(21) capacity depending on your needs. The key difference between these two types of fiduciaries is whether you engage us as a discretionary manager. As a 3(38) manager, you give us discretionary authority to manage your plan's assets. This means you shift your fiduciary responsibility to us for the selection of your investments. If you hire us as a 3(21) advisor, we will make recommendations, but it is ultimately up to you, as the plan sponsor, to decide whether and how to act. As a 3(21) advisor, we will not have discretion to invest and reinvest your assets without your prior consent. Thus, as a 3(21) advisor, we will share responsibility for the selection of investments.

We offer five professionally-managed portfolio models for plan participants. All five portfolio models are fully diversified and actively managed to maximize potential returns at each risk level. Plan participants are also given the option of constructing their own investment portfolios using a selection of ETFs. Our professionally-managed portfolios are available at no additional expense.

Financial Planning

We offer a broad range of comprehensive financial planning services which may include tax-related and other non-investment related matters. These engagements may be for one-time, initial planning and/or ongoing planning services. Financial plans and financial planning may include but are not limited to: investment planning; tax concerns; retirement planning; college planning; and, for 401(k) plans, investment due diligence. These services are based on fixed or hourly fees and the final fee structure is documented in the advisory agreement with our clients.

Services Limited to Specific Types of Investments

We generally limit investment advice and/or money management to ETFs. However, we may use other securities, e.g., open-end and closed-end mutual funds, to help diversify a portfolio when applicable.

Client Tailored Services and Client Imposed Restrictions

We offer the same suite of services to all of our clients. However, your specific financial goals and their implementation depend on your Investment Policy Statement that outlines your current situation (income, tax levels, and risk tolerance levels). This is used in conjunction with gathered investment objective information to construct your plan and help select a portfolio that matches your restrictions, needs, and targets.

You may impose restrictions on investing in certain securities or types of securities in accordance with your values or beliefs. If you choose to impose restrictions on our portfolio management, you should be aware that it could cause your account to underperform compared to similar portfolios that do not apply such restrictions. Accordingly, you may forego opportunities for us to buy certain securities when it might otherwise be advantageous to do so, or you may request us to sell securities when it might otherwise be disadvantageous to do so.

Additionally, if your restrictions prevent us from properly servicing your account or require us to deviate significantly from our standard suite of services, we reserve the right to end our relationship with you.

Assets under Management (AUM)

Since this is our initial firm brochure, we have no assets undermanagement to report.

Item 5: Fees and Compensation

Ongoing Fee Arrangements

Advisory fees are typically based on a percentage of your advisory assets under management and range from .10% to 2.00%. We charge fees based on a percentage of your assets under management. This fee arrangement applies to individual, institutional, and retirement plan clients. You are never charged additional fees to cover the fee sharing agreements associated with our sub advisory relationships. The fees shared will not exceed any limit imposed by any regulatory agency.

Our fees are negotiable depending on your needs and complexity of your situation. In all cases, the final fee schedule is outlined in the agreement that you sign. Generally, our Fees are paid monthly in arrears, and you may terminate your agreement with thirty (30) days' written notice. Because fees are charged in arrears, no refund policy is necessary. Fees associated with new accounts are pro-rated based on the time invested. In addition, fees associated with cash-flows (contributions and withdrawals) are pro-rated based on the timing of the cash flow. You may terminate your accounts without penalty within five (5) business days of signing the client agreement.

Project-Based Fee Arrangements

Depending on the complexity of your situation and needs, the consultation fee is between \$50 and \$400 per hour for Hourly Financial Planning while Fixed Fee Financial Planning is determined on a case by case basis. The fees are negotiable and the final fee schedule will be outlined in the planning agreement that you sign. Fees are paid in arrears upon completion. You may terminate your agreement without penalty within five (5) business days of signing the planning agreement.

Payment of Advisory Fees

Advisory fees are generally withdrawn directly from your account with your written authorization. You may remove this authorization for direct billing of fees at any time by notifying us or your custodian in writing. Advisory fees may also be invoiced (billed directly to you) and paid via check. You may select the billing payment method (direct withdrawal or invoice) of your choice.

Clients Are Responsible For Third Party Fees

You are responsible for the payment of all third-party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Insurance products, such as annuities, may also have associated fees and expenses. All third-party fees are separate and distinct from the fees and expenses that we charge. Please see ITEM 12 of this brochure regarding brokerage practices.

ETFs and mutual funds typically charge their shareholders various transactions and operating expense costs associated with the establishment and operation of the funds. These fees will generally include a management fee, shareholder servicing, other fund expenses, and sometimes a distribution fee.

Because of differences in distribution and often lower transaction costs, total operating expense ratios for ETFs have been historically less than those for corresponding mutual funds. These separate fees and expenses are disclosed in each fund's prospectus, which is available from the fund or, we can provide it to you upon your request.

Consequently, for any type of fund investment, it is important for you to understand that you are directly and indirectly paying two levels of advisory fees and expenses: you pay one layer of fees to the fund and one layer of advisory fees and expenses to us. Generally speaking, most funds may be purchased directly, without using our services or incurring our advisory fees.

Sub-advisory fees

When we use a third-party manager as a sub-advisor, the fee we charge will include our advisory fee and the advisory fee charged by the sub-advisor. We do not retain any portion of the sub-advisory fee but pass it on to the sub-advisor. Details of the sub-advisor's fee, which is in addition to our fee, will be disclosed to you in the sub-advisor's disclosure brochure and

related investment advisory agreement. You should read both carefully and retain for your records.

Termination of Services

If you terminate your agreement with us, you must notify us in writing or transfer your assets from the custodian. Similarly, if you work with a separate investment adviser and you terminate that relationship, it will terminate our services as well. If we charge you in arrears, we will bill your account for the portion of time that we managed your account and no refund of fee will be necessary.

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

We do not charge performance-based fees or other fees based on a share of capital gains or capital appreciation of your assets.

Item 7: Types of Clients

We generally provide investment advice and/or management supervisory services to the following types of clients:

- Individuals
- High-Net-Worth Individuals
- Defined Contribution & Defined Benefit Retirement Plans
- Corporate and Institutional Investors

Minimum Account Size

There is no account minimum.

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

Methods of Analysis and Investment Strategies:

We provide a variety of investment strategies designed for a wide range of investors with diverse wealth management objectives. The typical structure of our portfolio offerings is a “fund of funds” approach where we research and manage ETFs and mutual fund holdings, but our strategies may also include individual securities. On an ongoing basis, our Investment Team undertakes an extensive research process that re-evaluates the asset class selection, asset allocation, holding selection, and portfolio rebalancing needs for each investment strategy.

Asset Class Selection –Properly defining and selecting the individual asset classes that are consistent with the objectives of each strategy.

Asset Allocation – Implementing and adapting the asset class weightings as a result of each strategy’s investment research and forecasting processes.

Holding Selection – Selecting, monitoring, and replacing the specific holdings based on a disciplined process directed by the objective of each strategy.

Portfolio Rebalancing – Crafting and deploying an appropriate rebalancing approach based on the intent of each strategy.

Material Risks Involved with Our Investment Strategies:

Asset Class Allocation - The rise and fall of certain asset classes or their underlying securities may not occur according to predicted trends.

Active Management - This process concentrates on factors that are believed to lead to the quality and future success of particular money managers. The risk assumed is that the manager will fail to perform as expected.

Portfolio Rebalancing - Depending on the rebalancing strategy implemented, long-term or short-term trading may be involved. Trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. Short-term trading generally holds greater risk and you should be aware that there is a material risk of loss using short-term strategies.

Timing Risk - While it is likely that stocks will gain over the next two decades, this may not be the case over the short-term. If you need to protect your principal investment over the short-term, timing is an important risk to consider.

Political Risk - Government decisions may damage the value of your investments. Changes to social security, benefits law, and tax law may impact your financial decisions. Any foreign investments may be impacted by the decision of their local governments.

Foreign Risk – Foreign investments have additional risks relative to domestic investments. This includes currency fluctuations, differences in accounting standards, different market exchanges, potentially less liquidity, etc.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Risks of Specific Securities Utilized in Our Strategies Investing in securities such as ETFs and mutual funds involves risk. Seeking to obtain higher rates of return on investments typically entails accepting higher levels of risk. We or your investment adviser will work with you to identify the balance of risks and rewards that is appropriate and comfortable for you. However,

it is still your responsibility to ask questions if you do not fully understand the risks associated with any investment or investment strategy. Also, while we strive to render our best judgment on your behalf, many economic and market variables beyond our control can affect the performance of your investments and we cannot assure that your investments will be profitable or no losses will occur in your investment portfolio.

Past performance is one consideration with respect to any investment or investment adviser, but it is not a predictor of future performance.

We or your investment adviser will discuss with you the investment risks of ETFs and mutual funds to determine the investment objectives that will guide your portfolio selection. We will explain and answer any questions you have about these kinds of investments, which present special considerations.

ETFs are a type of security that derive their value from a basket of securities such as stocks, bonds, commodities or indices, and are traded on exchanges during the day like individual stocks. Conversely, traditional mutual funds are priced once a day at the close of the market. The value of your portfolio will fluctuate with the value of its underlying securities. ETFs trade like a stock, and there may be brokerage commissions associated with buying and selling. We primarily invest in passively managed funds which are designed to seek the investment results that generally correspond to the price and yield of an index, however; we may invest in actively managed ETFs and mutual funds. ETFs that are actively managed do not just seek to passively track an index; instead, they seek to achieve a specified investment objective using an active investment strategy.

Equity-based ETFs have a similar risk profile to those of equity mutual funds, while fixed income-based ETFs have a risk profile that is similar to bond mutual funds. You should anticipate that the value of an ETF's shares will decline, in correlation with any decline in the value of its corresponding index. However, an ETF's return may not match the return of the index. Sometimes referred to as "tracking error," expenses and other factors may affect the performance of an ETF so that the ETF's performance does not exactly match the performance of their respective underlying indexes. The ETF may invest in small capitalization, mid-capitalization, emerging markets and international companies. These companies may experience greater price volatility than larger, more established companies.

Exchange-traded notes (ETNs) are issued as senior, unsecured, unsubordinated debt obligations of an underlying bank or other financial institution. They are linked to the performance of an index, underlying security, or commodity. ETNs trade on an exchange and are like ETFs in that regard. However, unlike ETFs, ETNs carry credit risk related to the issuer's ability to pay back the note. While the performance of these securities is linked to the performance of an underlying index, security, or commodity, an investor does not own any underlying assets (which is the case with ETFs). It is, however, relying on the financial institution issuer's promise

to make good on the terms of the ETN. This means that the market value of ETNs can be adversely affected by downgrades in the creditworthiness of the underlying issuing financial institution. In the extreme case that the issuer of the ETN goes bankrupt, you may lose your entire investment because ETNs are unsecured debt instruments. In contrast, if an ETF were to suffer bankruptcy or close, you would usually receive cash for the market value of the basket of securities or, in the case of larger positions of \$50,000 or more, you may request to take distribution of the underlying securities.

Commodities may provide protection against inflation and/or the inability of fiat currencies to maintain their store of real value. Commodities may provide imperfect correlations relative to other asset classes and serve to increase diversification for risk-tolerant portfolios. It is also important to understand that commodity ETFs can be significantly affected by commodity prices, world events, import controls, worldwide competition, government regulations, and economic conditions.

The primary risks to our investors are as follows:

- **Market Risk.** ETFs are largely influenced by the value of the indices they track. As the index value changes in response to news and general economic conditions of domestic, international and commodity/natural resource markets, in general, so will the value of the ETF. This can result in a loss of your initial investment.
- **International Investment Risk.** International investments may involve risk of capital loss from unfavorable fluctuations in currency exchange rates, differences in generally accepted accounting principles, or economic and political instability in other nations.
- **Emerging Markets Risk.** Investments in emerging markets may be subject to a greater risk of loss than investments in more developed markets. Emerging markets may be more likely to experience inflation risk, political turmoil and rapid changes in economic conditions than more developed markets. Emerging markets often have less consistency in accounting and reporting requirements, unreliable securities valuation and greater risk associated with custody of securities.
- **Income Risk.** An ETF's income may decline when interest rates fall. This decline can occur because: (1) the ETF must invest in lower-yielding bonds as bonds in its portfolio mature, (2) bonds in the underlying index are substituted, or (3) the ETF otherwise needs to purchase additional bonds.
- **Interest-Rate Risk.** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Liquidity Risk.** Markets can also experience a decline in liquidity which can negatively impact ETF prices and increase the difficulty to sell a position. The ability to purchase or sell large positions of ETF securities, due to possible low trade volume, may take time (i.e. days).

- **Sector-Specific Risk.** The value of investments that are concentrated in industry-specific sectors have additional risks relative to broad market investments. These investments may decline due to changes in the specific industry, such as government regulation or consumer trends.

Item 9: Disciplinary Information

In this section of our brochure, we must inform you of all material facts regarding any legal or disciplinary events that are material to your evaluation of our firm or the integrity of our management. We have no legal or disciplinary events to disclose.

Item 10: Other Financial Industry Activities and Affiliations

Dually Registered as an Investment Adviser Representative

Steve Osterink, Jr., CFA®, CFP®, AIF® is also licensed as an investment adviser representative with Advisory Alpha, LLC. Simplicity Wealth and Advisory Alpha, LLC are affiliated firms under common ownership. Through Advisory Alpha, LLC, he will earn advisory fees when providing investment services through Advisory Alpha, LLC. Therefore, you could receive advisory services from an individual acting as an investment adviser representative on behalf of two separate registered investment advisors. If your account is managed by Advisory Alpha, LLC as a sub-adviser, you will be given the disclosure brochure of Advisory Alpha, LLC describing the services provided, fees charged and other information. You are encouraged to read and review the disclosure brochures for both Simplicity Wealth and Advisory Alpha, LLC and direct questions to your representative.

Insurance Marketing Organizations & Licensed Insurance Agents

Simplicity Wealth is an affiliate of Simplicity Financial Marketing Holdings Inc. and are under common control and ownership. Simplicity Financial Marketing Holdings Inc. owns various insurance marketing organizations which serve as insurance agencies that market/wholesale life insurance and fixed annuities to third-party insurance agents in exchange for a marketing and/or override fee from the issuer of such insurance/annuity products. The investment adviser representatives of Simplicity Wealth, in a separate capacity as an insurance agent, may utilize the marketing and wholesaling services of the organizations owned by Simplicity Group Holdings.

You may work with your investment adviser representative in his or her separate capacity as an insurance agent. When acting in his or her separate capacity as an insurance agent, the investment adviser representative may sell, for commissions, life insurance, annuities, and other insurance products to you which may be marketed/wholesaled by the insurance marketing organizations owned by Simplicity Financial Marketing Holdings Inc. As such, your investment adviser representative (in his or her separate capacity as an insurance agent) may suggest that

you implement recommendations which may include purchasing life insurance, annuities, or other insurance products which are marketed and wholesaled by the insurance marketing organizations owned by Simplicity Group Holdings. This receipt of commissions creates an incentive for the representative to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as an insurance agent. Likewise, the marketing-override received by the insurance marketing organizations owned by Simplicity Financial Marketing Holdings Inc., also create an incentive for Simplicity Wealth to encourage the recommendation of insurance and annuity products marketed and wholesaled by the insurance marketing organizations owned by Simplicity Financial Marketing Holdings Inc.

The payment of commissions to our advisors may result in a potential conflict of interest for our advisors as the receipt of commissions may provide an incentive to recommend certain products based on commissions to be received, rather than on a particular client's need. This outside compensation is independent of the products and services offered through our firm, will be disclosed to you separately and will be paid to our advisor through other financial services firms (e.g., a life insurance company, or an insurance marketing organization).

We endeavor at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser and take the following steps to address this and other conflicts of interest arising due to our advisors' insurance related activity:

- We disclose to clients that they are not obligated to purchase recommended insurance products from our advisor;
- We collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- Our management conducts reviews of client accounts to verify that all recommendations made to a client are suitable to the client's needs and circumstances; and
- We educate our advisors regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Selection of Other Advisers or Managers and How We are Compensated for Those Selections

Occasionally, we select additional advisers or managers to serve as sub-advisors for specific clients. Please refer to ITEM 4: ADVISORY BUSINESS and ITEM 5: FEES AND COMPENSATION for additional information on our use of third party money managers.

Related Broker Dealer

Simplicity Financial Marketing Holdings Inc., which controls Simplicity Wealth, also owns Simplicity Financial Investment Services Inc. ("SFIS"), a registered broker-dealer. As a result of this relationship, our owner will likely benefit if securities that are recommended during financial planning and consulting engagements are purchased through SFIS. SFIS is a limited purpose

broker-dealer and does not currently engage in any direct retail activity. SFIS's operations are currently limited to wholesale activity with respect to variable insurance products. We do not typically utilize SFIS as a broker-dealer for our asset management services. With respect to our financial planning and consulting services, our policy prohibits us from recommending that you purchase a security through SFIS unless the purchase is in your best interests.

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

Code of Ethics

We have 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, Outside Business Activities, Compliance Procedures, Compliance with Laws and 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 you.

Participation or Interest in Client Transactions

We do not recommend that you buy or sell any security in which our company or one of our related persons has a material financial interest.

Investing Personal Money in the Same Securities as Clients

From time to time, our advisers may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for our advisers to buy or sell the same securities before or after recommending the same securities to you resulting in our advisers profiting from the recommendations they provide to you. These transactions create a conflict of interest. We will always document any transactions that could be construed as conflicts of interest, and our advisers will always transact your business before their own when similar securities are being bought or sold. We often group all similar trade orders together into block orders prior to execution. This may offer pricing advantages relative to trading each account individually. In these situations, trade orders for our advisers' personal accounts may be included and executed at the same share prices given to clients.

Item 12: Brokerage Practices

When you engage us for our portfolio management services, we generally require that you establish an account at TD Ameritrade Institutional ("TD Ameritrade") to use their custody, brokerage, and clearing services. As an SEC registered broker-dealer and member of FINRA/SIPC, TD Ameritrade is a qualified custodian to hold your assets and execute transactions upon our instructions. While we are not affiliated with them, the majority of our

direct clients' accounts are held there. We ask that you give us a written direction in our Agreement to use them as your custodian. Additionally, while we recommend that you use TD Ameritrade as your custodian/broker, you will decide whether to do so and you will open your account with them by entering into a separate account agreement directly with them. We do not open the account for you, although we may assist you with the paperwork in doing so. Even though your account is maintained with them, we will have discretion to use them or other brokers to execute trades for your account as described below.

Factors Used to Select Custodians and/or Broker-Dealers

We seek to use a broker who will hold your assets and execute transactions on terms that, overall, are most beneficial when compared to other available service providers. We consider a wide range of factors, including, but not limited to:

- Combination of transaction execution and asset custody services (generally without a separate fee for custody).
- Capability to execute, clear, and settle trades (buy and sell securities for your account).
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.).
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.).
- Availability of investment research and tools that assist us in making investment decisions. These include recent news, graphs, charts, historical earnings data, balance sheet data, estimates of future earnings, and other information.
- Quality of services, including additional reports that include gains and losses (both realized and unrealized).
- Competitiveness of the price of services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices. We believe TD Ameritrade's brokerage services are competitive with comparable firms for comparable services.
- Reputation, financial strength, and stability.
- Prior service to us and our other clients.
- Availability of other products and services that benefit us, as discussed below (see "Products and Services Available to Us").

Your Brokerage and Custody Costs

For our direct clients who have accounts at TD Ameritrade, they do not charge you separately for custody services, but are paid by charging you commissions or other fees on trades that they execute or that settle into your account. We negotiated our commission rates with them on behalf of all our clients and not with respect to any specific client. While these commission rates may be higher than available from other discount and online brokers, we believe that the additional services and investment reports provided are of more value to us and our clients than with the lower priced alternatives that provide fewer services. Therefore, we have TD Ameritrade execute most individual securities trades for your account to minimize your trading

costs. We also use TD Ameritrade for most ETF and mutual fund transactions because they provide a wide array of no-load or institutional class mutual fund shares with no transaction costs to our clients. Generally, we have determined that having TD Ameritrade execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above in the section titled, “Factors Used to Select Custodians and/or Broker-Dealers.”

Clients Directing Which Broker-Dealer/Custodian to Use

Directing us to use a specific brokerage firm could, in some transactions, result in higher commissions and charges where we might otherwise go directly to a market maker in the security. However, by limiting the number of brokerage firms we regularly work with leads to efficiencies that help us keep our advisory fees lower.

Products and Services Available to Us

We generally receive benefits of investment research and related services because our clients use TD Ameritrade for their brokerage transactions and custodial services. All of these services are research and client account-related and provided by TD Ameritrade on an unsolicited basis. The research services made available may be used to benefit all clients’ accounts, as well as our personal and proprietary accounts, which are not tied to a specific account’s brokerage activity or commission level achieved. We also do not receive referrals from brokerage firms in exchange for recommending their services to our clients.

We have not and do not intend to enter into any contractual third-party soft-dollar arrangements, for example, where we commit to place a specific level of brokerage commissions with a specific firm and in return the brokerage firm pays for various research-related products or services for us that are generally available for cash purchase.

Aggregating (Block) Trading for Multiple Client Accounts

We, or the selected sub-adviser may aggregate orders for securities transactions for more than one client based on our trade aggregation and allocation policy. In doing so, this process strives to treat you fairly and will not favor one client or proprietary account over another client. When executed, the aggregated orders will be allocated in accordance with policies and procedures intended to achieve fair treatment. The purpose of aggregating orders is to obtain the same price for each client in any given security, obtain better execution for the aggregated order than might be achieved by processing each of the transactions separately, expedite the placement and processing of trade orders, as well as for our administrative convenience.

Trade orders will not be aggregated for a client having a directed brokerage relationship with a client who does not have a directed brokerage relationship with the same broker-dealer. A consequence of not aggregating a client’s order with other orders for the same securities is that

the client may not obtain as good a price or as low a cost in a separate transaction as clients whose orders have been aggregated.

Each account that participates in an aggregated order will receive the average share price for all transactions in that security in business day. If permitted by the broker-dealer effecting the transaction, transaction costs will be shared on a pro rata basis. Some broker-dealers charge brokerage commissions to each participating client in accordance with the size of that client's part of the aggregated order, regardless of the total size of the aggregated order. If an aggregated order is not filled in its entirety, it will be allocated among participating accounts on a pro rata basis.

Trade Error Policy

We have the responsibility to process orders correctly, promptly and in your best interest. We have established an error correction policy, to identify and correct any errors as promptly as possible without disadvantaging you or benefiting us in any way. We have defined a "trade error" as when we have purchased or sold a financial instrument for a client account and that action is determined to have been a mistake and the error results in a financial gain or loss for the client. Examples of errors may include:

- Purchases or sales of an incorrect or unintended ETF or number of ETFs for your account
- Purchases or sales of an ETF for the incorrect or unintended account
- Purchases or sales of an ETF that you did not authorize or that are inconsistent with applicable law or regulations (e.g. prohibited transaction under ERISA)
- Purchase or sale transpositions (where an intended purchase is entered as a sale, or vice versa)
- Trade misallocations

If the error is our responsibility, the transaction will be corrected and we will reimburse you for any loss resulting from an inaccurate or erroneous order. If your account is custodied at TD Ameritrade, we can correct all trade errors through an Error Account at TD Ameritrade.

If there is a loss due to a trade error that we make, we will correct the mistake at our cost and the error will not be reflected in a loss to your account. If a trade error results in a gain, the gain will be retained by TD Ameritrade and given to charitable causes.

Item 13: Review of Accounts

Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

We, or the selected sub-adviser will review and may rebalance each account to ensure that the allocation does not drift substantially from the model allocation. Our representatives review your accounts at least annually. These individuals are the chief advisors and are instructed to

review your investments based on your investment policies and risk tolerance levels. All our clients are assigned to these reviewers. All financial planning accounts are reviewed upon financial plan creation and plan delivery by the investment adviser representatives of the firm.

Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic, or political events, or, when requested by you due to changes in your financial situation (such as retirement, termination of employment, physical move, or inheritance).

Content and Frequency of Regular Reports Provided to Clients

Discretionary or AUM Services - You will receive at least quarterly reports from the custodian. This is a written report that details your account including transactions, fees and commissions, assets held and asset value.

Financial Planning, Fixed, & Hourly Services - You are provided a one-time investment or financial plan concerning your financial situation. After the presentation of the plan, there are no further reports. You may request additional plans or reports for a fee.

Item 14: Client Referrals and Other Compensation

Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

We do not receive any economic benefit, directly or indirectly, from any third party for advice rendered to our clients.

Compensation to Non - Advisory Personnel for Client Referrals

We do not have arrangements to compensate others to make solicitations on our behalf.

Item 15: Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

We are deemed to have custody of client funds and securities whenever we are given the authority to have fees deducted directly from client accounts. However, this is the only form of custody we will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which we are deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from us. When clients have questions about their account statements, they should contact us or the qualified custodian preparing the statement.

Item 16: Investment Discretion

When providing asset management services, we maintain trading authorization over your account and can provide management services on a **discretionary** basis. When discretionary authority is granted, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction.

You may also grant us discretionary authority to establish and/or terminate a relationship with a sub-adviser for purposes of managing the account or a portion of the account. In this situation, you will grant the sub-adviser selected by us with the discretionary authority (in the sole discretion of the sub-adviser without first consulting with you) to make all decisions to buy, sell or hold securities, cash or other investments for such portion of the account managed by the sub-adviser.

If your account is managed on a discretionary basis, discretionary authority is granted in writing from you at the beginning of our advisory relationship in the agreement you sign. Also, you will sign an agreement with your custodian which generally includes a limited power of attorney granting the necessary authority to direct and implement the investment and reinvestment of the assets in your account, but restricts our ability or the sub-adviser's ability (if applicable) to direct the assets outside of your account.

We generally do not have discretionary authority to determine the broker, dealer or the commission rates paid for your transactions. You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your account. You may also place reasonable limitations on the discretionary power granted to us so long as the limitations are specifically set forth or included as an attachment to the client agreement.

If you decide to grant trading authorization on a **non-discretionary** basis, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if we are not able to reach you or you are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

Item 17: Voting Client Securities

We do not vote proxies. Your custodian will forward the issuer communications directly to you. We recommend that you direct all questions on these materials to the issuer of the security.

Item 18: Financial Information

We are required to provide you with certain financial information or disclosures about our financial condition if we have financial commitments that impair our ability to meet contractual and fiduciary commitments to our clients. We have not been the subject of a bankruptcy proceeding and do not have any financial commitments that would impair our ability to meet any contractual or fiduciary commitments to you.