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Strategic Income Advisors

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Part 2A of Form ADV (the "Brochure") provides information about the qualifications and business practices of Strategic Income Advisors (hereinafter sometimes "Strategic IA"). If you have any questions about the contents of this Brochure, please contact us at (858) 900-2113 and/or www.strategic-income.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.

Strategic is a registered as an investment adviser, however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about Strategic Income Advisors is also available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 1: COVER PAGE

Please refer to the previous page.

ITEM 2: MATERIAL CHANGES

This Brochure has been updated to make the following material changes:

Strategic IA encourages each client and our prospective clients to read this Brochure in its entirety prior to engaging Strategic IA for any advisory services.

Pursuant to SEC rules, Strateg IA will ensure that clients receive a summary of any material changes to this Brochure within 120 days of the close of our fiscal year, along with a copy of this Brochure or an offer to provide the Brochure. As we experience material changes in the future, we will send you a summary of our “Material Changes”, along with an offer to provide the Brochure under separate cover. For more information about Strategic IA, please contact us at (858) 900-2113. Additional information regarding Strategic IA is on the SEC’s website at <https://www.adviserinfo.sec.gov>.

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Item 4: Advisory Business

Description of Firm

Strategic Income Advisors (“Strategic IA”) is a San Diego-based Registered Investment Adviser offering a variety of portfolio solutions. We manage domestic equity and fixed income accounts structured to serve a diverse range of clients including high net-worth individuals and families, pensions, corporate, foundations, and endowments from coast to coast.

Principal Owners

Strategic IA is 100% privately held and has no outside ownership. The principal owner of the firm is William L. Prince, CFA, who also serves as the Chief Executive Officer (“CEO”) and Chief Investment Officer (“CIO”).

Types of Advisory Services Offered

Strategic IA provides investment advisory services to its clients. These supervisory services primarily consist of the following activities:

- Creation and management of customized, and structured portfolios based upon the client’s investment objectives and restrictions;
- Periodic re-balancing of accounts managed by Strategic IA consistent with the account’s investment objectives and restrictions;
- Implementation of the investment strategies by executing portfolio transactions as needed; and
- Furnishing client reports concerning separate account activity, strategy, and performance.

While many clients come to Strategic IA looking for one particular strategy, most individual accounts have chosen to custom tailor their accounts with a customized combination of equities, domestic fixed income, preferred stocks and exchange-traded funds (ETFs), as well as open and closed-end mutual funds.

Advisory Agreements

Each Strategic IA client is required to enter into a formal investment advisory agreement with the Firm prior to the commencement of any investment management services. This agreement sets forth the terms and conditions, including the scope of services to be provided and a specific amount of investment advisory fees, under which Strategic IA manages the client’s assets. Please refer to Item 5 below for important information.

Amount of Client Assets Managed

As of May 31, 2019, the following represents the amount of client assets under management on a discretionary and non-discretionary basis:

Type of Account	Assets Under Management ("AUM")
Discretionary	\$14,564,100.00
Non-Discretionary	\$19,415,000.00
Total:	\$33,979,100.00

ITEM 5: FEES AND COMPENSATION

Strategic IA provides professional management of stock and bond portfolios, for a fee based on the market values of the portfolios at the end of each quarter, payable quarterly, in arrears. Applicant's fees are negotiable. No particular ranges have been pre-established concerning accounts that are the subject of negotiated fees. Applicant's basic annual fee structure is:

Domestic Equity, Preferred Stock and Fixed Income - Yield-Focused Portfolios	0.40% per year
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Investment advisory fees are billed quarterly in arrears based upon the market value of the account at the end of the current quarter. In some cases, a client is also billed for the balance of the quarter in which his account was opened in addition to the following full quarter. The term "quarter" refers to either a calendar quarter or the client's fiscal quarter. The initial quarterly fee for new clients is pro-rated based upon the date the account is opened. Clients of Strategic IA are subject to a 30-day termination fee based upon assets under management at the date of termination. This fee can or will be charged, at the sole discretion of the Advisor.

Fees will be debited directly from client accounts, however, in the certain case by case instances and were pre-arranged with the concurrence of Strategic IA; clients are provided the option to have their fees billed separately and outside the managed account.

Advisory fees are negotiable, and arrangements with any particular client can differ from those described above. In addition, for family and friends of the Firm, the Firm can, in its sole discretion, reduce or waived management fees in their entirety. There are no fees payable before service is provided. Clients and/or Strategic IA can terminate the investment advisory contract upon 30-day written notice. Strategic IA does not provide clients advice as to the tax-deductibility of its advisor's fees. Clients are directed to consult a tax professional to determine the potential tax deductibility of our fees.

Special circumstances can or will cause fees to vary from the above schedule. Strategic IA will "Household" accounts, based on the address of record for each account, in order to combine assets under management, which in turn, could lower the management fee assessed by Strategic IA. Or, Strategic IA at times, will not charge a fee to small accounts of a client because of the fee the client is paying on the total relationship. Strategic IA reserves the right to negotiate fees with clients.

Strategic IA can charge higher or lower fees than those described above with the consent and acceptance by Client.

Strategic IA reserves the right and can at its discretion charge lower fees than those agreed to and as described in the IMA (Investment Management Agreement). Cash and other asset classes can be charged at a lower rate, or no rate at all depending on certain client circumstance and other portfolio considerations. Further, Strategic IA can adjust rates down (reduce) from the IMA rates without explicit written consent of Client.

Strategic IA management fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Such costs are exclusive of and in addition to Strategic IA's fee, and Strategic IA does not receive any portion of these costs. Please refer to Item 12 of this brochure regarding Strategic IA's brokerage practices and the factors that Strategic IA considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation. Furthermore, clients whose assets are invested in ETFs (Exchange Traded Funds), ETNs, (Exchange Traded Notes), Mutual Funds, and Money Market Accounts where a management fee is assessed as an expense, are in effect, paying two advisory fees. First, clients pay a regular quarterly fee on the money value of total assets under Strategic IA's management, which includes the assets that are invested in the aforementioned funds. Additionally, clients pay another fee to the investment adviser or sponsor of the fund based upon the amount of their investment in that fund.

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

Strategic IA does not have any performance fee arrangements.

ITEM 7: TYPES OF CLIENTS

Description

Strategic IA is structured to provide portfolio management services to high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, and trusts.

Conditions for Managing Accounts

Strategic IA generally has a minimum account size of \$250,000 for opening a direct account, based on the product in which the client invests, subject to negotiations.

Strategic IA reserves the right in the future to act as a Sub-Advisor for other Investment Consultants, Investment Advisors, Registered Investment Advisors, and to various broker and broker-dealers as a preferred provider or managed account provider.

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

Methods of Analysis

Every method of analysis has its own inherent risks. To perform an accurate market analysis, Strategic IA must have access to current/new market information. Strategic IA has no control over the dissemination rate of market information; therefore, unbeknownst to Strategic IA, certain analyses can be compiled with outdated market information, severely limiting the value of Strategic IA's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

In analyzing exchange-traded funds ("ETFs"), individual equity securities ("stocks"), mutual funds, and individual bonds, Strategic IA will use various sources of information, including data provided by research providers, ETF, and mutual fund company websites, and other on-line and subscription resources. We cannot guarantee that any such strategy or analysis will prove profitable or successful.

Both fundamental and quantitative valuation factors are considered in establishing positions in securities and in monitoring their progress. Strategic IA is keenly interested in the prospects of the company and the industry in which it competes.

Investment Strategies

Strategic IA's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer-term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter-term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, can incur higher transactional costs when compared to a longer-term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short-term investment strategy and substantially higher transaction costs than a longer-term investment strategy.

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by

Strategic IA) will be profitable or equal any specific performance level(s).

Currently, Strategic IA allocates client investment assets among various stocks, ETFs, mutual funds, and individual bonds, on a discretionary basis in accordance with the client's designated investment objective(s).

Strategic IA generally uses diversification to optimize the risk and potential return of a portfolio. More specifically, we expect to utilize multiple asset classes, investment styles, market capitalizations, sectors, and regions to provide diversification.

Strategic IA's general investment strategy is to seek a total return proportionate with the level of risk the client decides to take. We assist each client in developing an investment plan, by seeking to understand the client's general financial situation, investment objectives, liquidity needs, time horizon, return objective, and risk tolerance, as well as any special considerations and/or restrictions the client chooses to place on the management of the client accounts. Based on this information, we determine the securities that comprise each client's portfolio and then make investment strategy recommendations with the objective to be consistent with the client's investment plan.

Client portfolios with similar investment objectives and asset allocation goals can at times, own the same or different securities. Income tax factors also influence Strategic IA's investment decisions (however, note that Strategic IA does not give tax advice).

Each portfolio will maintain a target asset allocation. Generally, we review client portfolios periodically to evaluate how closely the actual allocation matches the target allocation. When we consider the variance excessive, we will take appropriate actions (by buying or selling securities) to bring the actual allocation within an acceptable range of the target allocation. We refer to this process as "rebalancing." The process of rebalancing offers a systematic process to buy or sell securities when investment categories (asset classes) vary from their target allocation.

We believe that superior investment results are driven by capitalizing on market mispricings. For both equity, fixed income and balanced portfolios, Strategic IA employs what it considers are the strengths of fundamental, technical, and cyclical macro analysis.

Risk of Loss

Prior to opening an account with Strategic IA, each client should carefully consider:

- That investing in securities involves risk of loss, which clients should be prepared to bear;
- That securities markets experience varying degrees of volatility;
- That over time, the client's assets can fluctuate and at any time be worth more or less than the amount invested; and
- That clients should only commit assets that are long-term in nature, typically a minimum of a ten-year time horizon.

We do not guarantee that any investment strategy will meet its investment objectives or that an

account will not suffer losses.

The prices of securities held in client accounts and the income they generate can decline in response to certain events taking place around the world. These include events directly involving the issuers of securities held as underlying assets of ETFs in a client's account, conditions affecting the general economy, and overall market changes. Other contributing factors include local, regional, or global political, social, or economic instability and governmental or governmental agency responses to economic conditions. Finally, currency, interest rate, and commodity price fluctuations can also affect security prices and income.

Risks of Securities

When investing in ETFs, investors have many choices. Each type has different features and different risks and rewards. Generally, the higher the potential return, the higher the risk of loss.

Exchange-Traded Funds (ETFs)

An ETF is a type of investment company (usually, an open-end fund or unit investment trust) containing a basket of stocks or bonds that usually tracks a specific index or sector. An ETF is similar to an index mutual fund in that it will primarily invest in securities of companies that are included in a selected market index or that fall into a particular sector. Unlike traditional mutual funds, which can only be redeemed at the end of a trading day, ETFs trade throughout the day on an exchange. Like stock and bond mutual funds, the prices of the underlying securities and the overall market can affect ETF prices. Similarly, factors affecting a particular industry segment can affect ETF prices that track specific sectors. An investment in an ETF could lose money over short or even long periods. You should expect the ETFs share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market.

Interest Rate Risk

Interest rate risk refers to the risk that the market value of bonds will go down when interest rates go up. Because of this risk, investors can lose money in any bond fund or Bond ETF. Interest rate risk applies to investments in insured bonds and U.S. Treasury Bonds. Longer- term bonds tend to have higher interest rate risks.

Credit Risk

Credit risk refers to the risk that companies or other issuers can fail to pay their debts (including the debt owed to holders of their bonds). Consequently, this affects, mutual funds and ETFs that hold these bonds. Credit risk is less of a factor for investments 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.

Prepayment Risk

Issuers can choose to pay off debt earlier than the stated maturity date on a bond. For example, if interest rates fall, a bond issuer can decide to "retire" its debt and issue new bonds that pay a lower rate. When this happens, proceeds from the sale of individual bonds or a bond fund will not be able to be reinvested the proceeds in an investment with as high a return or yield.

Stock ETFs

A stock ETF's values can rise and fall quickly (and dramatically) over short or even long periods. You should expect a stock ETF's share price and total return to fluctuate within a wide range. Overall stock market risk poses the greatest potential danger for investors in stock ETFs. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Stock prices can fluctuate for a broad range of reasons—such as the overall state of the economy or demand for particular products or services.

Other Considerations / Holdings

Occasionally, it will be decided to keep some of the portfolio assets that existed before the management account was established. These other investments can include: Common Stocks, Preferred Stocks, and Individual Bonds.

Strategic IA does not represent, guarantee or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

Clients are advised that they should only commit assets for management that can be invested for the long term, that volatility from investing can occur, and that all investing is subject to risk. Consequently, the value of an account can at any time be worth more or less than the amount invested. Strategic IA does not represent, guarantee or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Strategic IA or the integrity of Strategic IA's management. Strategic IA has no information applicable to this Item.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Strategic IA does not have any outside financial industry activities or financial industry affiliations.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Description of Code of Ethics

Strategic IA has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts, and personal securities trading procedures, among other things. All supervised persons at Strategic IA must acknowledge the terms of the Code of Ethics annually, or as amended.

Participation or Interest in Client Transactions

Strategic IA's employees and managers are required to follow the Company's Code of Ethics. Subject to satisfying this company policy and applicable laws, managers and employees of Strategic IA can trade for their own accounts in securities, which are recommended to and/or purchased for their clients. Strategic IA has adopted a written Code of Ethics designed to prevent any potential conflict of interest with client transactions. Thus, the Code designates certain classes of securities as exempt securities and certain classes of transactions as exempt transactions, based upon a determination that these would not materially interfere with the best interests of Strategic IA's clients.

Additionally, in appropriate circumstances and consistent with a client's investment objectives, Strategic IA anticipates that it will cause accounts over which it has full management authority to effect, and will recommend to investment advisory clients, the purchase or sale of securities in which accounts of Strategic IA's other clients are at the same time effecting a purchase or sale in the same securities. Before entering into a specific transaction, a determination will be made by the persons performing the advisory duties for such account that participation in such transaction will most likely be relatively beneficial to such account.

Cross Trading

Cross-trading is a practice where buy and sell orders for the same asset are offset without recording the trade on the exchange.

We will never consider or permit a cross-trade for any listed or unlisted security.

Personal Trading

Employee trading is regularly monitored under the Code of Ethics in order to ensure employees comply with the Code of Ethics and to ensure the Code of Ethics reasonably addresses conflicts of interest between Strategic IA and its clients.

ITEM 12: BROKERAGE PRACTICES

Selection Criteria

The Custodian and Brokers We Use

Strategic IA does not maintain custody of your assets that we manage although we can be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15 – Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend that our clients use a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and not affiliated with any broker-dealer/custodian. Your broker/custodian will hold your assets in a brokerage account and buy and sell securities when we instruct them to.

While we may recommend that you use a particular custodian/broker, you will decide whether to do so and open your account another custodian by entering into an account agreement directly with them.

How We Select Brokers/Custodians

We seek to select a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared with other available providers and their services. We consider a wide range of factors, including these:

- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- The breadth of investment products made available (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- Reputation, financial strength, and stability of provider
- Their prior service to us and our other clients

Your Custody and Brokerage Costs

For our clients’ accounts, your brokerage/custodian generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your brokerage/custodian account.

Best Execution

It is the policy and practice of Strategic IA to strive for the best price and execution that are competitive in relation to the value of the transaction ("best execution"). In order to achieve the best execution, Strategic IA will use its best judgment to choose the broker-dealer most capable of providing the brokerage services necessary to obtain the best overall qualitative execution.

Although Strategic IA will strive to achieve the best execution possible for client securities transactions, this does not require it to solicit competitive bids and Strategic IA does not have an obligation to seek the lowest available commission cost. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among other things, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while Strategic IA will seek competitive rates, it perhaps will not necessarily obtain the lowest possible commission rates for client transactions

To ensure that brokerage firms recommended by Strategic IA are conducting overall best qualitative execution, Strategic IA will periodically (and no less often than annually) evaluate the trading process and brokers utilized. Strategic IA's evaluation will consider the full range of brokerage services offered by the brokers, which can include, but is not limited to price, commission, timing, research, aggregated trades, capable floor brokers or traders, competent block trading coverage, capital strength, and stability, reliable

and accurate communications and settlement processing, use of automation, knowledge of other buyers or sellers and administrative ability.

Research and other Soft Dollar Benefits

In placing orders for the purchase and sale of securities for its clients, Strategic IA seeks quality execution at favorable prices through responsible broker-dealers. In selecting broker-dealers to execute transactions, Strategic IA considers such factors as the broker's reliability, the quality of its execution services, its financial condition, its commission rates on agency transactions, and the general brokerage and research services that it may provide. As authorized in Section 28(e) of the Securities Exchange Act of 1934, Strategic IA may cause its clients to pay a broker-dealer that provides brokerage and research and portfolio analysis services to Strategic IA an amount of commissions in excess of the commissions that another broker-dealer would have charged for effecting a transaction.

Strategic IA does not have any contractual arrangements in place and does not currently use brokerage commissions to obtain products or services which do not qualify for the safe harbor rules in Section 28(e) of the Act as above.

Research services furnished by brokers and dealers with whom Strategic IA effect transactions may be beneficial to certain of the accounts advised by Strategic IA. It is recognized that a particular account may be charged a commission paid to a firm who supplied research services not utilized by such account. However, Strategic IA expects that each account will be benefited overall by such practice because each is receiving the benefit of research services and the execution of such transactions not otherwise available to it without the allocation of transactions based upon the recognition of the value to such research services. Strategic IA assesses its commission policies, rates, and allocations. This review considers the contributions and value of research services received from broker-dealers.

Under Strategic IA's "Section 28(e)" soft dollar policy, our research and trading departments have not in the past but may in the future engage with research resources paid for by soft dollar transactions.

Strategic IA conducts trades with brokers that provide internally generated proprietary research in the form of research reports on economic data, industries, and individual firms. The research services may be useful in servicing any of the Advisor's accounts, but not all of the research may be useful to the account for which the particular transaction was effected. The Advisor does not allow for soft dollars to be used to correct trading errors. We maintain these policies regarding soft dollars are in full compliance with Section 28(e) of the Securities Exchange Act and the Advisor does not engage in any activity that is outside the scope of Section 28(e).

If it uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, it receives a benefit because it does not have to produce or pay for the research, products or services.

If Strategic IA uses client brokerage commissions to obtain research or other products or services, it receives a benefit because it does not have to produce or pay for the research, products or services.

Brokerage transactions in OTC equity securities effected on behalf of our clients may sometimes be done on an agency basis rather than through market makers. Hence, clients pay commissions to broker-dealers for effecting such transactions and pay the market makers the mark-ups or mark-downs included in the offering or bid prices of the securities purchased or sold.

The role of the CEO as it pertains to soft dollar arrangements includes, but is not limited to (annually):

- Reviewing soft dollar arrangements (if any) with all brokers;
- Determining if the soft dollar arrangements are within the scope of Section 28(e) and approving them;
- Making appropriate mixed-use determinations and allocations for trade decisions that were supported by soft dollar research and trades that were not;
- Discussing and documenting the value of the research obtained with soft dollars;

Directed Brokerage

If requested by a client, Strategic IA can accept written direction from a client regarding the use of a particular broker-dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and Strategic IA will not seek better execution services or prices from other broker-dealers or be able to "batch" client transactions for execution through other broker-dealers with orders for other accounts managed by Strategic IA and Strategic IA will have limited ability to ensure the broker-dealer selected by the client will provide best possible execution. As a result, the client can pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Strategic IA can decline a client's request to direct brokerage if, in Strategic IA's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers.

Trade Aggregation and Allocation

Transactions for each client will be effected independently unless Strategic IA decides to purchase or sell the same securities for several clients at approximately the same time. Strategic IA performs investment management services for various clients, some of which can have similar investment objectives. Strategic IA can aggregate sale and purchase orders with other client accounts and proprietary (employee) accounts that have similar orders being made at the same time, if in Strategic IA's judgment such aggregation is reasonably likely to result in an overall economic benefit to the affected accounts. Such benefits can include better transaction prices and lower trade execution costs. Strategic IA can (but is not obligated to) combine or such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Strategic IA's client's differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. If all aggregate orders do not fill at the same price, transactions will generally be averaged as to price and allocated among participating accounts pro-rata to the purchase and sale orders placed for each participating account on any given day. If such orders cannot be fully executed under prevailing market conditions, Strategic IA can allocate the securities traded among participating accounts and each similar order in a manner which it considers equitable, taking into consideration, among other things, the size of the orders placed, the relative cash positions of each account, the investment objectives of the accounts, and liquidity of the security.

ITEM 13: REVIEW OF ACCOUNTS

Review of Accounts: Accounts are reviewed on a regular basis. Accounts are reviewed:

- (1) when a decision has been made regarding the security held in the account, such as the addition, liquidation or the change of a position
- (2) when prompted by client communication
- (3) when notified of a contribution or withdrawal of assets
- (4) when a decision has been made to alter the asset allocation
- (5) at the discretion of the portfolio manager
- (6) when the manager has determined that market price fluctuation (equity or fixed income asset classes), style drift or other market factors have moved to the extent that allocation thresholds might be out of target objectives.

Client portfolio reports are furnished to each client on a quarterly basis. Reports generally include a written Market Commentary, Portfolio Summary, Assets in Portfolio, and Transaction Schedule. Additional reports can be provided upon request.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Strategic IA nor any of its employees, owners, officers or Advisory Board members pay any referral fees for the acquisition of any account managed by us. We strictly prohibit the transfer of any goods services, benefits or compensation of any kind for the introduction or acquisition of any account.

ITEM 15: CUSTODY

Under government regulations, we are deemed to have custody of your assets if you authorize us to instruct your custodian to deduct our advisory fees directly from your account. You will receive account statements directly from your custodian at least quarterly. They will be sent to the email or postal mailing address you provided to your custodian. You should carefully review those statements promptly when you receive them. We also urge you to compare your account statements with the periodic account statements you will receive from us.

ITEM 16: INVESTMENT DISCRETION

Generally, Strategic IA clients grant it full discretionary authority over securities purchases and sales, subject to investment objectives and guidelines that are established by agreement between Strategic IA and the client at the time the account is opened. Absent instructions to the contrary from the client, Strategic IA has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, amount of securities to be bought or sold, broker/dealer to be used and commission rates to be paid.

The investment advice given to each client is based on the client's investment objectives and individual needs. Strategic IA will rely upon you, the client, to update us about any changes in your life or in the status of the account that can affect issues such as risk tolerance, income requirements, taxes, investment time horizon, downside risk, or return requirement. Strategic IA does not believe in a one-size-fits-all approach, and our business is structured to provide individualized and customized accounts advice, structure and management.

In certain situations, client accounts can come to Strategic IA with stock, bond or mutual fund holdings identified by the client to be retained or client desires to control the size and value of this holding in the portfolio account. At the beginning of our client/advisor relationship, Strategic IA will code these securities as "Un-Managed" (previously "Unsupervised"). We shall not vote proxies, have dispositive power, nor vote on issues relating to tender offers or recapitalizations. Accordingly, it is incumbent upon you, the de-facto owner and decision-maker of these Un- Managed securities to obtain the necessary forms from your broker or custodian to vote proxies and other corporate governance issues that arise from time to time. Strategic IA will identify these holdings clearly and distinctly as "Un-Managed" on each prepared statement of account. Through this disclosure, Strategic IA relinquishes all responsibility for these securities, their merits or suitability for the portfolio or the account holder, and will not be included as a billable asset or part of the billable account in accordance with our fee schedule as defined in this document.

Where Strategic IA has the discretion to select the executing broker, Strategic IA will endeavor to select those brokers or dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, research and other services, which will help Strategic IA in providing investment management services to clients. Strategic IA can, therefore, recommend the use of (or use) a broker who provides useful research and securities and portfolio management services even though a lower commission can be charged by a broker who offers no research services and minimal securities transaction assistance.

ITEM 17: VOTING CLIENT SECURITIES

Proxy voting policies and procedures are required by Rule 206(4)-6 of the Advisers Act. Strategic IA's will not vote proxies for any security held in client managed account.

ITEM 18: FINANCIAL INFORMATION

Registered investment advisers are required in this Item to provide certain financial information or disclosures about their financial condition. Strategic IA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

A. Balance Sheet

Strategic IA neither requires nor solicits any prepayment of fees, and therefore is not required to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients Neither Strategic IA, nor its management has any financial condition that is likely to reasonably impair Strategic IA's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years - Neither Strategic IA, nor its principals or officers have not been the subject of a bankruptcy petition in the last ten years