



# **SRS Capital Advisors, LLC Form ADV Part 2A Brochure CRD #133535**

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This brochure provides information about the qualifications and business practices of SRS Capital Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 303-633-5900 or via email at [info@srscap.com](mailto:info@srscap.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. Being a “registered investment adviser” or describing ourselves as being “registered” does not imply a certain level of skill or training.

Additional information about SRS Capital Advisors, LLC. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



**Item 2. Material Changes:**

We have had the following material changes since our last annual amendment filing on February 5, 2024 of Form ADV Part 2 and 2b filed on the IARD system.

SRS Capital Advisors, Inc. has been reorganized so that it is no longer a corporation and now instead is a partnership, SRS Capital Advisors, LLC.

The principal owners of SRS are Cavalier Investment Holdings MIV, LLC and Arax Business Trust, LLC.

SRS Capital Advisors, LLC acquired Cedrus LLC and Avera Capital Management LLC on December 2, 2024. There is no change in ownership for SRS Capital Advisors, LLC as a result of this merger.

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#### **Item 4. Advisory Business:**

SRS Capital Advisors, LLC ("SRS," "we," or "us") is registered under the Investment Advisors Act of 1940 as an investment adviser and is a limited liability corporation headquartered in Denver, Colorado. SRS and its predecessor have been in business since September 2006. The principal owners of SRS are Cavalier Investment Holdings MIV, LLC and Arax Business Trust, LLC. SRS Capital Advisors, LLC acquired Cedrus LLC and Avera Capital Management LLC on December 2, 2024. There is no change in ownership for SRS Capital Advisors, LLC as a result of this merger.

In general, when acting in our capacity as an investment advisor, we provide individual and institutional investment advisory and financial planning services. These services are provided through discretionary and non-discretionary portfolio management, third party money manager selection and oversight, written comprehensive or modular financial plans, hourly consultations, financial education, seminars, and expert witness services. The Adviser is a fiduciary and is required to act in a client's best interest at all times.

SRS offers discretionary and non-discretionary portfolio management services. Discretionary management means that we will make investment decisions and place buy or sell orders in your account without contacting you. These decisions would be made based upon your stated investment objectives. If you wish, you may limit our discretionary authority by, for example, setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing. Non-discretionary portfolio management service means that we must obtain your approval prior to making any transactions in your account.

#### *Selection of Sub-Advisors*

As part of our overall portfolio management strategy, we may use one or more sub-advisors to manage all or a portion of your account. Currently, we utilize the Managed Accounts Program and the GoalLink Program developed by SEI Investments Management Corporation ("SIMC"), and others. We may also use third party investment advisers that are listed on various custodial platforms. All sub-advisors recommended by our firm must either be registered as investment advisors or exempt from registration requirements. Factors that we take into consideration when making our recommendations include, but are not limited to, the following: the sub-advisor's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We continuously monitor the performance of any accounts managed by the sub-adviser and assume discretionary authority to hire or fire the sub-adviser where such action is deemed to be in the best interest of the Client. The sub-advisor(s) may use one or more of their own model portfolios to manage your account. You will be required to sign an individual agreement with the sub-advisor or a tri party agreement with the sub-advisor and SRS. The sub adviser will charge a fee that is in addition to the fees charged by our firm.

In most cases, SRS will not share in the fees charged by the sub-advisor. The sub-adviser may also act as a payment agent for our firm. However, in the case of accounts maintained with The Pacific Financial Group, Inc., SRS will receive a portion of the fee charged by The Pacific Financial Group, Inc. for services rendered to the client.

### Investment Management:

At SRS, we deliver a number of custom-tailored and proprietary investment strategies. Clients may impose reasonable restrictions on investing in certain securities or types of securities. While the investment objective of each strategy is to provide profits, all strategies contain risks and the potential for losses.

We offer two distinct proprietary strategies which are utilized on an individual basis to achieve investment objectives. These strategies are:

1. Quantitative Market Timing (QMT)
2. Trending

Item 8 below explains our methods of analysis, investment strategies, and risk of loss. Additional detail regarding all of our proprietary investment strategies is available upon request.

### Investment Advisory Services to Trust Accounts:

Certain trust clients may give us discretion in connection with the management of funds held by certain trusts. The trusts may have a single corporate trustee that is either a bank, a subsidiary of a bank, or a trust company or the trust may have co-trustees consisting of a bank or trust company together with an individual client. The discretion is exercised within certain parameters established by the applicable trust document and an investment policy statement. The discretion is evidenced by a written agreement signed by the trustee. The accounts are reviewed periodically to determine if the investments are consistent with the investment policy statement and to determine whether adjustments need to be made. Investments made in these accounts are also reviewed for potential conflicts of interest with personal accounts of employees of SRS as well as in other client accounts.

### Pension Consulting Services:

We also provide several pension consulting services, either separately or in combination. We offer our services to ERISA plans including profit sharing plans, 401(k) plans, and defined benefits plans. Further, we offer our services, where appropriate, to individuals and trusts, estates and charitable organizations. Pension Consulting Services are comprised of four distinct services. Clients may choose to use any or all of these services.

1. *Investment Policy Preparation (hereafter referred to as "IPS")*  
We will meet with the plan sponsor/client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing IPS to work towards these goals. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring investment performance. The services we offer are set forth in the SRS Capital Advisors Service Agreement that is provided upon engagement with SRS Capital Advisors, LLC. This agreement outlines which services we provide as a fiduciary and which services are not provided as fiduciary services.

## 2. *Selection of Investment Vehicles*

We assist plan sponsors in constructing appropriate asset allocation models. We will then review various mutual funds (both indexed and managed) to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS

## 3. *Monitoring of Investment Performance*

We monitor client investments regularly, based on the procedures and timing intervals delineated in the IPS. Although our firm is not involved in any way in the purchase or sale of these investments, we supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

## 4. *Employee Communications:*

For pension, profit sharing, and 401(k) plan clients with individual plan participants exercising control over assets in their own account, we may also provide quarterly educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404 (c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations unless the plan participant has entered into a specific written agreement with SRS Capital Advisors, LLC to provide such advice.

We use a third-party platform to facilitate management of held away assets, which are primarily company sponsored retirement accounts. The platform allows us to avoid being considered to have custody of Client funds since we do not have direct access to Client log-in credentials. We are not affiliated with the platform in any way and receive no compensation from them for using their platform. A link will be provided to the Client allowing them to connect an account(s) to the platform. Once Client account(s) is connected to the platform, we regularly review the available investment options in these accounts, monitor them, and rebalance and implement our strategies.

### Financial Plans/Financial Planning:

Investment Advisory Representatives ("Associates") of SRS are able to provide comprehensive financial planning solutions through an *Integrated Financial Plan* (IFP). Associates analyze the client's financial and investment situation including, but not limited to: investment portfolio analysis; retirement planning; education planning; estate and wealth transfer planning; insurance planning; cash management planning; and, tax planning considerations. Once an agreed upon plan has been completed our Associate will furnish you with the financial plan. These plans may be comprehensive in nature or simply address one specific "a la carte" need.

In general, financial planning services may include any one or all of the following, along with any other investment related topic that the client would like to discuss:

- Retirement Planning and Cash Flow Analysis – SRS analyzes the Client’s current and future cash flow in order to determine whether lifetime capital needs will be met. Additionally, the firm reviews the beneficiary designations on Client qualified plans and individual retirement accounts, and formulates distribution plans from such accounts.
- Income and Estate Tax Minimization – SRS explores ways to reduce the Client’s income tax liability, including alternative minimum tax planning, and devises strategies to minimize and possibly eliminate future estate tax liability.
- Estate Planning – SRS reviews the overall distribution plan contained in wills, trusts and related documents, assists the Client in designating executors and/or trustees, titling of assets, gifting strategies, charitable planning, and the use of various types of trusts to promote estate planning and wealth transfer objectives.
- Insurance Planning – SRS analyzes the cost effectiveness and adequacy of various types of insurance coverage from a risk management standpoint, and explores ways that insurance can be tactically used as a tax efficient vehicle to transfer wealth as part of an estate plan.
- Stock Options/ Rule 144 Stock – SRS reviews the Client’s current positions and explores various strategies for the timing of exercising of both non-qualified and incentive stock options, taking into account funding and tax considerations, and strategies for restricted stock grants

In an effort to be able to better provide and implement comprehensive financial planning services, our Associates may also be licensed insurance agents. Associates may be licensed with multiple insurance companies and may sell life insurance, disability insurance, long-term care insurance, annuity, and other insurance products. Associates may also participate in life settlements. In summary, SRS Associates may utilize virtually any tool or product necessary to provide objective and comprehensive financial planning. Some of these "other products" entitle the Associate to compensation that is separate from fees received for investment advisory fees and financial planning fees.

Neither SRS nor its Associates provide legal or tax advice. We make recommendations on a “best efforts” basis but are unable to predict changes in the market or economy. We cannot guarantee that recommendations will result in financial gain for you, the client.

#### Seminars:

Occasionally, our Associates will conduct seminars on investment programs, estate and wealth transfer planning, business planning, insurance products and other financial planning matters. There may, or may not, be a cost for attending these seminars. The content of these seminars is general in nature and is geared towards the audience which may be prospective clients, CPA's or attorneys. The concepts presented in the seminars are general and not necessarily specific to the needs and objectives of the individuals attending the seminar.

#### Assets Under Management:

As of December 31, 2023, the firm managed the following (in \$US):



	Assets Under Management	# of Accounts
Discretionary:	\$1,389,465,838	3655
<u>Non-Discretionary:</u>	<u>\$49,121,007</u>	<u>31</u>
<b>Total:</b>	<b>\$1,438,586,845</b>	<b>3686</b>

Associates of SRS do have a business continuity plan with the company to ensure seamless transitions of client relationships in the event of an Associate or Principal departure from the firm.

SRS does not participate in any wrap fee programs.

#### **Item 5. Fees and Compensation:**

##### Financial Planning Fees

Fees charged for Financial Planning are negotiable and are based on a fixed-fee per project basis or on an hourly fee basis. The hourly rate ranges from \$195 to \$425 per hour and fees are payable after the plan is completed.

Total fees are determined by each firm Associate, estimating the complexity of the client's circumstances, the level of skill required to perform the service, and the amount of time that will be required to perform research, analysis, and plan preparation.

Fees may be waived in whole or in part by the Firm at its sole discretion. Financial Planning services may be terminated upon five (5) days advance written notice by either party to the other. Any fee due will be prorated to the date of termination.

The fees described above may change based on special situations such as an expansion of a project, increase in the number of reviews, more specialized needs of the client, more complex planning, or more detailed planning. Before such a change may be made, the client is given 3 days prior written notice.

Fees do not include product transaction commissions or the fees for third party professional services, e.g., investment managers, attorneys, accountants, or other third parties.

##### Investment Management Services Fees

For its investment management accounts, SRS charges a fee based on a percentage of the market value of the investments held in each client's account. Rates vary depending on the size and complexity of a client's account and generally range from 1% to 2 ½% per year. Clients electing to utilize one or both of the firm's proprietary QMT or Trending strategies are assessed an additional ½% annual fee for the funds invested in the strategies.

Assets in the account are included in the fee assessment unless specifically identified in writing for exclusion. The management fee is billed quarterly, and may be billed in either advance or arrears, depending on the terms of a client's Investment Advisory Agreement with the firm. The method for





calculating quarterly fees is detailed in each client's Investment Advisory Agreement with the firm. Management fees may be prorated for accounts established or terminated at times other than the start of a quarter.

For all investment accounts, trading fees and transaction costs are borne by the client. We believe this best keeps our interests aligned with yours. For example, when trading costs are borne by a firm, the firm would have a conflict of interest as it would have incentive not to trade an account in an effort to avoid firm expenses.

For most investment accounts, fees are deducted by the custodian directly from your account on a quarterly basis. When direct debiting is not available, we send an invoice directly to you or the custodian due in full within 30 days. We instruct each custodian to deduct and pay the applicable fee to SRS Capital Advisors, LLC. We then send a copy of the invoice to the Custodian or Trustee and at the same time send a copy of the invoice to you. The custodian will send copies quarterly to you detailing all disbursements from the custodial account, including the amount of the advisory fee. We obtain advance authorization from you to allow us to be paid fees directly by the custodian.

For accounts that are billed in advance, the first partial calendar quarter during which you have participated in an SRS investment program, the advisory fees will be billed in arrears, based on a prorated basis as of the date the account is opened and funded. Fees are subsequently adjusted at the end of any calendar quarter to reflect all additions to, or withdrawals from, the account. Any such adjustments will be made on a pro rata basis during the calendar quarter for which the adjustment is made.

Similarly for accounts that are billed in advance, Clients of any investment platform offered through SRS are able to request a full refund of first quarter advisory fees if they present to us in writing a request to terminate their account within five (5) days of the date the investment account application is signed. Fees incurred from trading activities in the account (such as trading fees incurred to obtain initial account positions and fees incurred to liquidate those holdings upon account termination and any early redemption fees imposed by mutual funds) will not be reimbursed. Any account appreciation or depreciation during the five-day period will be borne or kept by the client.

The Investment Advisory Agreement may be terminated at any time by either party upon written notice.

If a client terminates an account before the end of a calendar quarter that has already been billed in advance, the client will receive a refund for any prepaid, unused fees. Existing clients may have advisory fee schedules and fee deduction methods that differ from those listed in the most current SRS Investment Advisory Agreement.

We receive compensation for the services provided pursuant to an Investment Advisory Agreement, and pursuant to the authorization on file with the custodian. You authorize in a written agreement with us that you agree to let each custodian deduct and pay us the advisory fee from each of your accounts. This advisory fee is based on the market value of the assets held in each account. Notwithstanding the advisory fee, in no event shall the quarterly account fee be less than \$25 for any account. Unless otherwise agreed upon in writing, fees will be charged on all assets held in each account including, but not limited to: cash; all marketable securities; options; and, restricted stock. One quarter of the applicable annual advisor fee identified below will be deducted quarterly of the total assets under management.



As a condition of participating in our investment programs, you authorize the establishment of a clearing, custodial or other brokerage services relationship with Fidelity Brokerage Services, LLC and National Financial Services, LLC, Members NYSE, SIPC, and/or Charles Schwab Investment Services Member NYSE, SIPC. Occasionally, the brokerage account platform (discussed later) may utilize other custodian and clearing services. Separate applicable clearing charges and trading fees will be deducted from the underlying brokerage account. These separate fees and charges are not included in the advisory fees referenced below and are paid to the respective custodian, not SRS Capital Advisors, LLC.

Clients invested in the Managed Accounts Program and the GoalLink Program developed by SEI Investments Management Corporation ("SIMC"), are required to custody accounts with SEI Trust Company. Portfolio management fees for assets custodied at SEI Trust Company are billed quarterly, in arrears, and are based on the value of your portfolio at the end of the preceding quarter. SEI Trust Company, the custodian holding client accounts, calculates and deducts advisory fees through the authority granted by the Client in the account opening agreement with SEI Trust Company and forwards such fees to SRS. SRS does not participate in the advisory fee calculation and deduction process. SEI Trust Company sends an account statement to all Clients on at least a quarterly basis. This statement will detail all account activity. Clients are encouraged to review their account statements to verify the accuracy of all information.

Clients should note that if they choose to participate in any investment platform offered through SRS that best execution may not be achieved, due to selection of specific custodians through participation in the platform. SRS strives to use broker(s) that achieve best execution.

SRS reserves the right to negotiate fees on a case-by-case basis. Some clients pay more or less than others depending on certain factors such as the type and size of account, existence of related accounts, anticipation of future additional assets, or other considerations that SRS, in its sole discretion, determines merit an alternate fee arrangement.

For Pension Consulting Services, we offer several fee options. SRS may be compensated based on an annual percentage of plan assets for services involving ongoing reviews or it may be compensated by a fixed annual fee. Alternatively, these different types of fees may also be combined as appropriate for the different types of services requested by the client.

Typically, the annual fee for Pension Consulting Services range from 0.10% to 1.00% of plan assets depending on the services requested and the size of the plan. Fees will be based upon the value of the plan at the end of the previous period. Plan sponsors are invoiced in advance at the beginning of each quarter.

Fixed fees for Pension Consulting Services generally range from \$5,000 to \$50,000. We may request a retainer for the fixed fee arrangements in advance. The amount of a requested retainer will never exceed the fee for services to be provided within the first six months of an engagement.

Although SRS has established the aforementioned fee schedules for Pension Consulting Services, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances,



and needs will be considered in determining the fee schedule. We follow all Department of Labor regulations with respect to billing on accounts subject to ERISA.

The advisory fee payable for any Held Away Account will be deducted directly from another Client account. If there are insufficient funds available in another Client account or we believe that deducting the advisory fee from another Client account would be prohibited by applicable law, it will invoice the Client, unless other billing arrangements are made.

The fee-paying arrangements for Held Away Accounts will be determined on a case-by-case basis and will be detailed in the signed advisory agreement. The client is assessed a fee per the agreement the client signs with the third party recordkeeper.

Fees charged by SRS do not include any charge for insurance advice. Insurance advice may be given but only in the Associate's capacity as a licensed insurance agent. No separate fee may be charged because various federal and state statutes prohibit charging such a fee. However, if properly licensed, Associates may receive commissions upon the sale of insurance products. A financial plan, however, may include cash flow information regarding a client's insurance policies.

You may choose any insurance agent or investment advisor to implement the recommendations made in the financial plan. If you choose to utilize our services for implementation of investment or insurance products and programs, additional compensation in the form of fees and/or commissions will be received by your Associate and the Company. These charges are entirely separate from the fees charged for the financial plan itself. Clients may be able to attain recommended investment and/or insurance products from other product sponsors at a lower cost. Some view the ability to receive commissions on insurance products as a conflict of interest. Others view not being able to be compensated for the implementation of insurance products (and only investment products) as a conflict of interest. We make sure that any conflict of interest is mitigated by not obligating any client to purchase any products from SRS.

Where variable annuities are sold, clients should also note that the annuity sales result in substantial up-front commissions and ongoing trails based on the annuity's total value. In addition, many annuities contain surrender charges and/or restrictions on access to your funds. Payments and withdrawals can have tax consequences. Optional lifetime income benefit riders are used to calculate lifetime payments only and are not available for cash surrender or in a death benefit unless specified in the annuity contract. In some annuity products, fees can apply when using an income rider. Annuity guarantees are based on the financial strength and claims-paying ability of the issuing insurance company. We urge our clients to read all insurance contract disclosures carefully before making a purchase decision. Rates and returns mentioned on any program presented are subject to change without notice. Insurance products are subject to fees and additional expenses.

#### IRA Rollover Considerations

As a normal extension of financial advice, we provide education or recommendations related to the rollover of an employer-sponsored retirement plan. A plan participant leaving employment has several options. Each choice offers advantages and disadvantages, depending on desired investment options and services, fees and expenses, withdrawal options, required minimum distributions, tax treatment,



and the investor's unique financial needs and retirement plans. The complexity of these choices may lead an investor to seek assistance from us.

An Associated Person who recommends an investor roll over plan assets into an Individual Retirement Account ("IRA") may earn an asset-based fee as a result, but no compensation if assets are retained in the plan. Thus, we have an economic incentive to encourage an investor to roll plan assets into an IRA. In most cases, fees and expenses will increase to the investor as a result because the above-described fees will apply to assets rolled over to an IRA and outlined ongoing services will be extended to these assets.

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. We have to act in your best interests and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests

From time to time, various attorneys retain Principals of SRS to serve as an expert witness in insurance and investment lawsuits and arbitrations. A fee of \$300, or more per hour is charged for expert witness services.

**Item 6. Performance-Based Fees and Side-by-Side Management:**

SRS does not have any performance-based or side-by-side management fee structures.

**Item 7. Types of Clients:**

We provide financial advisory and investment advisory services to primarily affluent and high net-worth clients with investable assets in excess of \$1M. We also manage assets for retirement plans (for example, 401(k) and profit-sharing plan assets) as well as foundations, non-profits, and the like. SRS has over 1,000 clients.

**Item 8. Method of Analysis, Investment Strategies and Risk of Loss:**

We deliver a number of custom-tailored and proprietary investment strategies. While the investment objective of each strategy is to provide profits, all strategies contain risks and the potential for losses.

Our strategies range in risk from more conservative in nature to very aggressive in nature. The more conservative a strategy, the smaller the potential for both gains and losses become for the account. The more aggressive a strategy, the greater the potential for both gains and losses become for an account.

All of our discretionary strategies are actively managed. In general, the more conservative the strategy, the less trading activity is required to achieve the goal of the portfolio. The more aggressive the strategy, the more trading activity is required to achieve the goal of the portfolio. Trading incurs costs which are borne by you and are a drag on investment performance. When analyzing your investment options, it is important to weigh the tradeoff between trading costs and active portfolio management.



We offer distinct proprietary strategies in addition to any other strategies utilized to achieve investment objectives:

1. **Trending Strategy:** The Trending strategy follows the stock market trends in six U. S. market categories, listed below, which fall in and out of favor as a current investment. At any given time, one or more of these six market segments will outperform the others. The objective of the Trending strategy is to hold three (3) or four (4) exchange traded funds (ETFs) and/or three Vanguard Index exchange traded funds that are in the best performing segments of the market.

U. S. Market Categories:

Large Cap Growth	Mid Cap Growth	Small Cap Growth
Large Cap Value	Mid Cap Value	Small Cap Value

2. **QMT Strategy:** The Quantitative Market Timing Strategy (QMT) takes the sum of investment dollars and divides it into six equal amounts corresponding to the above listed six market categories. We use our system to determine if we are “in” any or all segments of the equity market, or “out” of any or all segments of the equity market. At times when we are not fully invested in equity funds, we will use the same type of statistical analysis to determine whether bonds are a favorable investment. If our system tells us that it is not a favorable time to be invested in either stocks or bonds, then the investment dollars or a portion of them will remain in cash.

Our methods of analysis are numerous, sophisticated and dynamic in nature. We use both qualitative and quantitative measures, analyze the macroeconomic and microeconomic environments, and utilize both fundamental and technical analysis. Many of our strategies rely on statistical models to comprise asset allocations and diversification strategies.

Our Trending and QMT strategies utilize technical analysis, which is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security’s intrinsic value but instead use charts and other tools to identify patterns that can suggest future activity.

In general, our Portfolio Managers and Associates have expertise in different areas and we trade information frequently at formal monthly meetings, Investment Committee meetings, and informally with each other almost daily. We conduct proprietary internal research on both individual securities and the economy and purchase research from numerous outside sources. We constantly monitor all of our investment strategies and are active in our management style.

We use a number of additional resources when working with clients, designing investment programs and preparing financial plans. Some of these sources include comprehensive manager performance tracking databases and analytics tools, macroeconomic portfolio stress testing tools, financially oriented textbooks, marketing materials from product sponsors, and information provided by an approved third party. Our Associates may also make recommendations based on specific legal, investment, and tax documents provided by you.

Custom-tailored investment strategies are unique in nature and are governed by a risk tolerance assessment or an Investment Policy Statement which is designed by you and your SRS Associate. All strategies and accounts may utilize a mix of almost any traded security (ETFs - *including leveraged and inverse ETFs*, stocks, bonds, mutual funds, alternative investments, etc.) which together creates a portfolio which the manager believes will best achieve its investment objective. Each strategy may also use investment managers (i.e. mutual funds and separately managed accounts) whose investment style and expertise may be appropriate for the specific needs of certain clients.

SRS, in certain situations, may recommend investments in selected private placements, including limited partnerships. These types of investments may present unique risks due to the use of leverage and potential lack of liquidity. In addition, such recommendations may be limited only to clients that are terms as “Accredited Investors”, as defined in Rule 501(a) of Regulation D in the Securities Act of 1933. These types of investments also have varied and unique fee structures on their own. SRS does not receive any fee from recommending these securities other than the investment management fee that is disclosed in item 5. Fees and Compensation, above. Due to the unique and complex nature of these investments, clients will receive a separate disclosure prior to any investments being made.

The investment advice provided along with the strategies suggested by SRS will vary depending on each client’s specific financial situation and goals. This brief statement does not disclose all of the risks and other significant aspects of investing in financial markets. In light of the risks, you should fully understand the nature of the contractual relationship(s) into which you are entering and the extent of your exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed would be appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

**Recommendation of Particular Types of Securities:** As disclosed under the “Advisory Business” section in this Brochure, we provide advice on various types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

**General Investment Risk:** All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments in which you intend to invest.

**Loss of Value:** There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and governmental economic or monetary policies.

**Interest Rate Risk:** Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes.

**Credit Risk:** Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

**Foreign Exchange Risk:** Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation, and other economic and political conditions. If the currency in which a security is denominated appreciates against the US Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

**Concentrated Position Risk:** Certain Associated Persons may recommend that clients concentrate account assets in an industry or economic sector. In addition to the potential concentration of accounts in one or more sectors, certain accounts may, or may be advised to, hold concentrated positions in specific securities. Therefore, at times, an account may, or may be advised to, hold a relatively small number of securities positions, each representing a relatively large portion of assets in the account. As a result, the account will be subject to greater volatility than a more sector diversified portfolio. Investments in issuers within an industry or economic sector that experiences adverse economic, business, political conditions or other concerns will impact the value of such a portfolio more than if the portfolio's investments were not so concentrated. A change in the value of a single investment within the portfolio will affect the overall value of the portfolio and will cause greater losses than it would in a portfolio that holds more diversified investments.

**Preferred Securities Risk:** Preferred Securities have similar characteristics to bonds in that preferred securities are designed to make fixed payments based on a percentage of their par value and are senior to common stock. Like bonds, the market value of preferred securities is sensitive to changes in interest rates as well as changes in issuer credit quality. Preferred securities, however, are junior to bonds with regard to the distribution of corporate earnings and liquidation in the event of bankruptcy. Preferred securities that are in the form of preferred stock also differ from bonds in that dividends on preferred stock must be declared by the issuer's board of directors, whereas interest payments on bonds generally do not require action by the issuer's board of directors, and bondholders generally have protections that preferred stockholders do not have, such as indentures that are designed to guarantee payments – subject to the credit quality of the issuer – with terms and conditions for the benefit of bondholders. In contrast preferred stocks generally pay dividends, not interest payments, which can be deferred or stopped in the



event of credit stress without triggering bankruptcy or default. Another difference is that preferred dividends are paid from the issue's after-tax profits, while bond interest is paid before taxes.

**Risks Associated with Investing in Equities:** Investments in equities generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**Risks Associated with Investing in Mutual Funds:** Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. In addition, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns.

**Risks Associated with Investing in Exchange Traded Funds (ETF):** Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

**Inverse Funds:** Inverse mutual funds and ETFs, which are sometimes referred to as "short" funds, seek to provide the opposite of the single-day performance of the index or benchmark they track. Inverse funds are often marketed as a way to profit from, or hedge exposure to, downward moving markets. Some inverse funds also use leverage, such that they seek to achieve a return that is a multiple of the opposite performance of the underlying index or benchmark (i.e., -200%, -300%). In addition to leverage, these funds may also use derivative instruments to accomplish their objectives. As such, inverse funds are highly volatile and provide the potential for significant losses.

**Municipal Securities Risk:** The value of municipal obligations can fluctuate over time. Value may be affected by adverse political, legislative and tax changes. Financial developments affecting the municipal issuers affect the value as well. Because many municipal obligations are issued to finance similar projects by municipalities (e.g., housing, healthcare, water and sewer projects, etc.), conditions in the sector related to the project can affect the overall municipal market. Payment of municipal obligations may depend on an issuer's general unrestricted revenues; revenue generated by a specific project, the operator of the project, or government appropriation or aid. There is a greater risk if investors can look only to the revenue generated by the project. In addition, municipal bonds generally are traded in the "over-the-counter" market among dealers and other large institutional investors. From time to time, liquidity in the municipal bond market (the ability to buy and sell bonds readily) may be reduced in response to overall economic conditions and credit tightening.

**Risks Associated with Investing in Options:** Transactions in options carry a high degree of risk. A relatively small market movement will have a proportionately larger impact, which may work for or against the



investor. The placing of certain orders, which are intended to limit losses to certain amounts, may not be effective because market conditions may make it impossible to execute such orders. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

**Recommendation of Other Advisers:** In the event we recommend a third-party investment adviser to manage all or a portion of your assets, we will advise you on how to allocate your assets among various classes of securities or third-party investment managers, programs, or managed model portfolios. As such, we will primarily rely on investment model portfolios and strategies developed by the third-party investment advisers and their portfolio managers. If there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark, we may recommend changing models or replacing a third-party investment adviser. The primary risks associated with investing with a third party is that while a particular third party may have demonstrated a certain level of success in the past; it may not be able to replicate that success in future markets. In addition, as we do not control the underlying investments in third party model portfolios, there is also a risk that a third party may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. To mitigate this risk, we seek third parties with proven track records that have demonstrated a consistent level of performance and success over time. A third party's past performance is not a guarantee of future results and certain market and economic risks exist that may adversely affect an account's performance that could result in capital losses in your account. Please refer to the third-party investment adviser's advisory agreements, Form ADV Brochure, and associated disclosure documents for details on their specific investment strategies, methods of analysis, and associated risks.

**Cybersecurity Risks:** Our firm and our service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes, and practices designed to protect networks, systems, computers, programs, and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate; however, unintentional events may have similar effects. Cyber-attacks may cause losses to clients by interfering with the processing of transactions, affecting the ability to calculate net asset value or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose our firm to civil liability as well as regulatory inquiry and/or action. In addition, clients could be exposed to additional losses as a result of unauthorized use of their personal information. While our firm has established a business continuity plan and systems designed to prevent cyber- attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities, investment companies and other investment advisers in which we invest, which could result in material adverse consequences for such entities and may cause a client's investment in such entities to lose value.

**Pandemic Risk:** Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption. It is difficult to predict the long-term impact of such events because they are dependent on a variety of factors including the global response of regulators and governments to address and mitigate the worldwide effects of such events. Workforce reductions, travel restrictions, governmental responses and policies and macroeconomic factors will negatively impact investment returns.

**Environmental, Social, and Governance Investment Criteria Risk:** If a portfolio is subject to certain environmental, social and governance (ESG) investment criteria it may avoid purchasing certain securities for ESG reasons when it is otherwise economically advantageous to purchase those securities, or may sell certain securities for ESG reasons when it is otherwise economically advantageous to hold those securities. In general, the application of the portfolio's ESG investment criteria may affect the portfolio's exposure to certain issuers, industries, sectors and geographic areas, which may affect the financial performance of the portfolio, positively or negatively, depending on whether these issuers, industries, sectors or geographic areas are in or out of favor. An adviser can vary materially from other advisers with respect to its methodology for constructing ESG portfolios or screens, including with respect to the factors and data that it collects and evaluates as part of its process. As a result, an adviser's ESG portfolio or screen may materially differ from or contradict the conclusions reached by other ESG advisers concerning the same issuers. Further, ESG criteria are dependent on data and are subject to the risk that such data reported by issuers or received from third-party sources may be subjective, or it may be objective in principle but not verified or reliable.

**Risks Associated with Investing in Inverse and Leveraged Funds:** Leveraged mutual funds and ETFs generally seek to deliver multiples of the daily performance of the index or benchmark that they track. Inverse mutual funds and ETFs generally seek to deliver the opposite of the daily performance of the index or benchmark that they track. Inverse funds often are marketed as a way for investors to profit from, or at least hedge their exposure to onward-moving markets. Some Inverse funds are both inverse and leveraged, meaning that they seek a return that is a multiple of the inverse performance of the underlying index. To accomplish their objectives, leveraged and inverse funds use a range of investment strategies, including swaps, futures contracts, and other derivative instruments. Leveraged, inverse, and leveraged inverse funds are more volatile and riskier than traditional funds due to their exposure to leverage and derivatives, particularly total return swaps and futures. At times, we will recommend leveraged and/or inversed funds, which may amplify gains and losses.

Most leveraged funds are typically designed to achieve their desired exposure on a daily (in a few cases, monthly) basis, and reset their leverage daily. A "single day" is measured from the time the leveraged fund calculates its net asset value ("NAV") to the time of the leveraged fund's next NAV calculation. The return of the leveraged fund for periods longer than a single day will be the result of each day's returns compounded over the period. Due to the effect of this mathematical compounding, their performance over longer periods of time can differ significantly from the performance (or inverse performance) of their underlying index or benchmark during the same period of time. For periods longer than a single day, the leveraged fund will lose money when the level of the Index is flat, and the leveraged fund may lose money even if the level of the Index rises. Longer holding periods, higher index volatility, and greater leverage all exacerbate the impact of compounding on an investor's returns. During periods of higher Index volatility, the volatility of the Index may affect the leveraged fund's return as much as or more than the return of

the Index itself. Therefore, holding leveraged, inverse, and leveraged inverse funds for longer periods of time increases their risk due to the effects of compounding and the inherent difficulty in market timing. Leveraged funds are riskier than similarly benchmarked funds that do not use leverage. Non-traditional funds are highly volatile and not suitable for all investors. They provide the potential for significant losses.

**Risks Associated with Investing in Buffer ETFs:** Buffer ETFs are also known as defined-outcome ETFs since the ETF is designed to offer downside protection for a specified period of time. These ETFs are modeled after options-based structured notes, but are generally cheaper, and offer more liquidity. Buffer ETFs are designed to safeguard against market downturns by employing complex options strategies. Buffer ETFs typically charge higher management fees that are considerably more than the index funds whose performance they attempt to track. Additionally, because buffer funds own options, they do not receive dividends from their equity holdings. Both factors result in the underperformance of the Buffer ETF compared to the index they attempt to track. Clients should carefully read the prospectus for a buffer ETF to fully understand the cost structures, risks, and features of these complex products.

**Structured Notes:** Below are some specific risks related to the structured notes recommended by our firm:

- **Complexity:** Structured notes are complex financial instruments. Clients should understand the reference asset(s) or index(es) and determine how the note's payoff structure incorporates such reference asset(s) or index(es) in calculating the note's performance. This payoff calculation may include leverage multiplied by the performance of the reference asset or index, protection from losses should the reference asset or index produce negative returns, and/or fees. Structured notes may have complicated payoff structures that can make it difficult for clients to accurately assess their value, risk and potential for growth through the term of the structured note. Determining the performance of each note can be complex and this calculation can vary significantly from note to note depending on the structure. Notes can be structured in a wide variety of ways. Payoff structures can be leveraged, inverse, or inverse-leveraged, which may result in larger returns or losses. Clients should carefully read the prospectus for a structured note to fully understand how the payoff on a note will be calculated and discuss these issues with our firm.
- **Market risk:** Some structured notes provide for the repayment of principal at maturity, which is often referred to as "principal protection." This principal protection is subject to the credit risk of the issuing financial institution. Many structured notes do not offer this feature. For structured notes that do not offer principal protection, the performance of the linked asset or index may cause clients to lose some, or all, of their principal. Depending on the nature of the linked asset or index, the market risk of the structured note may include changes in equity or commodity prices, changes in interest rates or foreign exchange rates, and/or market volatility.
- **Issuance price and note value:** The price of a structured note at issuance will likely be higher than the fair value of the structured note on the date of issuance. Issuers now generally disclose an estimated value of the structured note on the cover page of the offering prospectus, allowing investors to gauge the difference between the issuer's estimated value of the note and the issuance price. The estimated value of the notes is likely lower than the issuance price of the note to investors because issuers include the costs for selling, structuring, and/or hedging the exposure

on the note in the initial price of their notes. After issuance, structured notes may not be re-sold on a daily basis and thus may be difficult to value given their complexity.

- **Liquidity:** The ability to trade or sell structured notes in a secondary market is often very limited, as structured notes (other than exchange-traded notes known as ETNs) are not listed for trading on securities exchanges. As a result, the only potential buyer for a structured note may be the issuing financial institution's broker-dealer affiliate or the broker-dealer distributor of the structured note. In addition, issuers often specifically disclaim their intention to repurchase or make markets in the notes they issue. Clients should, therefore, be prepared to hold a structured note to its maturity date or risk selling the note at a discount to its value at the time of sale.
- **Credit risk:** Structured notes are unsecured debt obligations of the issuer, meaning that the issuer is obligated to make payments on the notes as promised. These promises, including any principal protection, are only as good as the financial health of the structured note issuer. If the structured note issuer defaults on these obligations, investors may lose some, or all, of the principal amount they invested in the structured notes as well as any other payments that may be due on the structured notes.

#### **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 us or of the integrity of our management. Neither SRS nor its Associates have any disciplinary history.

#### **Item 10. Other Financial Industry Activities and Affiliations:**

SRS provides the following non-investment advisory services to Clients:

- **Family Office Services:** These services include tax planning, insurance planning, multi-generational wealth transfer planning, family foundation management, philanthropic planning and general family governance.
- **Family Coaching Services:** These services include life transition planning, family business and wealth assessment, transition planning and beneficiary coaching.
- **Corporate Consulting Services:** These services include business succession planning, executive coaching, mergers and acquisitions advice and talent acquisition advice.

Clients are advised that the fees paid to the firm for advisory services are separate and distinct from fees earned for non-advisory services. Clients to whom the firm offers advisory services are informed that they are under no obligation to utilize our firm for these services. Currently, SRS expects to generate less than 5% of its revenue from these non-advisory services

#### **Recommendation of Other Advisors**

We may recommend that you use a third-party investment adviser or program as part of our asset allocation and investment strategy. In cases where the recommended third party is The Pacific Financial Group, Inc., SRS will share in the compensation received by the third-party investment adviser. As such,



we are incentivized to recommend investment advisers from whom we receive solicitor/referral fees as opposed to other investment advisers from whom we do not receive such fees. We conduct ongoing due diligence on investment advisers we recommend. In the event that a recommended investment adviser is not meeting the standards that we believe meet your needs, we will seek other investment advisers that we believe will better fit your specific management needs.

Appropriately registered investment advisory representatives (IARs) of SRS Capital Advisors, LLC may spend some of their time selling insurance-based products in addition to providing investment advisory services. David A. Simon, President of SRS Capital Advisors, LLC spends approximately 15% of his time managing SimonDavis Brokerage Services, Inc. an insurance wholesale brokerage agency. SimonDavis Brokerage Services, Inc. provides SRS Capital Advisors, LLC and other investment professionals, access to a wide array of life, annuity, long term care, and disability insurance products.

One of our Investment Advisory Representatives, Anjanette Phetteplace, owns 100% of N&A Professional Group, P.C. (N&A). N&A is a Certified Public Accounting firm. N&A clients may become SRS clients and SRS clients may become N&A clients. The practice of referring clients of SRS to N&A and vice versa may present a conflict of interest. Clients of SRS are not required to become clients of N&A and clients of N&A are not required to become clients of SRS. Since clients are not obligated to become clients of either firm and by clearly stating to clients at every point of contact whether we are working on behalf of N&A or SRS, we believe this mitigates the conflict of interest.

One of our Investment Advisory Representatives, Brian Chase, is also a partner at JDS Professional Group, (JDS). JDS is a Certified Public Accounting firm. JDS clients may become SRS clients. The practice of referring clients of JDS to SRS may present a conflict of interest. Clients of JDS are not required to become clients of SRS. Brian Chase also has a solicitation agreement with Triumph Capital, LLC. Triumph Capital, LLC is an independent firm with securities offered through Summit Brokerage Services, Inc. Brian receives compensation for fees generated from prior referrals to Triumph Capital, LLC. Brian no longer refers clients to Triumph Capital, LLC and so we believe this mitigates any conflict of interest.

SRS Investment Advisory Representatives may have their own legal business entities whose business names and logos may appear on marketing materials as approved by SRS or client statements as approved by the respective client custodian. The client should understand that the businesses are legal entities of the Investment Advisory Representative and not of SRS or the custodian(s). Investment Advisory Services of the Investment Advisory Representatives are provided exclusively through SRS Capital Advisors, LLC.

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

Without exception, all IARs of SRS are required to be currently registered in all jurisdictions where they will provide investment advisory services. They are required to maintain these registrations in good standing and are not permitted to provide advice in jurisdictions in which they do not hold a current registration.

SRS places the highest value on the ethical conduct of its employees. We will accept nothing less than total integrity, honesty, openness and trust from both our employees and our principals. Our number one priority is you, the client. We have a relentless passion to continuously take steps which will enable us to effectively assist you in achieving your financial and investment goals. Our advisors have an ongoing



fiduciary responsibility to serve you, our client. Thus, we require total compliance with federal and state securities laws in addition to all SRS policies and procedures. We strive to live up to not only the letter and spirit of the law, but also to the ideals of the organization which are to put your interests ahead of the interests of the firm's, its advisor's and its employee's.

All Investment Advisory Representatives, employees and other affiliates of SRS must take every measure to prevent access to material nonpublic information regarding securities recommendations, and client securities holdings and transactions by individuals who do not need the information to perform their duties. SRS maintains and enforces policies and procedures to prevent the misuse of material nonpublic information. These policies and procedures are thoroughly documented in the "Office Procedure for the Protection of the Security of Customers Privacy", "SRS Privacy Policy", and "Investment Advisory Representative Procedures Manual." Advisors must not misuse material nonpublic information about the advisor's securities recommendations, client securities holdings and transactions. Advisors must safeguard sensitive information at all times.

All "access persons" must report on a quarterly basis their personal securities transactions and holdings to the advisor's Chief Compliance Officer. An access person is a supervised person who has access to nonpublic information regarding clients' purchase or sale of securities, is involved in making securities recommendations to clients or who has access to such recommendations that are nonpublic. A supervised person who has access to nonpublic information regarding the portfolio holdings of affiliated mutual funds is also an access person. Access persons will include portfolio management personnel and, client service representatives who communicate investment advice to clients. All directors, officers and partners of the firm will be considered access persons.

SRS requires complete transparency with regard to personal securities activity. Advisors and Employees are not allowed to trade in any individual security without obtaining prior approval from the Chief Compliance Officer. In general, all personal securities trades must be in securities that are not owned by firm clients unless they are in a block trade with firm accounts which ensures that the advisor obtains identical pricing to that of firm clients. Our internal Policies and Procedures Manual contains detailed procedures regarding personal securities trading and is available upon request.

SRS has a Code of Ethics that establishes standards of conduct expected of supervised persons and reflects our fiduciary duties. Our Code of Ethics requires that supervised persons comply with applicable federal securities laws, and that certain supervised persons ("access persons") must report their personal securities holdings and transactions, including transactions in mutual funds advised by SRS or an affiliate. SRS will provide a copy of our Code of Ethics to any client or prospective client on request. For a complete copy, please contact us at (303) 633-5900 or, e-mail us at: [info@srsca.com](mailto:info@srsca.com).

#### **Item 12. Brokerage Practices:**

SRS has a relationship with Fidelity Brokerage Services, LLC, National Financial Services, LLC, and Charles Schwab Investment Services whom provide custody, trading execution, clearing and recordkeeping services for SRS client accounts. The firm's Best Execution Committee believes that these custodians are the industry leaders for custodial services. Fidelity and Schwab provide the firm with a myriad of tools including, but not limited to: trading desks; statements; custodial services; research; and, other valuable resources. These relationships and their resources may be considered *soft dollars* and may create conflicts





of interest. These resources benefit all clients firm-wide and are not allocated only to those that use custodian resources. We do not believe we are "paying up" for any provided resources as Fidelity and Schwab are among the low-cost providers in the industry. Neither Fidelity nor Schwab pays SRS a referral fee for client referrals.

Clients invested in the Managed Accounts Program and the GoalLink Program developed by SEI Investments Management Corporation ("SIMC"), are required to custody accounts with SEI Trust Company, a wholly owned subsidiary of SEI Investments. Trades executed through SEI for SEI funds are placed free of charge, as an accommodation to Clients. However, accounts may be subject to an annual custodial fee. The exact fee will be listed in SEI's account opening document.

***Detailed information about the Fidelity and Schwab relationships is below:***

**Fidelity** - SRS has an arrangement with National Financial Services, LLC and Fidelity Brokerage Services, LLC (collectively, and together with all affiliates, "Fidelity") through which Fidelity provides us with "institutional platform services." The institutional platform services include, among others, brokerage, custody, and other related services. Fidelity's institutional platform services that assist us in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Fidelity also offers other services intended to help us manage and further develop our advisory practice. Such services include, but are not limited to, performance reporting, financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third-party service providers who provide a wide array of business-related services and technology with whom we may contract directly.

SRS is independently operated and owned and is not affiliated with Fidelity.

Fidelity generally does not charge its advisor clients separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity provides access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

Fidelity is providing SRS with certain brokerage and research products and services ("soft dollar") that qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act").

**Schwab** - SRS has an arrangement with Charles Schwab Investment Services through which Schwab provides us with "institutional platform services." The institutional platform services include, among others, brokerage, custody, and other related services. Schwab's institutional platform services that assist



us in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab also offers other services intended to help us manage and further develop our advisory practice. Such services include, but are not limited to, performance reporting, financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third-party service providers who provide a wide array of business related services and technology with whom we may contract directly.

SRS is independently operated and owned and is not affiliated with Charles Schwab.

Schwab generally does not charge its advisor clients separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Schwab provides access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

Schwab is providing SRS with certain brokerage and research products and services ("soft dollar") that qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act").

SRS participates in a Schwab provided program which is a referral program designed to introduce high net worth investors to independent Registered Investment Advisors. We do not pay a fee to participate in this program. SRS participation in the program may raise potential conflicts of interest as we may have an incentive to recommend that clients custody asset with Schwab.

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

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





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

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

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

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

*Other Relationships* - SRS and/or IARs of SRS have numerous wholesale contracts with multiple insurance companies and agencies through SimonDavis Brokerage Services, Inc. a wholesale insurance brokerage agency owned in full by David A. Simon, President of SRS Capital Advisors, LLC. This relationship could be viewed as a conflict of interest. These contracts are not related to investment advisory services provided by the IAR's of SRS.

SRS does engage in discretionary trading for most client accounts. Authorized SRS Associates may choose specific securities and the amount purchased of a specific security so long as it is appropriate for the goals, objectives and risk tolerance of the client. Clients should reference platform-specific "advisor agreements" for additional details. SRS does recommend broker dealers for client security trades. All trades made by IARs of SRS are placed through Fidelity Brokerage Services, LLC or National Financial Services, LLC, Members NYSE, SIPC, or Charles Schwab Investment Services unless requested otherwise, in writing, by clients.

SRS does not determine commission rates paid for trading in client accounts and therefore may not necessarily obtain the best price. SRS may, in the future, have the ability to negotiate down the commission rates paid for trading in client accounts.

In certain instances, related persons of SRS may engage in discretionary trading in client accounts. For example, when clients purchase mutual fund shares, the fund advisor(s) may purchase securities on behalf of the fund on a discretionary basis subject to the provisions set forth in the fund's prospectus and the oversight of the fund's board of directors. These funds also select broker dealers to affect fund trades.

SRS does aggregate client trades. These block trades are typically utilized to obtain best execution and fair and equal treatment for all clients. Allocations of block trades are typically made on a pro-rata basis

when possible. In rare circumstances, pro-rata allocation is not possible and some client accounts may be excluded from the allocation or receive some other share that is not their pro-rata share.

**Item 13. Review of Accounts:**

There is constant oversight and monitoring of all discretionary client accounts by an SRS Portfolio Manager. Additionally, Associates maintain oversight on their client's accounts and will periodically review your account with you.

Investment advisory clients of SRS will be contacted at least annually to review the performance of their account(s). Account performance and client goals and objectives will be reviewed during this annual review. On at least a quarterly basis, clients will receive account statements detailing account activity, holdings and balances. Associates of SRS will be available during normal business hours to counsel clients and answer questions regarding investment accounts.

For financial planning clients, Associates will provide periodic reviews and updates for clients as requested. Unless requested by the client, IARs will not send financial planning updates to clients. SRS Capital Advisors, LLC reserves the right to charge a predetermined hourly fee for these reviews.

**Item 14. Client Referrals and Other Compensation:**

IARs of SRS may from time to time refer clients to individuals that have referred business to them in the past. One could conclude that the IAR is receiving an indirect economic benefit from this activity. IARs do not receive direct compensation for client referrals. SRS reserves the right to pay a fee to a promoter who refers clients to us in accordance with applicable securities laws. From time to time, SRS does enter into promoter relationships with individual ("promoters") who in turn offer our services to members of the public. We have agreed to pay the individual promoters a portion of the advisory fee that we receive under the investment management agreement entered into by us and each client referred to us by the promoter. We have also agreed not to charge costs greater than the fees or costs we charge our advisory clients who were not introduced to us by a promoter, and who have similar portfolios under management with us. The fee is paid pursuant to a written agreement and this information is disclosed to Clients prior to, or at the time, of entering into an investment advisory agreement.

**Compensation for Client Referrals**

Ramsey Solutions –SmartVestor™ We have entered into an advertising agreement with Ramsey Solutions ("RS") whereby RS provides online advertising services in exchange for a flat monthly marketing fee. The services include advertising space on RS's web-based SmartVestor™, lists assigned to particular geographic markets, use of the SmartVestor™ marks in advertising, and the provision of other marketing materials. Potential clients using the SmartVestor™ site may select and choose to contact our Associated Persons for services.

**Recommendation of Other Advisors**

We may recommend that you use a third-party investment adviser or program as part of our asset allocation and investment strategy. In cases where the recommended third party is The Pacific Financial Group, Inc., SRS will share in the compensation received by the third-party investment adviser. As such, we are incentivized to recommend investment advisers from whom we receive solicitor/referral fees as



opposed to other investment advisers from whom we do not receive such fees. We conduct ongoing due diligence on investment advisers we recommend. In the event that a recommended investment adviser is not meeting the standards that we believe meet your needs, we will seek other investment advisers that we believe will better fit your specific management needs.

IARs of SRS may from time to time recommend and implement group variable annuities when suitable for a client. They are exclusively sold through qualified and licensed individuals of the firm. This recommendation is provided solely in the IARs capacity as a licensed insurance broker/agent. SRS and/or its IARs do not utilize any investment advisory contract or agreement when selling these products. Our sole compensation for the sale is an insurance commission and/or trails on the products sub-accounts under the group variable annuity.

**Item 15. Custody:**

A separate account is maintained for you with the "Custodian". You will be provided with at least a quarterly statement from the custodian containing a description of all activity in your account. You will receive, through confirmation from the custodian, a notice of all transactions in your account.

Investment advisory clients of SRS will receive no less than quarterly statements detailing account activity, holdings and balances.

You should carefully review the statements you receive from the qualified custodian against any personal knowledge you have of your account(s) and any information provided to you by our firm. This will assist you in determining whether, or not, account transactions, advisory fees and otherwise are accurate. Per rule 206(4)-2 of the Investment Advisers Act of 1940, SRS is deemed to have custody of certain client accounts where standing letters of authorization (SLOAs) may exist. The determination of this custody is based on the structure of each SLOA. SRS conducts regular and ongoing audits of all of the SLOAs across the firm to determine which accounts we are deemed to have custody for and follows all associated SEC rules and guidelines for that custody.

**Item 16. Investment Discretion:**

As noted in Item 8, SRS does engage in discretionary trading for most client accounts. When authorized, certain IARs of SRS may choose specific securities and the amount purchased of a specific security so long as it is appropriate for the goals, objectives and risk tolerance of the client. Clients are able to place reasonable restrictions and constraints on how their investments are managed; or, they may choose that we manage their account on a non-discretionary basis whereby the client may direct us, or work alongside us, in choosing appropriate investment positions to achieve their investment goals.

**Item 17. Voting Client Securities:**

SRS does not vote, in general will not accept the authority to vote, nor advises how to vote, proxies for securities held in your account(s). Proxies are sent directly to you from the company or via your custodian either by mail or electronically depending on how you set up your account.



For questions regarding proxies and for additional details regarding our proxy procedures please contact our office at 303-633-5900; or, by email at: [info@srscap.com](mailto:info@srscap.com).

**Class Action Lawsuits**

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. Adviser has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. Adviser also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, Adviser has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct or negligence by corporate management of issuers whose securities are held by clients.

**Item 18. Financial Information:**

We are required in this Item to provide you with certain financial information or disclosures about SRS', financial condition. SRS does not require the prepayment of over \$1,200, six or more months in advance. Additionally, SRS has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and it has not been the subject of a bankruptcy proceeding.