

## Item 1: Cover Page

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# Allegiance Financial Group Advisory Services LLC

## Form ADV Part 2A Brochure

January 8, 2024

Address: 374 Maple Avenue East  
Suite 204  
Vienna, VA 22180

Phone: (703) 242-7900

Email: [assaf@afgas.net](mailto:assaf@afgas.net)

Website: <https://www.afgas.net/>

This brochure provides information about the qualifications and business practices of Allegiance Financial Group Advisory Services LLC. If you have any questions about the contents of this brochure, please contact us at the telephone number or email address listed above. 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. Allegiance Financial Group Advisory Services LLC is a registered investment adviser, but registration does not imply a certain level of skill or training.

Additional information about Allegiance Financial Group Advisory Services LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and by searching for CRD# 313110.

## Item 2: Material Changes

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In this Item, Allegiance Financial Group Advisory Services LLC is required to identify and discuss material changes since the last time this brochure was updated. The material changes in this brochure from the last annual updating amendment on 3/19/2023 of Allegiance Financial Group Advisory Services LLC are described below. Material changes relate to policies, practices or conflicts of interest.

- Allegiance Financial Group Advisory Services LLC has updated its Outside business activities. (Item 10.C)
- Allegiance Financial Group Advisory Services LLC has updated its email and website addresses. (Cover Page)

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## Item 4: Advisory Business

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- A. Allegiance Financial Group Advisory Services LLC (“Adviser”) is an investment adviser founded in 2021, registered with the U.S. Securities and Exchange Commission (“SEC”), and is principally owned by Assaf Pinchas, Shawn Williamson, and Charles Cooke.
- B. Adviser offers the following types of tailored advisory services:
- i. Investment Management: Adviser provides ongoing discretionary and non-discretionary investment management services to its clients based upon each client’s current financial condition, goals, risk tolerance, income, liquidity requirements, investment time horizon, and other information that is relevant to the management of clients’ account(s). This information will then be used to make investment decisions and recommendations that reflect clients’ individual needs and objectives on an initial and ongoing basis. Adviser’s recommendations will allocate portions of clients’ account(s) to various asset classes. For non-discretionary accounts, Adviser will review all such recommendations with clients, and clients will have the opportunity to accept or reject any recommendations. Clients with non-discretionary accounts are under no obligation to accept or implement any recommendation made by Adviser. For discretionary accounts, Adviser will retain the discretion to buy, sell, or otherwise transact in securities and other investments in a client’s accounts without first receiving the Client’s specific approval for each transaction. Such discretionary authority is granted by a client in his or her investment management agreement with Adviser. Clients may impose restrictions on investing in certain securities or types of securities so long as such restrictions may reasonably be implemented by Adviser.
  - ii. Third-Party Investment Advisers: Adviser’s discretionary authority explicitly includes the authority to retain one or more independent and unaffiliated third-party investment advisers to manage and execute the day-to-day implementation of Adviser’s investment management decisions (a “Third-Party Adviser”). Alternatively, Adviser may recommend the retention of a Third-Party Adviser, and client may accept or reject such recommendation as it deems fit. The Third-Party Adviser may be retained on Client’s behalf or on Adviser’s behalf for so long as Adviser and/or the client deems fit, but in either case the Third-Party Adviser will be disclosed to the client in writing in advance of such retention. Depending on the Third-Party Adviser’s requirements and the negotiated agreement between the Third-Party Adviser and Adviser, the client may be asked to sign a separate agreement with such Third-Party Adviser.
  - iii. Financial Planning: In connection with its investment management services, Adviser also provides holistic financial planning services that can take the form of (a) the preparation and delivery of a one-time financial plan, or (b) ongoing financial planning recommendations and assistance with the implementation of such recommendations. Depending on the particular needs of a client, financial planning services may include topics such as retirement planning, education savings, cash flow management, debt reduction, employee benefits analyses, estate planning, insurance analyses, risk mitigation, tax planning, financial goal tracking, and/or business planning. Clients are free to accept or reject Adviser’s financial planning recommendations in their sole discretion, and are under no obligation to implement Adviser’s financial planning recommendations through Adviser or any of its personnel.
  - iv. Retirement Plan Consulting: Adviser provides ongoing retirement plan consulting services to employer plans that are typically qualified under the Employee Retirement Income Security Act of 1974 (“ERISA”), and will assist employer plan sponsors in establishing, monitoring and reviewing their company’s participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advice could include: investment

policy statement development, implementation and monitoring, analysis of investment options, plan structure and participant education, cost structure, risk analysis and performance measurement. When appropriate for a particular plan, Adviser may also recommend the retention of an independent and unaffiliated third-party retirement plan consultant to serve as a 3(21) or 3(38) fiduciary with respect to the plan.

- C. Adviser does not participate in any wrap fee programs.
- D. As of December 2022, Allegiance Financial Group Advisory Services LLC's total assets under management (AUM) were approximately \$291,695,806 on a discretionary basis and \$36,874,693 on a non-discretionary basis.

## Item 5: Fees and Compensation

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- A. Adviser is compensated for its advisory services primarily by fees charged based on a client's assets under management with Adviser (for investment management and retirement plan consulting services) and by fixed and/or hourly fees (for financial planning services). Fees are negotiable, and each client's specific fee schedule is included as part of the investment advisory agreement signed by Adviser and the client.

### Investment Management Fees

Adviser's standard fee schedule for investment management services is included below, subject to negotiation with a client:

<b>Client Assets Under Management</b>	<b>Annual Fee Percentage (paid quarterly)</b>
For the first amount up to \$1,000,000	1.50%
For the next \$1,000,001 - \$5,000,000	1.25%
For the next \$5,000,001 - \$10,000,000	0.80%
For the next \$10,000,001 to \$20,000,000	0.70%
For the next \$20,000,001 to \$50,000,000	0.60%
For any amount above \$50,000,000	0.50%

To the extent a Third-Party Adviser has been engaged with respect to investment management services, clients will generally be responsible for the fees charged by such Third-Party Adviser. As of the date of this brochure, the Third-Party Adviser(s) recommended by Adviser charge an asset-based fee of up to 0.25% per annum. The specific fee payable by clients to a Third-Party Adviser will be memorialized in a written agreement with such clients.

### Financial Planning Fees

To the extent Adviser separately renders financial planning services to a client, such fees are typically charged on a fixed and/or hourly basis in arrears based on the nature and complexity of a client's financial situation, and the specific financial planning services that Adviser has been asked to provide. Fixed financial planning fees generally range from \$1,000 to \$100,000 per annum, and hourly financial planning fees generally range from \$300 - \$600 per hour for Adviser's senior advisors, and \$100 - \$200 for Adviser's staff.

### Retirement Plan Consulting Fees

Adviser's standard fee schedule for retirement plan consulting is included below, subject to negotiation with a client:

<b>Client Assets Under Management</b>	<b>Annual Fee Percentage (paid quarterly)</b>
For the first amount up to \$1,000,000	1.50%
For the next \$1,000,001 - \$5,000,000	1.25%
For the next \$5,000,001 - \$10,000,000	0.80%
For the next \$10,000,001 to \$20,000,000	0.70%
For the next \$20,000,001 to \$50,000,000	0.60%
For any amount above \$50,000,000	0.50%

To the extent a Third-Party Adviser has been engaged with respect to retirement plan consulting services, the standard fee schedule for both Adviser and the Third-Party Adviser is included

below, subject to negotiation with a client. In such instances, the Third-Party Adviser's fees are payable by the client, and not by Adviser.

*Adviser's Retirement Plan Consulting Fee*

<b>Client Assets Under Management</b>	<b>Annual Fee Percentage (paid quarterly)</b>
For the first amount up to \$999,999.99	1.00%
For the next \$1,000,000 - \$2,999,999.99	0.70%
For the next \$3,000,000 - \$4,999,999.99	0.50%
For the next \$5,000,000 to \$9,999,999.99	0.40%
For any amount \$10,000,000 and above	0.30%

*Third-Party Adviser's Retirement Plan Consulting Fee*

<b>Client Assets Under Management</b>	<b>Annual Fee Percentage (paid quarterly)</b>
For the first amount up to \$999,999.99	0.30%
For the next \$1,000,000 - \$2,999,999.99	0.27%
For the next \$3,000,000 - \$4,999,999.99	0.24%
For the next \$5,000,000 to \$9,999,999.99	0.22%
For any amount \$10,000,000 and above	0.15%

- B. Asset-based fees are generally deducted in advance on a quarterly basis from clients' assets and based upon the market value of such assets managed by Adviser as of the last day of the prior calendar quarter. Fixed and hourly fees are generally payable in arrears on a monthly or quarterly basis. Alternatively, client may elect to be invoiced for such fees and pay via check, ACH, or other electronic means.
- C. In addition to the fees charged by Adviser, clients will incur brokerage and other transaction costs. Please refer to Item 12: Brokerage Practices, for further information on such brokerage and other transaction-related practices. Clients will also typically incur additional fees and expenses imposed by independent and unaffiliated third-parties, which can include qualified custodian fees, mutual fund or exchange traded fund fees and expenses, mark-ups and mark-downs, spreads paid to market makers, wire transfer fees, check-writing fees, early-redemption charges, certain deferred sales charges on previously-purchased mutual funds, margin fees, charges or interest, IRA and qualified retirement plan fees, and other fees and taxes on brokerage accounts and securities transactions. These additional charges are separate and apart from the fees charged by Adviser.
- D. Initial fees are charged pro-rata based on the effective date of the agreement as between Adviser and the client. If Adviser or client terminates the advisory agreement before the end of a quarterly billing period, Adviser's fees will be prorated through the effective date of the termination. Any pre-paid fees for the remainder of the quarterly billing period after the termination will be refunded to client pro-rata. To the extent clients are billed in arrears, the pro rata fees earned through the effective date of the termination will be billed to the client.
- E. Certain supervised persons of Adviser are also registered representatives of The Strategic Financial Alliance, Inc. (a broker-dealer). From time to time and when appropriate for the client, such supervised persons will earn an ordinary and customary commission from the sale of a security to a client in such capacity as registered representatives. This creates a conflict of interest, because such supervised persons have the potential to earn both commissions and advisory fee revenue from a client. The supervised persons address this conflict of interest by fully disclosing their relationships with The Strategic Financial Alliance, Inc., and informing clients

that they are under no obligation to purchase a security through The Strategic Financial Alliance, Inc.



## Item 6: Performance-Based Fees & Side-By-Side Management

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Neither Adviser nor any of its supervised persons accepts performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client).

## Item 7: Types of Clients

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Adviser generally provides its services to individuals, high-net-worth individuals, trusts, estates, business entities, charitable organizations and pension and profit sharing plans. There is no minimum account value required to open or maintain an account with Adviser.

## Item 8: Methods of Analysis, Investment Strategies & Risk of Loss

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- A. The investment strategies used by Adviser when formulating investment advice or managing assets include strategic asset allocation based on Modern Portfolio Theory. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance does not guarantee future returns.
- B. Like any investment strategy, strategic asset allocation based on Modern Portfolio Theory involves material risks. Such material risks are described in further detail below:

- i. Investing for the long term means that a client's account will be exposed to short-term fluctuations in the market and the behavioral impulse to make trading decisions based on such short-term market fluctuations. Adviser does not condone short-term trading in an attempt to "time" the market, and instead coaches clients to remain committed to their financial goals. However, investing for the long term can expose clients to risks borne out of changes to interest rates, inflation, general economic conditions, market cycles, geopolitical shifts, and regulatory changes. Interest rate risk is the risk associated with the value of a bond relative to increases or decreases in interest rates (interest rates tend to be inversely related to bond prices). Inflation risk is the risk that the value of a client's portfolio will not appreciate at least in an amount equal to inflation over time. General micro- and macro-economic conditions may also affect the value of the securities held in a client's portfolio, and general economic downturns can trigger corresponding losses across various assets classes and security types. Market cycles may cause overall volatility and fluctuations in a portfolio's value, and may increase the likelihood that securities are purchased when values are comparatively high and/or that securities are sold when values are comparatively low. Geopolitical shifts may result in market uncertainty, lowered expected returns, and general volatility in both domestic and international securities. Regulatory changes may have a negative impact on capital formation and increase the costs of doing business, and therefore result in decreased corporate profits and corresponding market values of securities.
- ii. Investing in mutual funds does not guarantee a return on investment, and shareholders of a mutual fund may lose the principal that they've invested into a particular mutual fund. Mutual funds invest into underlying securities that comprise the mutual fund, and as such clients are exposed to the risks arising from such underlying securities. Mutual funds charge internal expenses to their shareholders (which can include management fees, administration fees, shareholder servicing fees, sales loads, redemption fees, and other fund fees and expenses, e.g.), and such internal expenses subtract from its potential for market appreciation. Shares of mutual funds may only be traded at their stated net asset value ("NAV"), calculated at the end of each day upon the market's close.
- iii. Investing in exchange traded funds ("ETFs") bears similar risks and incurs similar costs to investing in mutual funds as described above. However, shares of an ETF may be traded like stocks on the open market and are not redeemable at an NAV. As such, the value of an ETF may fluctuate throughout the day and investors will be subject to the cost associated with the bid-ask spread (the difference between the price a buyer is willing to pay (bid) for an ETF and the seller's offering (asking) price).

Clients are encouraged to carefully read the prospectus of any mutual fund or ETF to be purchased for investment to obtain a full understanding of its respective risks and costs.

- iv. Investing in common stocks means that a client will be subject to the risks of the overall market as well as risks associated with the particular company or companies whose

stock is owned. These risks can include, for example, changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities. Common stocks tend to be more volatile and more risky than certain other forms of investments, especially as compared to fixed income products like bonds.

- v. Investing in bonds means that a client will be subject to the market prices of such debt securities, which typically fluctuate depending on interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and rise when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk. Bonds are also subject to inflation risk, reinvestment risk, redemption risk, and valuation risk.
- vi. Investing in real estate investment trusts ("REITs") means that clients will be subject to the risks associated with investments in mortgages and their related activities in addition to the general risk of equity and financial markets. Among the factors that the REIT industry is vulnerable to are: (1) change in government regulation, primarily the pass-through tax treatment of REIT income, (2) the market for residential mortgage assets, (3) the general level and term structure for interest rates. The common equity prices of REITs have historically been more closely correlated with changes in interest rates than other non-REIT equity securities. Additionally, REITs tend to be more illiquid in nature, may contain additional fees, and may experience disruptions in distributions in comparison to other types of securities.
- vii. Investments in limited partnerships are often subject to liquidity restrictions, which means that a client may not be able to redeem his or her investment until a redemption window is available. In addition, such investments can be more volatile and less transparent than an exchange-listed security that trades daily in an electronic marketplace. Limited partnerships are generally more difficult to value than exchange-listed securities, and therefore are more reliant on individual judgment as opposed to market prices when determining a valuation. Investors into limited partnerships are typically required to be either accredited investors, qualified clients, or both, and should carefully consider the specific risks described in the applicable private placement memorandum, limited partnership agreement, and other fund-related disclosure documents.
- viii. Investments in private placements are often subject to liquidity restrictions, which means that a client may not be able to redeem his or her investment until a redemption window is available. In addition, such investments can be more volatile and less transparent than an exchange-listed security that trades daily in an electronic marketplace. Private placements are generally more difficult to value than exchange-listed securities, and therefore are more reliant on individual judgment as opposed to market prices when determining a valuation. Investors into private placements are typically required to be either accredited investors, qualified clients, or both, and should carefully consider the specific risks described in the applicable private placement memorandum, limited partnership agreement, and other fund-related disclosure documents.

## Item 9: Disciplinary Information

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There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Adviser's advisory business or the integrity of Adviser's management.

## Item 10: Other Financial Industry Activities & Affiliations

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- A. Neither Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- B. Neither Adviser nor any of its management persons have any relationship or arrangement with any related person listed below that is material to its advisory business or to its clients:
- i. municipal securities dealer, or government securities dealer or broker
  - ii. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
  - iii. other investment adviser or financial planner
  - iv. futures commission merchant, commodity pool operator, or commodity trading advisor
  - v. banking or thrift institution
  - vi. accountant or accounting firm
  - vii. lawyer or law firm
  - viii. pension consultant
  - ix. real estate broker or dealer
  - x. sponsor or syndicator of limited partnerships
- C. As described in Item 5 above, certain supervised persons of Adviser are also registered representatives of The Strategic Financial Alliance, Inc. (a broker-dealer). From time to time and when appropriate for the client, such supervised persons will earn an ordinary and customary commission from the sale of a security to a client in such capacity as registered representatives. This creates a conflict of interest, because such supervised persons have the potential to earn both commissions and advisory fee revenue from a client. The supervised persons address this conflict of interest by fully disclosing their relationships with The Strategic Financial Alliance, Inc., and informing clients that they are under no obligation to purchase a security through The Strategic Financial Alliance, Inc.
- Haley Lynn Tolitsky is NexGen Community Awareness Coordinator at Financial Planning Association NexGen Community Awareness Coordinator. She promotes brand and resources within the organization. She devotes 2 hours/month outside trading hours. There are no trading hours commitment, and zero percentage of yearly compensation expected from the business.
- D. Certain supervised persons of Adviser are shareholders of SFA Holdings, Inc. ("SFAH"), which is the parent company of The Strategic Financial Alliance, Inc. and other entities. Such shareholders will benefit from the profits accrued to SFAH in the form of dividends, as well as the potentially enhanced value of the stock. Supervised persons who are also registered representatives of The Strategic Financial Alliance, Inc. are awarded stock options based on the revenues they generate. As profits accrue from the sale of securities products and investment advisory services of the respective registered entities, the value of SFAH stock and options to purchase that stock can be enhanced. SFAH stock ownership and the awarding of stock options create a conflict of interest for such supervised persons that are also shareholders. The supervised persons and shareholders address this conflict of interest by fully disclosing their shareholder status in this brochure, and by only making brokerage and insurance product recommendations that are appropriate for a client's specific financial situation.
- E. As described earlier in Item 4 of this brochure, from time to time Adviser will retain or recommend one or more Third-Party Advisers to provide investment advisory, administrative, and other back-office services to Adviser for the benefit of Adviser and its clients. Adviser does not receive any compensation directly from any Third-Party Adviser, but Third-Party Advisers do offer services that are intended to directly benefit Adviser, clients, or both. Such services include (a) an online platform through which Adviser can monitor and review client accounts, create model

portfolios, and perform other client account maintenance matters, (b) access to technology that allows for client account aggregation, (c) quarterly client statements, (d) invitations to educational conferences, (e) practice management consulting, (f) full or partial sponsorship of client appreciation or education events, and (g) occasional business meals and entertainment. The

availability of such services from a Third-Party Adviser creates a conflict of interest, to the extent Adviser may be motivated to retain a particular Third-Party Adviser as opposed to an alternative service provider. To the extent a Third-Party Adviser compensates SFA in consideration of client assets that are advised and administered through the Third-Party Adviser, and SFA in-turn remits all or a portion of such compensation back to Adviser, it creates a conflict of interest by virtue of the additional compensation Adviser stands to earn by utilizing the Third-Party Adviser. Adviser addresses these conflicts of interest by performing appropriate due diligence on all Third-Party Advisers Adviser is considering retaining in order to confirm their services are in the best interests of clients, periodically evaluating alternatives, and evaluating the merit of Third-Party Advisers without consideration for the benefits or compensation received by Adviser.

- F. Adviser's investment adviser representatives ("IARs") are licensed insurance agents, and from time to time will earn an ordinary and customary commission from the sale of an insurance product in such capacity. This creates a conflict of interest, because such IARs have the potential to earn both an insurance commission and advisory fee revenue from a client. Adviser addresses this conflict of interest by fully disclosing this relationship with the applicable insurance provider, and informing clients that they are under no obligation to purchase an insurance product through any IAR.



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

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- A. Adviser has adopted a code of ethics that will be provided to any client or prospective client upon request. Adviser's code of ethics describes the standards of business conduct that Adviser requires of its supervised persons, which is reflective of Adviser's fiduciary obligations to act in the best interests of its clients. The code of ethics also includes sections related to compliance with securities laws, reporting of personal securities transactions and holdings, reporting of violations of the code of ethics to Adviser's Chief Compliance Officer, pre-approval of certain investments by access persons, and the distribution of the code of ethics and any amendments to all supervised persons followed by a written acknowledgement of their receipt.
- B. Neither Adviser nor any of its related persons recommends to clients, or buys or sells for client accounts, securities in which Adviser or any of its related persons has a material financial interest.
- C. From time to time, Adviser or its related persons will invest in the same securities (or related securities such as warrants, options or futures) that Adviser or a related person recommends to clients. This has the potential to create a conflict of interest because it affords Adviser or its related persons the opportunity to profit from the investment recommendations made to clients. Adviser's policies and procedures and code of ethics address this potential conflict of interest by prohibiting such trading by Adviser or its related persons if it would be to the detriment of any client and by monitoring for compliance through the reporting and review of personal securities transactions. In all instances Adviser will act in the best interests of its clients.
- D. From time to time, Adviser or its related persons will buy or sell securities for client accounts at or about the same time that Adviser or a related person buys or sells the same securities for its own (or the related person's own) account. This has the potential to create a conflict of interest because it affords Adviser or its related persons the opportunity to trade either before or after the trade is made in client accounts, and profit as a result. Adviser's policies and procedures and code of ethics address this potential conflict of interest by prohibiting such trading by Adviser or its related persons if it would be to the detriment of any client and by monitoring for compliance through the reporting and review of personal securities transactions. In all instances Adviser will act in the best interests of its clients.

## Item 12: Brokerage Practices

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- A. Adviser considers several factors when recommending a custodial broker-dealer for client transactions and determining the reasonableness of such custodial broker-dealer's compensation. Such factors include the custodial broker-dealer's industry reputation and financial stability, service quality and responsiveness, execution price, speed and accuracy, reporting abilities, and general expertise. Assessing these factors as a whole allows Adviser to fulfil its duty to seek best execution for its clients' securities transactions. However, Adviser does not guarantee that the custodial broker-dealer recommended for client transactions will necessarily provide the best possible price, as price is not the sole factor considered when seeking best execution. After considering the factors above, Adviser recommends Charles Schwab & Co., Inc. ("Schwab"), TD Ameritrade Institutional ("TDAI"), Fidelity Custody & Clearing ("Fidelity") and Pershing Advisor Services LLC ("Pershing") as the "Custodial Broker-Dealers" for client accounts.
- i. Adviser does not receive research and other soft dollar benefits in connection with client securities transactions, which are known as "soft dollar benefits". However, the Custodial Broker-Dealers recommended by Adviser do provide certain products and services that are intended to directly benefit Adviser, clients, or both. Such products and services include (a) an online platform through which Adviser can monitor and review client accounts, (b) access to proprietary technology that allows for order entry, (c) duplicate statements for client accounts and confirmations for client transactions, (d) invitations to educational conferences, (e) practice management consulting, and (f) occasional business meals and entertainment. The receipt of these products and services creates a conflict of interest to the extent it causes Adviser to recommend the Custodial Broker-Dealers as opposed to an alternative, comparable broker-dealer. Adviser addresses this conflict of interest by fully disclosing it in this brochure, evaluating the Custodial Broker-Dealers based on the value and quality of its services as realized by clients, and by periodically evaluating alternative broker-dealers to recommend.
  - ii. Adviser does not consider, in selecting or recommending custodial broker-dealers, whether Adviser or a related person receives client referrals from a custodial broker-dealer or third-party.
  - iii. Adviser does not routinely recommend, request, or require that a client direct Adviser to execute transactions through a specified custodial broker-dealer other than the custodial broker-dealers recommended by Adviser.
- B. Adviser retains the ability to aggregate the purchase and sale of securities for clients' accounts with the goal of seeking more efficient execution and more consistent results across accounts. Aggregated trading instructions will not be placed if it would result in increased administrative and other costs, custodial burdens, or other disadvantages. If client trades are aggregated by Adviser, such aggregation will be done so as to not to disadvantage any client and to treat all clients as fairly and equally as possible.

## Item 13: Review of Accounts

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- A. The IARs of Adviser monitor client accounts on an ongoing basis, and typically review client accounts on a quarterly basis. Such reviews are designed to ensure that the client is still on track to achieve his or her financial goals, and that the investments remain appropriate given the client's risk tolerance, investment objectives, major life events, and other factors. Clients are encouraged to proactively reach out to Adviser to discuss any changes to their personal or financial situation.
- B. Other factors that may trigger a review include, but are not limited to, material developments in market conditions, material geopolitical events, and changes to a client's personal or financial situation (the birth of a child, preparing for a home purchase, plans to attend higher education, a job transition, impending retirement, death or disability among family members, etc.).
- C. The Custodial Broker-Dealers will send account statements and reports directly to clients no less frequently than quarterly. Such statements and reports will be mailed to clients at their address of record or delivered electronically, depending on the client's election. If agreed to by Adviser and client, Adviser or a third-party report provider will also send clients reports to assist them in understanding their account positions and performance, as well as the progress toward achieving financial goals.

## Item 14: Client Referrals and Other Compensation

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- A. Nobody other than clients provides an economic benefit to Adviser for providing investment advice or other advisory services to clients. However, as described above in Item 12, the Custodial Broker-Dealers recommended for client accounts provides certain products and services that are intended to directly benefit Adviser, clients, or both.
- B. Neither Adviser nor a related person directly or indirectly compensates a person who is not Adviser's supervised person for client referrals.

## Item 15: Custody

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For clients that do not have their fees deducted directly from their account(s) and have not provided Adviser with any standing letters of authorization to distribute funds from their account(s), Adviser will not have any custody of client funds or securities. For clients that have their fees deducted directly from their account(s) or that have provided Adviser with discretion as to amount and timing of disbursements pursuant to a standing letter of authorization to disburse funds from their account(s), Adviser will typically be deemed to have limited custody over such clients' funds or securities pursuant to the SEC's custody rule and subsequent guidance thereto. At no time will Adviser accept full custody of client funds or securities in the capacity of a custodial broker-dealer, and at all times client accounts will be held by a third-party qualified custodian as described in Item 12, above.

If a client receives account statements from both the custodial broker-dealer and Adviser or a third-party report provider, client is urged to compare such account statements and advise Adviser of any discrepancies between them.

## Item 16: Investment Discretion

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Adviser accepts discretionary authority to manage securities accounts on behalf of clients only pursuant to the mutual written agreement of Adviser and the client through a limited power-of-attorney, which is typically contained in the advisory agreement signed by Adviser and the client. Clients may place reasonable limitations on this discretionary authority so long as it is contained in a written agreement and/or limited power-of-attorney.

## Item 17: Voting Client Securities

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- A. Adviser does not have and will not accept authority to vote client securities.
- B. Clients will receive their proxies or other solicitations directly from their custodial broker-dealer or a transfer agent, as applicable, and should direct any inquiries regarding such proxies or other solicitations directly to the sender.

## Item 18: Financial Information

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- A. Adviser does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.
- B. Adviser does not have custody of client funds or securities (other than for fee deduction or third-party standing letter of authorization purposes), or require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Adviser has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.
- C. Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.