



The Lloyd Advisory Group

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April 2024

FORM ADV PART 2A DISCLOSURE BROCHURE

This brochure provides information about the qualifications and business practices of Lloyd Advisory Services, LLC d/b/a The Lloyd Advisory Group ("LG"). If you have any questions about the contents of this brochure, please contact us at 770- 932-0387.

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. Additional information about Lloyd Advisory Services, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Lloyd Advisory Services, LLC is 150582.

Lloyd Advisory Services, LLC is an investment adviser registered under the Investment Advisers Act of 1940. Registration as an investment adviser does not imply any level of skill or training.

Item 2 Summary of Material Changes

Form ADV Part 2A requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated March 2024, we have the following material changes to report:

- Lloyd Advisory Services, LLC is now doing business as The Lloyd Advisory Group

Investment advisers are required to prepare a disclosure document such as this one, commonly referred to as a "Brochure," that describes the adviser and its business practices. Lloyd Advisory Services, LLC is required to update our Brochure at least annually and provide Clients and prospective Clients with a summary of any material changes made to this Brochure since the previous annual amendment.

We will ensure that you receive a summary of any material changes to this and any subsequent Brochures within 120 days of the end of our fiscal year. We may also provide information about material changes as necessary between annual updates to our Brochure.

We will deliver a complete copy of our Brochure upon your request at any time during the year. Please contact us at 770-932-0387, to request a Brochure.

Additional information about Lloyd Advisory Services, LLC d/b/a The Lloyd Advisory Group is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Lloyd Advisory Services, LLC d/b/a The Lloyd Advisory Group who are registered as investment adviser representatives of Lloyd Advisory Services, LLC d/b/a The Lloyd Advisory Group.

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Item 4 Advisory Business

Description of Services and Fees

Lloyd Advisory Services, LLC, doing business as The Lloyd Advisory Group, ("LG") is a registered investment adviser based in Suwanee, Georgia. We are organized as a limited liability company under the laws of the State of Georgia. We have been providing investment advisory services since 2009. Lloyd Advisory Services, LLC, is wholly owned by The Lloyd Advisory Group, LLC which is majority owned by Mark Lloyd. Currently, we offer investment advisory services which are personalized to each individual client.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this Brochure, the words "we", "our" and "us" refer to Lloyd Advisory Group and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person or Investment Adviser Representative throughout this Brochure. As used in this Brochure, our Associated Persons or Investment Adviser Representatives are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

Asset Management Services

We offer discretionary asset management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for asset management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice. We may also consult with you about options available to you in your pension plan. As part of our asset management services, we will customize an investment portfolio for you according to your risk tolerance and investing objectives. We may also invest your assets according to one or more model portfolios developed by an unaffiliated investment adviser firm. Once we select a model portfolio, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary asset management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account and the commissions to be paid to brokerage firms without your approval prior to each transaction.

Discretionary authority is typically granted by the Investment Advisory Agreement you sign with our firm and the appropriate trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing.

As part of our investment advisory services, we may use one or more third-party money manager(s) to manage a portion of your account on a discretionary basis. Our firm may utilize the services of various third-party money managers for the management of client accounts, allocating client assets among such managers as appropriate. In such cases, the third-party money managers will be responsible for continuously monitoring client accounts and making trades in client accounts when necessary. While the chosen third-party money manager(s) will provide advice on specific securities and/or other investments in connection with this service, our firm has discretionary authority to hire and fire such managers and reallocate assets among them as deemed appropriate. We will assist you with identifying your risk tolerance and investment objectives, and, in turn, retain third-party money managers in relation to your stated investment objectives and risk tolerance. As a result, we allocate a portion of the total fee charged and collected from you to the third-party money managers, if utilized, as compensation for their direct management of your account.

We have a sub-advisory relationship with AE Wealth Management, LLC ("AEWM") to provide investment advisory services to clients. This arrangement allows us to access model portfolios, model managers, strategists, third-party money manager(s), and trading services through AEWM's managed account program. As part of the AEWM program, you will give us and AEWM discretion to select third party, non-affiliated investment managers ("Model Managers") to design and manage model portfolios for your assets. If we offer you services through AEWM, we will provide you with a copy of AEWM's disclosure brochure which contains a detailed description of AEWM's services. We will regularly monitor the performance of your accounts managed by AEWM or other third-party money manager(s) and may hire and fire any third-party money manager(s) without your prior approval. AEWM has contracted with an unaffiliated service provider to calculate the fee and instruct the qualified custodian(s) to deduct the fee and pay AEWM and our firm in accordance with your agreement. However, you will not pay anything over and above our firm's advisory fee in order to receive the third party money manager's services.

Wrap Fee Programs

A wrap fee program is a program under which the client pays a single fee that covers both receipt of investment advice and the execution of securities transactions. We serve as portfolio manager to wrap fee programs sponsored by AEWM, which is also available to our clients. In the AEWM program, the advisory fee paid by the client includes custody, trades, management expertise and reporting in a bundled format. A client's total cost of each of the services provided through wrap fee programs could be different if purchased separately. Cost factors may include the client's ability to:

1. Obtain the services provided within the programs separately from any of the mutual fund sponsors,
2. Invest and rebalance the selected mutual funds without the payment of a transaction charge, and
3. Obtain performance reporting comparable to those provided within each program.

When comparing costs, the combination of multiple mutual fund investments, advisory services, custodial and brokerage services available through each program may not be available separately. Clients may be required to have multiple accounts, sign numerous documents and incur various fees. If an account is not actively traded or the client qualifies for reduced sales charges, the fees in these programs may be more expensive than if utilized separately.

We believe the charges and fees offered within each fee-based program are competitive and reasonable when compared to alternative programs available through other firms and/or investment sources. However, we make no guarantee that the aggregate cost of a particular program is lower than that which may be available elsewhere.

If you participate in a third-party wrap program, it will be on a discretionary basis. The strategies implemented are based on clients' individual investment objectives. If you participate in a wrap fee program, we will provide you with a separate Wrap Fee Program Brochure from AEWM explaining the program and costs associated with the program.

Types of Investments

We primarily offer advice on equity securities, corporate debt securities, certificates of deposit, municipal securities, mutual funds, US Government securities, and interest in partnerships investing in real estate.

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

Assets Under Management

As of December 31, 2023, we manage \$ 299,676,117 in client assets on a discretionary basis. We do not manage client assets on a non-discretionary basis.

Item 5 Fees and Compensation

Asset Management Services

The total annual advisory fee due to us for Asset Management Services ("Advisory Fee") is negotiable at the sole discretion of our firm and will be outlined in the Investment Advisory Agreement signed by the client and our firm. The maximum annual Advisory Fee charged for these services will be up to 1.5% of the total assets under management and will include all fees payable to sub-advisers or third party investment-advisers ("TPAs"), unless otherwise agreed by you in a separate written agreement.

Advisory Fees are typically billed monthly in arrears based on each account's average daily balance during the prior calendar month, depending on the sub-adviser recommended. The first monthly fee shall be prorated based on the portion of such month remaining. Advisory Fees are negotiable and will be deducted from client account(s) by either us or a sub-adviser. In rare cases, our firm will agree to direct bill clients.

The portion of the Advisory Fee payable to the sub-adviser or TPA is established and payable in accordance with the brochure provided by each TPA to whom you are recommended. These fees may or may not be negotiable. Because we pay the TPA's advisory fee, our net compensation differs depending upon the individual agreement we have with each TPA. Furthermore, different models made available through TPAs also charge different fees; accordingly, our net compensation also differs depending upon the model selected. Nevertheless, because the costs attributable to supporting the use of each TPA and model varies, you should not assume that the use of any TPA or model that results in a higher net compensation to us is necessarily more profitable to us than using a TPA or model that results in a lower net compensation to us. Whenever we recommend a TPA or model that would result in a higher profit to us than a different TPA or model, a conflict of interest arises where our firm or our Associated Persons may have an incentive to recommend one TPA or model with whom we have more favorable compensation arrangements over other advisory programs offered by TPAs with whom we have less favorable or no compensation arrangements. We address this conflict of interest by ensuring our recommendations of TPAs and models are in our client's best interest.

Services provided through AE Wealth Management, LLC ("AEWM") managed account program are offered through a wrap fee program. In a wrap fee program, you will only pay fees based on assets under management and you will not pay a separate commission, ticket charge, or custodian fee, for the execution of transactions in your account. AEWM and our firm will receive a portion of the fee as compensation for services. When services are provided through AEWM, we are generally entitled to the portion of the Advisory Fee remaining after payment of AEWM's portion of the fee, the portion for each model manager, if applicable, and the portion for the custodian. Our firm's portion of the Advisory Fee is usually 1.0% of assets under management on an annual basis. AEWM's platform fee for wrap accounts is up to .25% annually. The maximum total Advisory Fee is 1.50%. These annual fees are negotiable and therefore may vary from time to time or client to client. We are responsible for negotiating AEWM's platform fee for wrap accounts with AEWM on behalf of our clients. This presents a conflict of interest, as we have an incentive to negotiate for a lower fee in order to receive a higher percentage of our Advisory Fee. We address this conflict by ensuring our recommendation to use the AEWM platform is in our client's best interest. The actual Advisory Fee charged to you is specified in the separate agreement between you and our firm. A more detailed description of fees related to AEWM's managed account program is located in AEWM's disclosure brochure which will be provided to you if we offer you services through AEWM.

Based on the cumulative value of assets maintained by our firm in the AEWM program, we receive preferential pricing with respect to the fee charged by AEWM to our firm. In order to obtain this preferential pricing we must maintain at least \$150 million in assets on the AEWM platform. Furthermore, certain Model Managers on the AEWM platform charge additional fees which are paid by our firm in addition to AEWM's fee. This presents a conflict of interest in that the existence of the \$150 million maintenance requirement and additional fees for certain Model Managers creates an incentive for our firm to continue managing clients' assets on the AEWM platform rather than some other platform and to recommend Model Managers on the AEWM platform who do not charge additional fees. We manage this conflict by periodically evaluating and assessing whether maintaining assets on the AEWM platform is in the clients' best interest, taking into consideration the quality of the services provided by AEWM for the clients' benefit, or available to our firm via the platform in connection with services we provide to our clients, costs to the client and other factors. Additionally, we will take steps to assure our recommendations regarding particular Model Managers are based on the needs of the clients and the suitability of the Model Manager recommended, rather than the cost to us of making that recommendation.

AEWM also makes available to us certain other alternative ways for our clients to participate in its platform. One such way is the ability to manage portfolios ourselves ("advisor-managed accounts"). However, we do not manage portfolios ourselves. To do so would require us to spend more on in-house resources including personnel, research, technology and other categories. We do not have an opinion whether it would be more or less profitable for us to incur these extra charges and receive a higher percentage of our Advisory Fee because we would be paying AEWM less. We simply choose not to manage portfolios directly.

However, we do manage some accounts by use of certain ETFs that AEWM considers on par with advisor-management, and which therefore results in our maintaining a higher percentage of the Advisory Fees for those clients. That results in a conflict of interest in the form of an incentive to place clients in those ETFs. We manage that conflict by carefully limiting the types of clients and accounts for which those ETFs are recommended, by taking into account, among other things, account values, historical performance, anticipated performance, and the suitability of those ETFs generally when compared to other alternatives.

Other alternatives offered to us by AEWM that would result in our firm receiving a higher percentage of its Advisory Fee (i.e., by paying a lower percentage to AEWM), are the ability to hold certain assets in accounts that charge transaction fees on a transaction-by-transaction basis ("transaction-based accounts"), and access to certain mutual funds managed by AEWM. We typically do not use these alternatives.

Because our clients do not pay transaction fees, it would not benefit our clients for us to determine whether asset-based or transaction-based pricing is more expensive. Rather, it would only benefit our firm to pay lower transaction fees. However, in order to simplify our business model and eliminate the need for continuous analysis of which transaction pricing models are most profitable to our firm, we have adopted a policy of using only asset-based pricing, which carries a platform fee that is higher than what we would pay for transaction-based pricing. In the absence of this policy, in some situations involving the ETFs referenced above or ETF models managed by AEWM, we would have an incentive to minimize our transaction costs by placing assets in transaction-based accounts and to reduce trading in those accounts. Our policy to use asset-based pricing exclusively eliminates any incentive to recommend those types of accounts to our clients, or to manage the accounts in that manner.

Our receipt of an asset-based fee presents a conflict of interest. This is because the more assets there are in the client's account, the more the client will pay in fees. Therefore, we have an incentive to encourage clients to increase the assets in their accounts. We address this conflict of interest by ensuring any such recommendations are in the client's best interest.

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds

(described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses.

Unless your account is managed by AEWM or pursuant to another wrap fee program, you will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. For accounts managed by AEWM or pursuant to another wrap fee program, all transaction charges are included in the wrap fee. Even under AEWM's wrap fee program, you will incur certain charges including but not limited to regulatory and exchange fees, ADR fees and other charges imposed by the qualified custodian(s) of your account. Additional information can be found in AEWM's disclosure brochure which will be provided to you if we offer you services through AEWM. You are responsible for all additional fees, expenses and charges for which you become obligated under any separate agreement with the broker-dealer or custodian.

We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this Brochure.

Compensation for the Sale of Securities or Other Investment Products

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. To mitigate this conflict of interest, we require all representatives who are licensed to offer insurance products to our clients to assure that the recommendation to purchase insurance is in the client's best interest. We also fully disclose to a client when a particular transaction will result in the receipt of commissions or other associated fees and we require all representatives to seek prior approval of any outside employment activity so that we can ensure that any conflicts of interest in such activities are properly disclosed. Insurance products are available through other channels and as a client you are not obligated to purchase products recommended by our representatives. For more information, please see Item 10 of this Brochure.

IRA Rollover Considerations

When advising on your retirement plan or individual retirement account (IRA), we act as fiduciaries under relevant laws. Our compensation model may create conflicts, but we adhere to rules requiring us to prioritize your best interests. As part of our services, we may suggest rolling over retirement assets to an IRA managed by us, subject to an asset-based fee outlined in your agreement. While this could introduce a conflict, we ensure recommendations align with your best interests. You are not obligated to proceed with the rollover, and if you do, managing the IRA with our firm is optional. As part of our investment advisory services to you, we may recommend that you roll retirement assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. We address this conflict of interest by ensuring any such recommendations are in your best interest. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change

jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of each.

An employee will typically have four options:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
 - a. Employer retirement plans generally have a more limited investment menu than IRAs.
 - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
 - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
 - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
 - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules, so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.

10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name. It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this Brochure.

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

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the "Fees and Compensation" section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Item 7 Types of Clients

We offer investment advisory services to individuals, high net worth individuals, trusts, estates, charitable organizations, corporations, and other business entities.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your account if it falls below a minimum size which, in our sole opinion, is too small to effectively manage.

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

Our Methods of Analysis and Investment Strategies

We typically analyze client assets using a "three bucket" investment strategy. We start by discussing five major concerns for retirement with each client. These concerns have come from our years in the industry and many conversations with retirees, and in no particular order are:

1. Inflation
2. Risk/Volatility
3. Taxes
4. Healthcare
5. Outliving Money/Withdrawal Percentage

We seek to address these five major concerns through our three bucket investment strategy. Listed below is a general explanation of each bucket. The client's assets will generally be divided among these three buckets. The strategy recommended within each bucket will vary based upon the client's investment objectives, risk tolerance, and other relevant information gathered at the beginning of our advisory relationship.

1. The Red Bucket/Diversified Growth – The objective of this bucket is growth. There are different methodologies within this bucket that use vastly different investment strategies to help achieve this goal. We refer to it as the Red bucket to let a prospective client know that this bucket will generally have more volatility and risk compared to the other buckets. We convey to the client that any strategy would be utilizing a third-party money manager for the composition of the investment model and any future rebalancing. Our role will be to perform due diligence on those managers and recommend changes to the client when and if necessary. We share our custodian of choice for

where we hold our managed accounts and discuss fee structure and who gets paid how much from the overall client fee that is charged in the client agreement.

2. **The Black Bucket/Income Driven:** This bucket seeks to achieve higher portfolio yield than standard market indices. This strategy uses assets that are a diversified blend of income producing holdings to help achieve this goal. This can be made up of individual stocks or funds of stocks and other asset classes. This is a bucket we utilize for producing cash flow during retirement, in conjunction with fixed insurance based products recommended in the Green Bucket below. We convey to the client that any strategy would be utilizing a third-party money manager for the composition of the investment model and any future rebalancing. Our role will be to perform due diligence on those managers and recommend changes to the client when and if necessary. We share our custodian of choice for where we hold our managed accounts and discuss fee structure and who gets paid how much from the overall client fee that is charged in the client agreement.
3. **The Green Bucket/Fixed Insurance Based Products –** This bucket is generally used for future income and potential risk reduction of the client's entire portfolio. We recommend assets in this bucket to most of our clients, primarily because it represents an asset insured by the carrier (subject to carrier solvency), and therefore lowers the client's overall volatility. Our IARs who are licensed insurance agents will share different insurance products such as fixed annuities, fixed indexed annuities, or Indexed Universal Life. They will list the different features as well as stipulations of each product type. In some cases, we will describe this bucket as a replacement for fixed income assets like bonds or REITs due to the fixed nature of the contractual guarantees as long as the product provisions are followed. We generally choose products based upon the current features and rate offerings by carriers. We make sure that the product offering matches the goals and wishes of the client, and do not recommend these products unless we determine it to be in the client's best interest. Carrier solvency and overall financial strength is a determining factor on which carrier and product we select. Insurance products guarantees are subject to the financial strength and claims-paying ability of the issuing company, and may be subject to restrictions, limitations or early withdrawal fees. Annuities are not FDIC insured.

In the case of Third-Party Advisers (TPAs), we will not perform quantitative or qualitative analysis of individual securities. Instead, we will advise you on how to allocate your assets among various classes of securities or third-party investment advisers. We primarily rely on investment model portfolios and strategies developed by the TPA and their portfolio managers. We may recommend replacing the investment selections or the TPA if there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities

As disclosed under the "Advisory Business" section in this Brochure, we offer advice on many types of securities; however, we primarily recommend mutual funds (including no-load funds) and exchange traded funds (ETFs) through Third-Party Advisers (TPAs). Since each client has different needs and different tolerance for risk we may recommend other types of investments as appropriate for you.

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.

Mutual funds and exchange traded 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 and ETFs 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.

Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, 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. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely which can dilute other investors' interests.

Item 9 Disciplinary Information

Matisse has no legal, regulatory, administrative enforcement, or disciplinary events involving our management persons that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Item 10 Other Financial Industry Activities and Affiliations

Arrangements with Affiliated Entities

Our firm is affiliated with one insurance agency through common control and ownership, The Lloyd Advisory Group, LLC. This agency owns Lloyd Advisory Services, LLC. Therefore, persons providing investment advice on behalf of our firm are licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees. This represents a conflict of interest in that Lloyd Advisory Service representatives have an incentive to recommend purchasing insurance products based on compensation received rather than on the needs of the client. To mitigate this conflict of interest, we require all representatives who are licensed to offer insurance products to our clients to assure that the recommendation to purchase insurance is in the client's best interest. We also fully disclose to a client when a particular transaction will result in the receipt of commissions or other associated fees and we require all representatives to seek prior approval of any outside employment activity so that we can ensure that any conflicts of interest in such activities are properly disclosed. Insurance products are available through other channels and as a client you are not obligated to purchase products recommended by our representatives. Please see the "Fees and Compensation" section in this Brochure for more information on the compensation received by insurance agents who are affiliated with our firm.

We are affiliated with Triple L Marketing, Inc. through common control and ownership. Triple L Marketing, Inc. provides public speaking engagements whereby attendees, who are prospective advisers, receive financial industry training and education. Triple L Marketing, Inc. is retained by and receives compensation from Advisors Excel, an affiliate of AEWM, for these speaking engagements. In addition to a speaking fee, Advisors Excel also reimburses travel expenses incurred by Triple L Marketing to attend these events. This presents a conflict of interest in that we have an incentive to recommend AEWM's sub-advisory services and continue to do business with Advisors Excel as a result of this compensation received by our affiliate. We address this conflict of interest by ensuring our recommendations of third-party managers are in our client's best interest and that the services received from both AEWM and Advisors Excel provide benefits to our clients.

Recommendation of Other Advisers

We may recommend that you use a third-party adviser ("TPA") based on your needs and suitability. We receive preferred pricing for sub-advisory services offered to our clients by AEWM because The Lloyd Advisory Group, LLC and Lloyd Advisory Services, LLC utilize Advisors Excel, an affiliate of AEWM, for marketing and other services in connection with its insurance business. These lower prices benefit all our clients that use the services of AEWM, but they are contingent upon LG continuing to do business with Advisors Excel. This arrangement does not benefit all our clients. It also presents a conflict of interest in that the firm and our IARs have an incentive to continue to do business with Advisors Excel in order to continue to obtain the preferential pricing from AEWM. We manage that conflict of interest by assuring that the services received from both AEWM and Advisors Excel provide benefits to our clients, or to our firm in connection with our services.

We also receive additional benefits as a result of our ongoing relationship with TPAs, including AEWM. These benefits include client reporting software that we use to monitor and service client accounts managed by these TPAs. We receive these benefits in part because of our clients' transactions through these third-party managers. These benefits present a conflict of interest in that we have an incentive to recommend the services of these TPAs in order to continue to receive these benefits. We manage this conflict of interest conflict by ensuring the recommendation is in your best interest. We also conduct initial and annual due diligence reviews of all third-party managers.

You are not obligated, contractually or otherwise, to use the services of any TPA we recommend. You may also be able to use the services of any of the TPA's we recommend through another investment advisory firm.

Insurance Products Sales

Our representatives can sell other products or provide services outside of their role as investment adviser representatives with us. Due to the firm's financial planning philosophy, it is common for our financial professionals to recommend that clients utilize insurance products (for example, a fixed index annuity ("FIA")) as part of the client's overall financial plan in lieu of separately managed accounts (specifically, in lieu of cash and fixed income asset classes). You should be aware that there are a number of conflicts of interests that are present due to our planning philosophy and recommendations to utilize insurance products in this nature.

As an estimate, our financial professionals that are registered as investment advisor representatives spend approximately 50% of their time on insurance sales and services and 50% of their time on investment advisory services in the future. Please refer to Item 5 – Fees and Compensation and Item 14 – Client Referrals and Other Compensation for more details.

You may therefore work with your financial professional in both their capacity as an investment adviser representative of LG, as well as in their capacity as an insurance agent. As such, your LG financial professional, in their dual capacity as an IAR and insurance agent, may advise you to purchase insurance products (general disability insurance, life insurance, annuities, and other insurance products to you), and then assist you in implementing the recommendations by selling you those same products.

When acting as an insurance agent, in exchange for selling you those products, the financial professional will typically be paid a commission. This recommendation that a client purchase an insurance product through them as an insurance agent presents a conflict of interest, as the receipt of commissions is an incentive to recommend products that could potentially be based on commissions rather than your personal needs and objectives.

Furthermore, commissions may vary by product, and each individual product may have different commission rates, encouraging the financial professional to recommend products that may pay higher commissions over the products that make the most sense for you.

In addition, insurance products may also have different payment schedules depending on the nature of the product, and the timing of the payments likely differ from that of the advisory options offered by LG. This timing difference has the potential to create a conflict of interest since some financial professionals may have the incentive to recommend a product that pays commissions now, over an advisory product that pays fees over a relatively longer period. As an example, all other variables held equal, a 5% commission paid by an insurance company upon sale of a \$100,000 annuity product, may be more attractive to a financial professional than a one percent (1%) advisory fee charged on a \$100,000 account paid over a period of five (5) years, despite the overall pre-tax compensation paid to the financial professional being equal.

There are other conflicts present as well. LG utilizes the services of Advisors Excel, a third-party insurance marketing organization ("IMO") to select the appropriate product for our clients. The purpose of the IMO is to assist us in finding the insurance product that best fits the client's situation, although the IMO and insurance carrier may also offer special bonus or incentive compensation to our firm and our investment adviser representatives when they act in their separate capacities as insurance agents when they meet certain overall sales goals by placing annuities and/or other insurance products through the IMO. This creates a conflict of interest for LG and our financial professionals to utilize the products recommended by the IMO.

In addition, each of the individual insurance carriers that our financial professionals work with may also separately provide incentive-based bonuses or awards in exchange for sales-related production over specific periods of time, which is a conflict of interest. Specifically, an affiliate of Advisors Excel, Innovation Design Group, LLC, pays a bonus or incentive for the aggregate amount of all annuity sales through their partner carriers. They may also provide indirect compensation by providing marketing assistance, business development tools, technology, back office/operations support, business succession planning, business

conferences, and incentive trips. These incentive programs do not directly affect fees paid by the client. Although some of these services can benefit a client, other services obtained by our IARs such as marketing assistance, business development, and incentive trips, will not benefit an existing client and is a conflict of interest.

At times, our financial professionals receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are the result of informal expense sharing arrangements in which product sponsors will underwrite costs incurred for marketing, such as client appreciation events, advertising, publishing, and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are made by those sponsors for which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of clients.

Advisors Excel is also a related company of AE Wealth Management. Advisors Excel provides affiliate members such as our firm, LG, with marketing assistance and business development tools to acquire new clients, technology with the goal of improving the client experience and our firm's efficiency, back office and operations support to assist in the processing of our insurance (through Advisors Excel) and investment advisory services (through AE Wealth Management) for clients, and business succession planning for our firm. Although some of these services may directly benefit a client, other services obtained by us from Advisors Excel such as marketing assistance and business development may not benefit an existing client. There is a conflict of interest when we use the sub-adviser and financial planning services of AE Wealth Management because we are influenced to use AE Wealth Management based upon our relationship and services provided and support of Advisors Excel.

We have taken a number of steps to manage these types of conflict of interests. We attempt to control for these sales-related conflicts by always basing investment decisions on the individual needs of clients. As a fiduciary, we expect and require that each investment adviser representative only recommend insurance and annuities when in the best interest of the client. The sale of commission-based products is supervised by the firm's Chief Operating Officer, and the firm makes periodic reviews of its insurance recommendations to ensure that our financial professionals act in accordance with our fiduciary duty. If you have any questions or concerns about annuity recommendations made during the financial planning process, we encourage you to immediately bring it to the attention of the Managing Director or the CCO.

Finally, you should be aware that there are other insurance products that are offered by other insurance agents other than those recommended by our financial professionals. You are under no obligation to implement any insurance or annuity transaction through LG.

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

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this Brochure.

Participation or Interest in Client Transactions

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this Brochure.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

In the case of mutual funds, we believe that effecting transactions in mutual funds recommended to you cannot conflict with your interest in the same funds because open-end mutual funds are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such our personal transactions in mutual funds are not likely to have an impact on the prices of the fund shares in which you invest.

Trade Errors

In the event a trading error occurs in your account, please notify us as soon as possible.

Item 12 Brokerage Practices

We maintain relationships with several broker-dealers and recommend that you establish an account with a broker-dealer with which we have an existing relationship. If you do so, that broker-dealer becomes your custodian. While you are not required to utilize the services of the broker-dealer recommended by our firm, we may not be able to provide advisory services to you through your preferred broker-dealer.

We receive benefits from the broker-dealers with whom we have relationships, Fidelity Brokerage Services LLC ("Fidelity") and Charles Schwab & Co., Inc. ("Schwab"). Fidelity provides us with access to their institutional trading and custody services, which are not typically available to retail investors and which include brokerage, custody, research and access to mutual funds and other investments. Fidelity also makes available other products and services that benefit us but may not benefit our clients' accounts. Some of these other products and services assist us in managing and administering client accounts. These include software and other technology that: provide access to client account data (such as trade confirmation and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of our fees from client accounts; and assist with back-office functions, recordkeeping and client reporting.

Many of these services generally may be used to service all, or a substantial number, of our accounts, including accounts not maintained at Fidelity. Fidelity also makes available other services intended to help us manage and further develop our business. These services may include: consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, marketing, and assistance with client paperwork and other items related to transitions to AEWM. In addition, Fidelity may make available, arrange and/or pay for these types of services rendered to us by independent or related third parties.

Benefits that we may receive from Schwab include, but are not necessarily limited to: access to their institutional trading and custody services; receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk; access to block trading which provides the ability to aggregate securities transactions and allocate the appropriate shares to client accounts; the ability to have investment advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; and access to mutual funds that generally require significantly higher minimum initial investments or are generally only available to institutional investors.

Schwab also makes available to us (or offsets the cost of) other products and services that benefit our firm but may not benefit clients' accounts. Some of these other products and services assist us in managing and administering clients' accounts. These include software and other technology that: provide access to client account data (such as trade confirmation and account statements); provide research, pricing information, and other market data; facilitate payment of the firm's fees from its clients' accounts; and assist with back-office functions, record keeping, and client reporting.

Many of these services generally may be used to service all or a substantial number of our accounts, including accounts not maintained at a recommended custodian. Schwab is also providing other services intended to help our firm manage and further develop our business enterprise. These services may include: consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing.

The receipt of these benefits creates a conflict of interest. We mitigate this conflict by conducting a best execution review of custodians to ensure their services are in the best interest of our clients.

We believe that the recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the value of the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services recommended broker-dealers provide, you may pay higher commissions and/or trading costs than those that are available elsewhere.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

We routinely require that you direct our firm to initiate transactions to be executed by broker-dealers with which we have relationships. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

Block Trades

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading"). However, through our third-party money managers the traders on the accounts are authorized in their discretion (but not obligated) to do block trading. Accordingly, you may pay different prices for the same securities transactions than other clients pay.

Item 13 Review of Accounts

Andrew Jones and/or Mark Lloyd, Chief Executive Officer will monitor your accounts on a periodic basis and will conduct account reviews at least quarterly to ensure the advisory services provided to you and/or that the portfolio mix are consistent with your stated investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

You will receive trade confirmations, monthly or quarterly statements showing your account holdings, transactions and fees paid to our firm, along with year-end tax statements from your account custodian(s). From time to time, we may also provide separate written reports summarizing account activity and performance to clients. You are encouraged to compare the information on any such reports prepared by us against the information in the statements provided directly from the account custodian(s) and alert us of any discrepancies.

Item 14 Client Referrals and Other Compensation

We do not currently refer clients to other investment advisers. The only compensation received from advisory services is the fees charged for providing investment advisory services as described in Item 5 of this brochure.

As disclosed under the "Fees and Compensation" section in this Brochure, persons providing investment advice on behalf of our firm are licensed insurance agents and earn commission-based compensation for selling insurance products. In addition, these persons receive certain benefits from AEWM, including sales awards and trips, based on the volume of insurance business referred to Advisors Excel, an affiliate of AEWM. Our representatives who are licensed insurance agents also receive certain benefits from insurance carriers, including small gifts such as fruit baskets or snacks. These practices present conflicts of interest because our representatives who are licensed insurance agents have an incentive to recommend insurance products, as well as insurance products through specific carriers, to you based on the receipt of these benefits. For information on how we address the conflicts associated with the sale of insurance products, please refer to the "Fees and Compensation" and "Other Financial Industry Activities and Affiliations" sections of this Brochure.

The firm and its supervised persons receive certain benefits from third-party managers, including sales awards and trips, based in part on the amount of advisory business directed to the third-party manager. This presents a conflict of interest because we have an incentive to recommend the services of the third-party manager. We address this conflict by ensuring the recommendation is in your best interest.

Our Chief Executive Officer and indirect owner, Mark Lloyd, is actively involved in the marketing of our firm, including on radio, television and in published articles.

Item 15 Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees when you specifically authorize us to do so. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We also have custody due to our standing authority to make third-party transfers on behalf of our clients who have granted us this authority. This authority is granted to us by the client through the use of a standing letter of authorization ("LOA") established by the client with his or her qualified custodian. The standing LOA authorizes us to disburse funds to one or more third parties specifically designated by the client pursuant to the terms of the LOA, and can be changed or revoked by the client at any time. We do not have physical custody of any of your funds and/or securities. We have implemented the safeguard requirements of SEC regulations by requiring safekeeping of your funds and securities by a qualified custodian. We have further implemented procedures to comply with the requirements outlined by the SEC in its February 21, 2017 No-Action Letter to the Investment Adviser Association. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. Either monthly or quarterly you will receive account statements from the independent, qualified custodian(s) holding your funds and securities. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us immediately at the telephone number on the cover page of this Brochure.

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our management agreement, and the appropriate trading authorization forms.

If you enter into a discretionary arrangement with our firm, you must grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s). You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the *Advisory Business* section in this Brochure for more information on our discretionary management services.

Item 17 Voting Client Securities

Proxy Voting

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

Class Actions

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

Item 18 Financial Information

We are not required to provide a balance sheet or other financial information to our clients because we do not require the prepayment of fees in excess of \$1200 and six months or more in advance; we do not take custody of client funds or securities; and, we do not have a financial condition that is reasonably likely to impair our ability to meet our commitments to you. Moreover, we have not filed a bankruptcy petition at any time in the past ten years.