



## Item 1 – Cover Page

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This Brochure provides information about our qualifications and business practices of JT Stratford, LLC (“JT Stratford,” “us,” “we”, “our”). If you (“clients”, “your”) have any questions about the contents of this brochure, please contact us at (770) 534-6046. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. JT Stratford’s IARD firm number is 155629.

We are a registered investment adviser. Our registration as an Investment Adviser does not imply any level of skill or training. Additional information about JT Stratford, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select “investment adviser firm” and type in our firm name). The results will provide you with both Parts 1 and 2 of our Form ADV.

## Item 2 – Material Changes

Form ADV Part 2 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 clients and provide a description of the material changes.

Generally, JT Stratford will notify clients of material changes on an annual basis. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document.

The last annual filing of our Disclosure Brochure was dated March 2023. We have the following changes:

- Charles Schwab & Co., Inc. ("Schwab") completed its acquisition of TD Ameritrade, Inc. ("TD Ameritrade"). All customers at TD Ameritrade will have their accounts moved over to Schwab. Updates have been made throughout the Disclosure Brochure.
- We have clarified our historical registration history under Item 4.
- We have added Third Party Money Manager Risks under Item 8.
- We have ended our Consulting Agreement with Aptus Capital Advisors which has been updated under Item 10.
- We have added our Trade Error Policy under Item 12.

The revised Disclosure Brochure will be available since our last delivery or posting of this Disclosure Brochure on the SEC's public disclosure website (IAPD) at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or you may contact our Chief Compliance Officer, Amanda S. Bruner at (770) 534-6046 or [abruner@jtstratford.com](mailto:abruner@jtstratford.com) to obtain a copy.

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## Item 4 – Advisory Business

JT Stratford, LLC (“JT Stratford,” “us,” “we”, “our”) is a limited liability company organized under the laws of the State of Georgia on June 28, 2010, and wholly owned by D. Todd Ferguson. JT Stratford was first registered at the state level with Georgia on February 22, 2011. We transitioned to registration with the SEC on July 22, 2015. Currently, we are registered as an investment adviser with the SEC and notice filed with the appropriate states in which notice filings are required in order to provide the investment advisory products and services described within this document. Please note that certain states do not require us to notice file if we have five or fewer clients that reside in a particular state. Please note that our registration as an Investment Adviser does not imply any level of skill or training. As of December 31, 2023, we had regulatory assets under management on a discretionary basis of \$644,802,257, non-discretionary basis of \$48,812 and assets under advisement<sup>1</sup> of \$60,735,237, for a total asset under management is \$705,586,307.

We offer investment advisory services to individuals, pension and profit-sharing plans, charitable organizations, and corporations. This Disclosure Brochure provides you with information regarding our qualifications, business practices, and the nature of advisory services that should be considered before becoming our advisory client.

Please contact Amanda S. Bruner, Chief Compliance Officer, if you have any questions about this Brochure.

Individuals associated with us will provide our investment advisory services. These individuals are appropriately licensed and qualified to provide advisory services on our behalf. Such individuals are known as Investment Advisor Representatives (IARs).

Below is a description of the investment advisory and financial planning services we offer. For more details on any product or service please reference the advisory agreement or speak with your JT Stratford IAR.

### **Investment Advisory Services**

Our IARs provide continuous and regular investment advisory services on a discretionary or non-discretionary basis to you in connection with establishing and monitoring of your

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<sup>1</sup> Assets under advisement represent assets in which we provide consulting services and for which we have neither discretionary authority, the ability to arrange or effect the purchase or sale of recommendations provided to and accepted by the ultimate client, or the authority to hire or fire recommended third party managers without client consent. Inclusion of these assets will make our total assets number different from assets under management disclosed in Item 5.F of our Form ADV Part 1A due to specific calculation instructions for Regulatory Assets Under Management.

investment objectives, risk tolerance, asset allocation goals and time horizon. In addition, our IARs may provide information and research about investment products and strategies, and review portfolio performance reports. You have the opportunity to place reasonable restrictions or constraints on the way your account is managed; however, such restrictions will impact the composition and performance of your portfolio. For these reasons, the performance of the portfolio may not be identical with our average client.

We offer investment advisory services through “Advisor Managed Fee Based Accounts”. We primarily use Schwab to custody client assets.

Services provided may be available from other providers for lesser fees. In addition, you may buy securities (e.g., mutual funds, exchange-traded funds, etc.) outside of certain programs without incurring the technology fee identified under Item 5.

### **Fee-Based Advisor Managed Accounts**

We have the ability to offer certain investment advisory services that we believe allow IARs to effectively meet your investment needs and preferences. Based on consultations with you, the IAR determines your investment goals and risk tolerance. The Advisory-Managed accounts give IARs the ability to customize asset allocation, investment selection, and investment strategies to meet your individual financial situation and investment objectives. Several factors may influence the IARs’ selection of your account structure including but not limited to 1) account size, 2) anticipated trading frequency, 3) anticipated securities to be traded, and/or 4) management style. In each account structure, the IAR may manage and provide advice on securities, including but not limited to, mutual funds, stocks, bonds, exchange traded funds (ETFs), limited partnerships (LPs), and options.

### **Furnishes Advice to Clients on Matters Not Involving Securities**

We offer financial plans encompassing, but not limited to, the following:

- Personal Financial Planning;
- Insurance and Estate Planning;
- Capital Need Analysis;
- Tax & Cash Flow;
- Retirement Planning;
- Investment Analysis and Planning;
- Education Planning;
- Business Planning; and
- Performance Reports

Financial planning information will be obtained through personal interviews concerning your current financial status, future goals, and attitudes towards risk. Related documents that you supplied are carefully reviewed, along with data gathered from you, and a written report is issued.

### **Employer Retirement Plan Services**

Employer Retirement Plan Services consists of reviewing the Plan's investment options; recommending a portfolio structure; recommending appropriate changes in portfolio holdings (investment options) consistent with the Plan Sponsor Company 401(k) Plan's ("Plan"), pursuant to Section 401(a) of the Internal Revenue Code of 1986, Investment Policy Statement ("Investment Policy"); and advising the Plan Sponsor in support of the Plan Sponsor's fiduciary role under the Plan. However, in a non-fiduciary capacity, our role will be limited to acting as the asset manager/advisor to the Plan. We will also provide to the Plan Sponsor guidance and investment weightings for asset allocation portfolios ("Portfolios") offered under the Plan. Initially, we will establish Portfolios each with a different investment horizon and risk and reward criteria; additional Portfolios may be established at a later date. We will construct and monitor the Portfolios consistent with the policies and criteria set forth in the Investment Policy. Our services shall primarily include:

- a. Portfolio review and performance analysis;
- b. Fund weightings for each asset allocation model;
- c. Managed models for employees electing to give JT Stratford discretionary authority.
- d. Periodic discussion of changes in the weightings from previous asset allocations;
- e. Review of timing of asset allocation model rebalancing;
- f. Review of each mutual fund's historical returns;
- g. Anticipated returns for each asset class that is represented by a mutual fund; and
- h. Such additional services as the parties may agree to from time to time.

The Plan Sponsor will appoint an independent corporate trustee or custodian (the "Custodian") to take and maintain possession of all of the assets in the Plan. Neither we nor any of our "affiliates" will act as Custodian.

## **Sub-Advisory Arrangements**

We have independently entered into sub-advisory agreements with unaffiliated registered investment advisors (“sub-advisor”) whereby the sub-advisor will manage certain designated assets in client portfolios (each a “Designated Portfolio” and collectively, the “Designated Portfolios”). Depending on the sub-adviser, we will either engage them directly or you will be required to enter into a separate agreement with the sub-advisor that defines the terms in which the sub-advisor will provide its services.

Any recommendations made by the sub-advisor shall be made on a discretionary or non-discretionary basis subject only to the investment objectives and restrictions we imposed by written notice to the sub-advisor. Prior to engaging the services of the sub-advisor, we will consult with you and determine your financial situation and individual needs, including, without limitation, your investment objectives, and restrictions. In addition, we will perform initial and ongoing oversight and due diligence with each sub-advisor to ensure the strategy remains aligned with your investment objectives and overall best interest. It is, however, your obligation to notify either us or the sub-advisor (depending on who the sub-advisor is engaged) in writing of any changes in your financial situation. A complete description of the sub-advisor’s services and compensation relating to this arrangement will be disclosed in the sub-advisor’s Form ADV Part 2 and/or the advisory agreement, which will be provided to you at the time an agreement for services is executed and an account is established.

We serve as your primary advisor and relationship manager. Your IAR will be available to answer questions you may have regarding the portion of your account managed by the sub-advisor and will act as the communication conduit between you and the sub-advisor. The sub-advisor may take discretionary authority to determine the securities to be purchased and sold for your account. However, we will direct the sub-advisor of the custodian in which to effect all transactions.

## **IRA Rollover Recommendations**

For the purpose of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02"), when applicable, we are providing the following acknowledgment to you. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under an exemption that requires us to act in your best interest and not put our interest ahead of yours. Under this exemption, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice),
- Never put our financial interests ahead of yours when making recommendations (give loyal advice),
- Avoid misleading statements about conflicts of interest, fees, and investments,
- Follow policies and procedures designed to ensure that we give advice that is in your best interest,
- Charge no more than is reasonable for our services, and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

### **Wrap Fee Program**

We do not intend to offer wrap fee service at this time.



## Item 5 – Fees and Compensation

### **General Account Characteristics**

Described below are general characteristics regarding “other” fees incurred, discretionary authority, payment of fees, and termination of contracts that will affect your account(s). Following these disclosures are descriptions of the accounts or services that we offer, the basic management fee structures and any unique characteristics. For a more complete discussion and disclosure regarding any Account’s services or fee structure, we will provide a detailed advisory agreement.

### **Other Fees**

Generally, fees for investment advisory accounts are based on a percentage of the market value of assets under management including cash and are negotiable. Therefore, clients with similar assets under management and investment objectives may pay significantly higher or lower fees than other clients. However, the advisory fee does not cover charges imposed by third parties for investments held in the Account, such as contingent deferred sales charges or 12b-1 trails on applicable mutual funds. In addition, each mutual fund charges asset management fees, which are in addition to the advisory fees charged by us. The fees charged by such funds or managers are disclosed in each fund’s prospectus or Manager’s Disclosure Brochure. The advisory fee also does not cover debit balances or related margin interest or SEC fees or other fees or taxes required by law. In addition, certain Accounts may require a minimum advisory fee or quarterly maintenance fee that will be detailed in the applicable advisory agreement. Furthermore, JT Stratford charges households with accounts over \$50,000 an annual \$85 admin/technology fee to offset the expenses associated with the services JT Stratford offers to each client.

### **Payment of Fees**

For the majority of accounts, fees will be based on the ending value of the account on the last day of the previous quarter and are payable quarterly in advance. The first advisory fee is based on the value of the account on the first day of management by Adviser and is payable within one month after execution of the agreement. The first advisory fee will be assessed on a pro-rata basis taking into account the time for which the account was not managed by Adviser and the time left in the quarter.

Typically, 401k participants that are part of Plan Sponsors that utilize our services are billed quarterly in arrears, and these fees are processed by the Plan Sponsor's record-keeper.

Fees charged are based on a percentage of the assets under management, including cash or cash equivalents. Fees are calculated and payable quarterly in advance based on Orion's valuation (or other valuation program utilized by Adviser) of the market value of the billable assets in your account. Please note that the balance your fee is based on may not match the statement you receive from the custodian due to dividends, incoming contributions, outgoing withdrawals, settlement issues, etc. (except for certain Plan Sponsors/Plan Participants noted above that are billed in arrears based on the quarter end balance provided by the custodian).

#### Termination of Contracts

The advisory agreement may be terminated at any time upon notice by either party. Fees paid in advance will be prorated to the date of termination and any unearned portion of the fee will be refunded to the client.

Detailed information on the termination terms and fees can be found in the applicable advisory agreement.

#### Fee-Based Advisor Managed Accounts

<u>Portfolio Value</u>	<u>Annual Fee</u>
\$ 0 - \$ 999,999	1.35%
\$ 1,000,000 - \$ 4,999,999	1.00%
\$ 5,000,000 - \$ 9,999,999	0.90%
\$10,000,000 - \$24,999,999	0.80%
\$25,000,000 - \$49,999,999	0.74%
\$50,000,000 - \$100,000,000	0.68%

Aggregate account balances are used for fee breakpoint calculations. In addition to the advisory fee, accounts are assessed applicable transaction charges. These transaction charges may be higher or lower than transaction charges or commissions the client may pay at other broker-dealers. All transactions may be subject to postage and handling fees.

#### Furnishes Advice to Clients on Matters Not Involving Securities

For a full written financial plan, we may charge a flat fee up to \$3,000 unless agreed upon between us, which will be quoted prior to the contract being executed. The fee for this

service will be determined according to the complexity of the plan as well as the extent of service you desire. An estimated fee will be given upon contracting with you. Fees may be negotiable. Fees may also be charged at an hourly rate up to \$250 per hour.

Fees are paid upon completion of the plan or the services unless agreed upon between us. The contract may be terminated by either party upon 30 days' notice. We will, upon your written request, refund fees prorated to the amount of work completed. If you terminate the contract within 5 business days of signing the contract shall be provided with a full refund.

There is an inherent conflict of interest when we recommend securities transactions or investment advice, which results in you becoming a client and paying us a fee for ongoing services. We address this conflict with our fiduciary duty to provide advice we believe to be in your best interest. However, you are under no obligation to act on our IARs' recommendations. If you elect to act on any of the recommendations, you are under no obligation to effect the transactions through us or your IAR.

### **Employer Retirement Plan Services**

We offer a negotiable fee between .10% to 1% on plan assets and paid quarterly in arrears.

The Third-Party Administrator (TPA) will state the amount of the fee for the quarter in question and the manner in which the fee was calculated. The Custodian has agreed (or the Plan Sponsor will obtain such agreement from the Custodian) to send to the Plan Sponsor at least quarterly a statement indicating all amounts disbursed from the Plan, including the amount of fees paid directly to us, if any.

The agreement may be terminated by the Plan Sponsor at any time immediately upon notice to us. We may terminate the agreement upon thirty (30) days' notice to the Plan Sponsor.

### **Sub-Advisory Arrangements**

For sub-advisors that we engage directly, we will pay a portion of the advisory fee that you pay to us to the sub-advisor while the Sub-Advisory Agreement remains in effect. The sub-advisory fee will not be greater than 1.00%. A quarterly fee for the services the sub-advisor provides is paid in advance and shall be calculated on a per account basis using the ending market values for the proceeding calendar quarter. If the Sub-Advisory Agreement is terminated prior to the end of the quarter, the sub-advisory fee shall be prorated up to the date of termination for the period in which investment advisory services were provided by the sub-advisor.

In addition, certain sub-advisory arrangements require that you engage the sub-advisor directly and we will help facilitate that arrangement. Under this scenario you will directly engage and pay the sub-advisor per their advisory agreement. Your IAR can assist you with this process, but the ultimate terms are agreed to between you and the sub-adviser.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

We do not charge advisory fees on a share of the capital gains or capital appreciation of the funds or securities in a client account (so-called performance-based fees). Our compensation structure is disclosed in detail in Item 5 above.

## Item 7 – Types of Clients

We provide investment advisory services to individuals including high net worth individuals, pension and profit-sharing plans, charitable organizations, and corporations. We do not impose a minimum account value.

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

In determining the investment advice to give to you, we may utilize charting to determine trends and project future values. In a fundamental analysis, we analyze the financial statements and health of a business, its management and competitive advantages, and its competitors and markets but usually focusing on growth or value (or sometimes a combination of both) to determine if such security meets the clients' needs and objectives. We will take into consideration when making investment decisions the stages of the business during a given point in time. We may also perform a security analysis discipline, known as technical analysis, in forecasting the direction of prices through the study of past market data, primarily price and volume.

As described in Item 4 above, our investment strategies may include long term and short-term buy and hold, short sales, margin transactions, and option strategies. Our IARs may actively trade option contracts or on margin for client's accounts, which could result in a high portfolio turnover ratio. Additionally, the use of margin may also result in interest charges as well as all other fees and expenses associated with the security or account involved.

There are inherent risks involved for each investment strategy or method of analysis we use and the particular type of security we recommend. Investing in securities involves risk of loss which you should be prepared to bear. Depending on the types of securities we invest in, you may face the following investment risks:

**Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.

**Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

**Interest rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

**Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

**Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

**ETF and Mutual Funds Risk:** ETFs and mutual funds are subject to investment advisory and other expenses, which will be indirectly paid by clients. As a result, the cost of our investment strategies will be higher than the cost of investing directly in ETFs or mutual funds, as there are two levels of fees. ETFs and mutual funds are subject to specific risks, depending on the nature of the fund.

ETFs are professionally managed pooled vehicles that invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. ETF managers trade fund investments in accordance with fund investment objectives. ETF risk can be significantly increased for funds concentrated in a particular sector of the market, or that primarily invest in small cap or speculative companies, use leverage (i.e., borrow money) to a significant degree, or concentrate in a particular type of security (i.e., equities), rather than balancing the fund with different types of securities.

ETFs can be bought and sold throughout the day like stocks, and their price can fluctuate throughout the day. During times of extreme market volatility, ETF pricing may lag versus the actual underlying asset values. This lag usually resolves itself in a short period of time (usually less than one day); however, there is no guarantee this relationship will always occur.

**Third Party Money Manager Risks:** For certain clients or for certain types of investments we recommend and utilize third party money managers we believe bring additional expertise to our clients. However, because they are third parties we have limited oversight of their activities, even with ongoing due diligence. There is a risk of a delay in timing in being notified of material changes (e.g., change in key personnel, change in ownership, a legal event, etc.) at the Manager that could result in a change in our opinion to recommend them. There is a risk that they delay in informing us of changes in their investment process that we may not agree with.

In addition, when client assets are allocated to a third-party manager, they typically use their own custodian. Therefore, there is the risk that the manager or its custodian could divert or abscond with those assets, fail to follow agreed upon investment strategies, provide false reports of operations, or engage in other misconduct. Moreover, there can be no assurances that all third-party managers will operate in accordance with all applicable laws and that assets entrusted to such managers will be protected. Furthermore, the institutions (such as banks) and prime brokers with which a manager



does business, or to which securities have been entrusted for custodial purposes, could encounter financial difficulties. This could impair the operational capabilities or the capital position of a manager or create unanticipated trading risks.

When you are deciding whether to invest in a specific investment, make sure you obtain, review and discuss with your Advisory Representative the documentation related to the investment which outlines the details of the investment (i.e., prospectuses, annual reports and offering memorandums that discuss the structure of the investment, fees/costs, management, portfolio, restrictions, contributions, distributions, risks, etc.). The documentation should be provided by your Advisory Representative or can be obtained directly from the investment sponsor.

**Legal and Regulatory Matters Risks:** Legal developments which may adversely impact investing and investment-related activities can occur at any time. “Legal Developments” means changes and other developments concerning foreign, as well as US federal, state and local laws and regulations, including adoption of new laws and regulations, amendment or repeal of existing laws and regulations, and changes in enforcement or interpretation of existing laws and regulations by governmental regulatory authorities and self-regulatory organizations (such as the SEC, the US Commodity Futures Trading Commission, the Internal Revenue Service, the US Federal Reserve and the Financial Industry Regulatory Authority). Our management of accounts may be adversely affected by the legal and/or regulatory consequences of transactions effected for the accounts. Accounts may also be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by governmental regulatory authorities or self-regulatory organizations.

**System Failures and Reliance on Technology Risks:** Our investment strategies, operations, research, communications, risk management, and back-office systems rely on technology, including hardware, software, telecommunications, internet-based platforms, and other electronic systems. Additionally, parts of the technology used are provided by third parties and are, therefore, beyond our direct control. We seek to ensure adequate backups of hardware, software, telecommunications, internet-based platforms, and other electronic systems, when possible, but there is no guarantee that our efforts will be successful. In addition, natural disasters, power interruptions and other events may cause system failures, which will require the use of backup systems (both on- and off-site). Backup systems may not operate as well as the systems that they back up and may fail to properly operate, especially when used for an extended period. To reduce the impact a system failure may have, we continually evaluate our backup and disaster recovery systems and perform periodic checks on the backup systems’ conditions and operations. Despite our monitoring, hardware, telecommunications, or other electronic systems malfunctions may be unavoidable, and result in consequences such as the

inability to trade for or monitor client accounts and portfolios. If such circumstances arise, the Investment Committee will consider appropriate measures for clients.

**Cybersecurity Risk:** A portfolio is susceptible to operational and information security risks due to the increased use of the internet. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyberattacks include, but are not limited to, infection by computer viruses or other malicious software code, gaining unauthorized access to systems, networks, or devices through “hacking” or other means for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cybersecurity failures or breaches by third-party service providers may cause disruptions and impact the service providers’ and our business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement, or other compensation costs, and/or additional compliance costs. While we have established business continuity plans and risk management systems designed prevent or reduce the impact of such cyberattacks, there are inherent limitations in such plans and systems due in part to the everchanging nature of technology and cyberattack tactics.

**Pandemic Risks:** The recent outbreak of the novel coronavirus rapidly became a pandemic and has resulted in disruptions to the economies of many nations, individual companies, and the markets in general, the impact of which cannot necessarily be foreseen at the present time. This has created closed borders, quarantines, supply chain disruptions and general anxiety, negatively impacting global markets in an unforeseeable manner. The impact of the novel coronavirus and other such future infectious diseases in certain regions or countries may be greater or less due to the nature or level of their public health response or due to other factors. Health crises caused by the recent coronavirus outbreak or future infectious diseases may exacerbate other pre-existing political, social, and economic risks in certain countries. The impact of such health crises may be quick, severe and of unknowable duration. These pandemics and other epidemics and pandemics that may arise in the future, could result in continued volatility in the financial markets and could have a negative impact on investment performance.

The above list of risk factors does not purport to be a complete list or explanation of the risks involved in an investment strategy. You are encouraged to consult your IAR on a continuous basis in connection with selecting and engaging in the services provided by us. In addition, due to the dynamic nature of investments and markets, strategies may be subject to additional and different risk factors not discussed above.

## Item 9 – Disciplinary Information

We do not have any legal, financial, or other “disciplinary” item to report. We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a Client / Adviser relationship, or to continue a Client /Adviser relationship with us.

## Item 10 – Other Financial Industry Activities and Affiliations

Neither JT Stratford nor any of our management persons (except as disclosed below) are registered or have an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or as an associated person of the foregoing entities.

In addition, neither JT Stratford nor any of our management persons have any relationship or arrangement that is material to our advisory business or to our clients that JT Stratford or any of our management persons have with an affiliated person that is, under common control and ownership, a:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker,
- Investment company or other pooled investment vehicle,
- Other investment adviser or financial planner,
- Futures commission merchant (or commodity pool operator or commodity trading advisor),
- Banking or thrift institution,
- Accountant or accounting firm,
- Lawyer or law firm,
- Pension consultant,
- Real estate broker or dealer, or
- Sponsor or syndicator of limited partnerships.

The Stratford Group, Inc. is an affiliate of JT Stratford and is licensed as an insurance agency with the Georgia Department of Insurance to sell accident & sickness, casualty, life, and property. In addition, a number of the IARs either conducts insurance business through Colhoun, Robins, Davenport & Company, LLP (“CRD”) to sell Life, Accident & Health, or Sickness insurance products, or SFS Financial Inc. doing business as Benefit Resources, LLC (“Benefit Resources”) to sell Accident & Sickness, and Life insurance products. CRD is licensed as an insurance agency with the North Carolina Department of Insurance, and Benefit Resources is licensed as an insurance agency with the Georgia Department of Insurance. Neither entities are affiliated with JT Stratford. These IARs are

licensed to sell such insurance products through various companies. Appropriately licensed IARs will receive compensation for the sale of such products. You are under no obligation to purchase insurance products through any particular insurance agency or IAR and may effect any such transactions where you desire.

Certain IARs are licensed to sell life and annuity insurance products through various other companies. Appropriately licensed IARs will receive compensation for the sale of such products. The client is under no obligation to purchase insurance products through any particular insurance agency or IAR and may effect any such transactions where the client desires.

We have entered into a sub-advisor relationship with an unaffiliated registered investment adviser. In the Sub-Advisory Agreement, we agreed to provide discretionary investment management services for certain designated assets in client portfolios. Refer to Items 4 and 5 above for details of our business relationship and the compensation we receive.

We have also engaged MacAther Plumart with MRP Capital Investments, LLC ("MRP," CRD #167256) to serve as our Chief Equity Strategist. MRP provides support in the recommending, monitoring and the analysis of equity and fixed income portfolios ("Portfolios"). Such services do not affect the fees paid by the client to JT Stratford.

At least once a quarter, MRP will provide JT Stratford with an update with respect to the Portfolios in order to discuss whether the Portfolios, or any program model in which such are invested, continue to conform to the requirements, restrictions, and objectives of our clients. We will continue to maintain discretionary authority with respect to the Portfolios.

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

Our firm has adopted a written Code of Ethics in compliance with SEC Rule 204A-1 under the Investment Advisers Act of 1940 (as amended—the Advisers Act) and in compliance with state regulations. All employees of JT Stratford are deemed by the Advisers Act to be supervised persons<sup>2</sup> and are therefore subject to this Code of Ethics. In carrying on its daily affairs, JT Stratford and all of our associated persons shall act in a fair, lawful, and ethical manner, in accordance with the rules and regulations imposed by our governing regulatory authority. The Code of Ethics sets forth standards of conduct and requires compliance with state securities laws. Our Code of Ethics also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to our Chief Compliance Officer. We will provide a copy of our Code of Ethics to you or any prospective client upon request within a reasonable period of time at the current address of record.

We have created a Code of Ethics which establishes standards and procedures for the detection and prevention of certain conflicts of interest including activities by which persons having knowledge of the investments and investment intentions of JT Stratford might take advantage of that knowledge for their own benefit. We have in place Ethics Rules (the “Rules”), which are comprised of the Code of Ethics and Insider Trading policies and procedures. The Rules are designed to ensure that our personnel (i) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties; (ii) at all times place the interests of our clients first; (iii) disclose all conflicts of interest; (iv) adhere to the highest standards of loyalty, candor and care in all matters relating to its clients; (v) conduct all personal trading consistent with the Rules and in such a manner as to avoid any conflicts of interest or any abuse of their position of trust and responsibility; and (vi) not use any material non-public information in securities trading. The Rules also establish policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information.

Under the general prohibitions of the Rules, our personnel may not: 1) effect securities transactions while in the possession of material, non-public information; 2) disclose such information to others; 3) participate in fraudulent conduct involving securities held or to

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<sup>2</sup> Supervised person means any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of an investment adviser, or other person who provides investment advice on behalf of the investment adviser and is subject to the supervision and control of the investment adviser.

be acquired by any client; and 4) engage in frequent trading activities that create or may create a conflict of interest, limit their ability to perform their job duties, or violate any provision of the Rules.

Our personnel are required to conduct their personal investment activities in a manner that we believe is not detrimental to its advisory clients. Our personnel are not permitted to transact in securities except under circumstances specified in the Code of Ethics. The policy requires all Access Persons<sup>3</sup> to report all personal transactions in securities not otherwise exempt under the policy. All reportable transactions are reviewed for compliance with the Code of Ethics. The Ethics Rules are available to you and prospective clients upon request by contacting us during regular business hours. We will furnish a copy within a reasonable period of time to you at your current address of record.

Our firm, and/or our officers, directors or employees may buy or sell for their own accounts securities that are also held by their clients. Conversely, they may buy and sell securities for client accounts which they themselves may own. Such transactions are permitted if in compliance with our Policy on Personal Securities Transactions. Your transactions will always take precedence over our own or any related persons' transactions. Records will also be maintained of all securities products bought or sold by us, the related persons, or related entities. Such records will be available for inspection upon request. Reports of personal transactions in securities by our IARs are reviewed by the firm's Compliance Department quarterly or more frequently if required.

We do not, nor does a related person recommend to you, or buy or sell for your accounts, securities in which we (or a related person) have a material financial interest.

We do not execute transactions on a principal or agency cross basis.

We and the sub-advisor agree that all non-public records, information, and data relating to the business of the other, clients or Designated Portfolios (including, without limitation, any and all non-public, personal information regarding clients) that are exchanged or negotiated pursuant to the Sub-Advisory Agreement or in carrying out the agreement are, and shall remain, confidential and will not be disclosed to any third-party without our consent.

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<sup>3</sup> Access person means any of your supervised persons who has access to nonpublic information regarding any clients' purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any reportable fund, or who is involved in making securities recommendations to clients, or who has access to such recommendations that are nonpublic. If providing investment advice is your primary business, all of your directors, officers and partners are presumed to be access persons.

## Item 12 – Brokerage Practices

We do not select broker-dealers for client transactions. However, we primarily recommend and use Schwab as the custodian for our clients. Depending on your circumstances and needs, we may recommend other broker-dealers. Factors we consider when making any recommendations include the broker-dealers ability to provide professional services, our experience with the brokerage firm(s), the broker-dealer(s) reputation, and the firms' quality of execution services and costs for such services, among other factors. You are under no obligation to accept any of our recommendations and are free to select any broker-dealer you may choose. We do not warrant or represent that commissions for transactions implemented through such brokers will be lower than commission rates available if you use another brokerage firm.

Despite the reasoning for favorable execution, we may be willing to use a different broker-dealer at the client's direction. Clients directing the use of a particular broker/dealer or other custodian must understand that we may not be able to obtain the best prices and execution for the transaction. Under a client-directed brokerage arrangement, clients may receive less favorable prices than would otherwise be the case if the client had not designated a particular broker/dealer or custodian. Directed brokerage account trades are generally placed by us after effecting trades for other clients. In the event that a client directs us to use a particular broker or dealer, we may not be authorized to negotiate commissions and may be unable to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct us to use a particular broker or dealer versus clients who do not direct the use of a particular broker or dealer.

We do not receive research or other products or services from a broker-dealer or a third-party in connection with client securities transactions ("soft dollar benefits") that we would consider a factor in utilizing a particular broker-dealer. However, through our relationship with any custodian, we may receive certain services and products, such as fundamental research reports, technical and portfolio analyses, pricing services, economic forecasting and general market information, historical data base information and computer software that assist with our investment management process.

We do not consider whether we or a related person receive client referrals from a broker-dealer or third-party in selecting or recommending broker-dealers to our clients.

We may simultaneously enter orders to purchase or sell the same securities for the accounts of two or more clients. It is our practice that these orders be "batched" for ease of execution. Since there may be several prices at which the securities transactions are



executed and the orders were entered as one order for all accounts, it is our practice to treat all subject accounts equally, averaging the execution prices of the related trades and applying the average price to each transaction and account. Allocations of “batched” trades also may be rounded up or rounded down to avoid odd lot or small holdings in any client account.

#### Trade Error Policy

If a trading or transaction error is associated with a client-specific trade, the firm will enter a correcting transaction. If the trade error involves a de minimis dollar amount (currently less than \$100), the client is either reimbursed for a loss or retains the gain. However, for errors with a gain of \$100 or more, Schwab will donate it (along with other advisor trade error gains Schwab retains) to the Charles Schwab Foundation on a monthly basis. Any client losses resulting from a trade error are reimbursed to the client.

## Item 13 – Review of Accounts

**REVIEWS:** Accounts are reviewed by their IARs on an ongoing basis, and we attempt to meet (in person or over the phone) with each client to formally review their accounts at least annually. However, it is up to each client to determine if they want this formal meeting. Reviews of investment accounts typically look at portfolio consistency with regards to your risk tolerance, investment time horizon, performance objectives, and asset allocation instructions. Any sub-advisor to whom the IAR recommends for advisory services provides regular quarterly account report to you and the IAR. Reviews also consist of covering account holdings, transactions, charges, and performance as provided on such statements and other account reports. Also, if you receive financial planning advice, reviews are made on the same schedule. Reviews may cover progress toward financial independence, anticipated distributions toward family legacy goals, anticipated distributions for social capital or charitable goals, as well as other goals communicated by you. In either type of review, accounts will also be reviewed upon notice of changes in your circumstances.

**REVIEWERS:** Accounts are primarily reviewed by your IAR. In addition, our compliance program includes the periodic review of a sample of customer accounts for consistency with your risk tolerance, investment time horizon, performance objectives, and asset allocation instructions. There is no minimum number of accounts assigned to the reviewer.

You are provided with monthly account statements from the custodian, depending on the activity in the account. Reports include details of your holdings, and other transaction information. We will also provide written quarterly reports which include details of your holdings, asset allocation and other transaction information. Comparisons to market indices and account performance may be used to evaluate account performance in review with you.

## Item 14 – Client Referrals and Other Compensation

We have a limited number of arrangements whereby from time-to-time JT Stratford may compensate, either directly or indirectly, affiliated and/or unaffiliated persons for client referrals and/or service. Under such arrangements, JT Stratford generally pays a percentage of the investment advisory fee payable to us by the client. This fee may vary according to each agreement. Clients referred to JT Stratford will not be charged more than similarly situated clients who were not referred to JT Stratford. Clients referred to us by a Promoter will receive a copy of this Disclosure Brochure along with disclosure (either orally or in writing) of the terms of the referral arrangement and any conflicts of interest related to the arrangement at the time of the referral. Referral arrangements are entered into in accordance with Advisers Act Rule 206(4)-1. In addition, JT Stratford may recommend a third-party advisor to manage a portion of a client's assets. In certain arrangements, the client pays their advisory fees to the third-party advisor who then remits a portion to JT Stratford.

Promoters that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. Our Promoters will disclose to you whether multiple referral relationships exist, and those comparable services may be available from other advisers. Referral fees paid to a Promoter are contingent upon your entering into an advisory agreement with JT Stratford. This creates a conflict of interest given that the Promoter has a financial incentive to recommend our firm to you for advisory services. However, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms. In addition, JT Stratford has implemented a compliance program to monitor for such conflicts and our relationships with promoters are periodically reviewed.

## Item 15 – Custody

We do not have custody of client funds or securities. Client assets are held at a qualified custodian. However, we are deemed to have limited custody of some of our clients' funds or securities when the clients authorize us to deduct our management fees directly from the client's account. In addition, we are also deemed to have custody of clients' funds or securities when clients have standing letters of authorizations ("SLOAs") with their custodian to move money from a client's account to a third-party, and under that SLOA it authorizes us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. The qualified custodian will send you, at least quarterly, your account statements. The account statements will reveal the funds and securities held with the qualified custodian, any transactions that occurred in your account, and the deduction of our fee. You should carefully review the account statements received from the qualified custodian and compare them with any statements that you receive from us. You should contact us at the address or phone number on the cover of this brochure with any questions about your statements. You should notify us if you do not receive the account statements, at least quarterly, from the qualified custodian.

## **Item 16 – Investment Discretion**

Our IAR will have discretionary or non-discretionary authority to manage your assets. Upon receiving written authorization from you, our IARs may occasionally accept trading authority when it is necessary to assist you in implementing your investment strategy. Types of securities, as well as dollar size of transactions, the broker dealer to be used, and the commission rates to be paid are specifically noted in the written client agreement. You will have the right to place reasonable restrictions on such authority. Any restrictions must be submitted in writing to us.

## **Item 17 – Voting Client Securities (i.e., Proxy Voting)**

We do not have, nor will we accept authorization to vote client securities. You will receive proxies or other solicitations directly from your custodian or a transfer agent. You should contact your custodian or a transfer agent with questions about a particular solicitation.

## Item 18 – Financial Information

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- currently have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

Additionally, we have not been the subject of a bankruptcy petition at any time during the past ten years.

## **Item 19 – Requirements for State-Registered Advisers**

JT Stratford is an SEC-registered investment adviser; so, this section is not applicable.