

## ITEM 1: COVER PAGE

### Part 2A of Form ADV Firm Brochure

March 2024



### Golden State Asset Management, LLC

SEC CRD No. 318126

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This brochure provides information about the qualifications and business practices of Golden State Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at 866-273-1563 or via email to Patrick Catone at [Patrick@TeamGoldenState.com](mailto:Patrick@TeamGoldenState.com). The information in this brochure has not been approved or verified by any state securities authority. Registration state regulatory authority does not imply a certain level of skill or expertise.

Additional information about Golden State Asset Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2: MATERIAL CHANGES**

This Firm Brochure is our disclosure document prepared according to regulatory requirements and rules. Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

- Updated AUM as of December 31, 2023

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## ITEM 4: ADVISORY BUSINESS

### A. GOLDEN STATE ASSET MANAGEMENT, LLC

Golden State Asset Management, LLC (“GSAM” and/or “the firm”) is an investment adviser registered under the Investment Advisers Act of 1940. GSAM was initially formed as a Wyoming limited liability company in 2018 and reorganized as a Delaware limited liability company in December of 2021. GSAM is an affiliate of Golden State Wealth Management, LLC, Golden State Equity Partners, LLC, and Redwood Investment Group. See Item 10 of this document for an additional discussion concerning the firm’s affiliates.

Golden State Asset Management, LLC’s primary office is located at 201 E Sandpointe Ave, Suite 460, South Coast Metro, CA 92707.

### B. TYPES OF ADVISORY SERVICES OFFERED

As discussed below, GSAM primarily provides discretionary portfolio management and investment services to the clients of other registered investment advisors. Typically, this means that GSAM implements its strategy directly by placing trades in the client’s separate account.

#### 1. Sub-Advisory Services

GSAM primarily provides discretionary sub-advisory services to investment advisors. When providing such services, GSAM will enter into a separate, written sub-advisory agreement with each advisor. Subject to GSAM’s written approval, the client may be able to place a variety of restrictions on GSAM’s discretionary investment activity, including restrictions on the term of investments, the types of securities permitted, the credit ratings allowed, and the liquidity of the account. Clients may change these restrictions upon written notice to GSAM and such changes are only effective once acknowledged in writing by GSAM.

In providing sub-advisory services to its clients, GSAM employs various proprietary investment strategies (“Investment Strategies”) for the portfolios over which it has been delegated discretionary authority (each, a “Portfolio”). GSAM works with each client to determine which Investment Strategy or Strategies will achieve the objectives of a particular portfolio.

#### 2. *Stella Nova*™

GSAM also provides digitally automated portfolio management services directly to retail clients through its *Stella Nova* advisory program, which the firm began offering in the 4<sup>th</sup> Quarter of 2020. More detailed information about *Stella Nova* can be found in the *Stella Nova* Program Brochure or on the Stella Nova website (<http://www.mystellanova.com>).

#### 3. Investment Philosophy & Strategies

GSAM believes that client investment allocations should change as their life changes. Investment advisers that utilize GSAM as a sub-adviser have a thorough understanding of their

clients' personal risk tolerance investment objectives and adjust their allocation to meet the personal needs.

GSAM seeks to incorporate a broad range of diversified investment options that will enable it to construct a portfolio with aggregate risk and return characteristics at any point within the client's desired suitability range (aggressive to conservative). The firm seeks adherence to the specific investment objectives, time frame, and criteria for each client, and evaluates the relevant information over a full market cycle.

With these objectives and identified investment categories, the Firm will select investment options to:

- Maximize return within reasonable and prudent levels of risk within portfolio timeframes.
- Provide returns comparable to returns for similar investment options.
- Provide exposure to a wide range of investment opportunities in various asset classes.

### **Client Assets Under Management**

GSAM has \$342,307,815 in regulatory assets under management as of December 31, 2023.

## **ITEM 5: FEES AND COMPENSATION**

### **A. METHODS OF COMPENSATION AND FEE SCHEDULE**

#### **1. Fees for Sub-Advisory Services**

For its services as a sub-advisor to investment advisors, GSAM charges a negotiable Sub-Advisory Fee (the "Fee") not exceeding 0.55% of assets under management, annually. The Fee arrangement is established directly with the investment adviser. The Fee may be billed and payable in arrears or in advance on a monthly or quarterly basis and will be stated in the sub advisory agreement between GSAM and the investment adviser.

A client in a Wrap Program typically pays the sponsor of the program an annual fee typically ranging from 1% to 2.5% of the client's annual assets under management. If GSAM is engaged by a Wrap Program sponsor to provide investment sub-advisory services to clients of the program, GSAM's sub advisory agreement with the sponsor will specify the amount of the firm's sub-advisory fee.

In general, we receive the same annual fee(s) described above, regardless of whether the sub advisory services are provided for wrap accounts versus non-wrap accounts. The specific fee amount will be negotiated between GSAM and the program sponsor and will depend on several factors, including the size of the Wrap Program and the GSAM investment strategy that the program will offer to clients.

The Wrap Program client does not pay any fees directly to GSAM; instead, the sponsor pays GSAM's fee out of the proceeds of the "wrap fee" paid by the client. If GSAM's service to the Wrap Program is terminated, any pre-paid advisory fee will be refunded to the client on a pro

rata basis by the Wrap Program sponsor. Wrap Program fees collected by a sponsor typically cover all brokerage commissions on trades that are executed with the sponsor.

GSAM's Advisor could offer private funds through Mercato. GSAM will receive between 25-75 basis points of the fund management fee when investing in a Mercato fund. In addition, your individual advisor will charge advisory fees on this asset selection, along with other assets being managed.

## 2. Fees for *Stella Nova*™

Under the Stella Nova program, client fees will be calculated across all assets within the enrolled account, including cash positions. Enrolled accounts are responsible for paying Stella Nova an annual wrap advisory fee billed on a pro-rata basis quarterly in advance based on the value of the account(s) on the last day of the previous quarter. The fee referenced may be reduced or waived at the Firm's discretion. *Stella Nova* Mutual Fund Portfolios are charged based on the below table:

<u>AUM</u>	<u>Annual Fees in Dollars</u>
\$0 - 100,000	<u>\$300.00</u>
\$100,000.01 - \$110,000	<u>\$330.00</u>
\$110,000.01 - \$120,000	<u>\$360.00</u>
\$120,000.01 - \$130,000	<u>\$390.00</u>
\$130,000.01 - \$140,000	<u>\$420.00</u>
All additional AUM increases from \$0-\$10,000 shall incur an additional \$30/year fee	

Fees under the program may be waived or reduced at the firm's discretion. Refer to the *Stella Nova* Program Brochure for more information.

## B. TERMINATION OF AGREEMENT - REFUNDS

GSAM's advisory contracts with clients may typically be terminated at any time by either party upon written notice to the other party. If an advisory contract is terminated, we will refund to the client any unearned and pre-paid advisory fees.

## C. PORTFOLIO VALUES FOR FEE CALCULATIONS

For purposes of calculating the amount of any asset-based fee owned and payable to Golden State Asset Management, LLC, GSAM utilizes the independent pricing services and/or qualified custodians to obtain timely valuation information for advisory client securities.

## D. EXTERNAL COMPENSATION FOR THE SALE OF SECURITIES TO CLIENTS

GSAM does not receive any consideration or fees beyond those paid by the client. Fees paid to GSAM are exclusive of all custodial and transaction costs paid to the client's custodian, brokers, or other third-party consultants. Please see Item 12 below for additional information.

Fees paid to GSAM are also separate and distinct from the fees and expenses charged by mutual funds, ETFs, or other investment pools (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by funds, brokers, and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

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

GSAM does not charge performance-based fees and therefore has no economic incentive to manage clients' portfolios in any way other than what is in their best interests.

## ITEM 7: TYPES OF CLIENTS

Our investment management services are open to all retail clients, including individuals, high net worth individuals, trusts, estates, charitable organizations, and limited liability companies. With the exception that Stella Nova accounts must be maintained at Pershing | BNY Mellon, we currently impose no other requirements for enrolling and maintaining accounts in our program(s). There are currently no minimums for the GSAM sub-advisory services.

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

### A. METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

GSAM builds its strategies by first establishing diversified portfolios matching the needs of clients across various investment time horizons. It then overlays a set of rules using the asset price as the driver. Prices are monitored daily, but rules are executed at month-end for existing accounts and intra-month for new accounts. Execution of these rules allows the portfolio to tilt toward stronger performing assets and away from weaker segments.

The rules use average prices over multiple timeframes to reduce the impact of any one set of conditions. The first timeframe, considered long-term, is designed to capture trends over months and years, should they persist. The second is considered intermediate and captures trends over weeks and months. Focusing on longer rather than shorter trends improves after-tax performance by holding winning trades for longer periods and exiting losing trades quickly. This design also provides value to advisors and their clients by reducing excess trades and statement activity.

## Investment Philosophy

GSAM investment strategies incorporate a sleeve model approach into 15 different portfolios. Given a client risk tolerance, time horizon, and goals an advisor can effectively choose the correct portfolio solution for their clients. The four sleeves of the portfolio strategies are the Equity Sleeve, the Fixed Income Sleeve, the Hedge Equity Sleeve, and the Endowment Sleeve.

- **Equity Sleeve** This sleeve generally consists primarily of large cap and mid cap equity based mutual funds as well as smaller allocations to emerging markets and small caps.
- **Fixed Income Sleeve** This sleeve general consists of fixed income mutual funds that are typically investment grade and above. The holdings are primarily US based but can be invested globally as well.
- **Hedge Equity Sleeve** The objective of this sleeve is to reduce overall volatility. This is achieved by investing in hedged equity mutual funds, long/short funds, and other alternative strategy funds.
- **Endowment Sleeve** The primary objective of the sleeve is to produce fixed income like returns without the inherent interest rate risk association with fixed income investments. This is achieved by investing market neutral funds and other alternative strategy funds.

## Investment Strategies

Level 1	Level 2	Level 3
Aggressive Growth	Aggressive Growth with Protection	7% Spend
Growth	Growth with Protection	6% Spend
Moderate	Moderate with Protection	5% Spend
Conservative	Conservative with Protection	4% Spend
Ultra Conservative	Ultra Conservative with Protection	3% Spend

Level 1 portfolios are designed for clients with a primary objective of growing their assets. These portfolios are best suited for clients with a long-term time horizon and able to accept volatility as markets fluctuate. Models in this level will have an allocation to the equity sleeve and/or the fixed income sleeve. This strategy generally utilizes mutual funds with anywhere from 8 to 13 holdings depending on a client risk tolerance, time horizon and growth objective.

Level 2 portfolios are designed for clients who have reached their growth goals and/or who want reduced volatility with a relatively short time horizon of 3-5 years. The strategies can incorporate all four sleeves equity, fixed income, hedged equity, and endowment. The hedged equity sleeve is incorporated into the strategies to potentially reduce portfolio volatility. While the endowment sleeve is added to potentially produce fixed income like returns without the



interest rate risk of a traditional fixed income strategy. The strategies generally consist of anywhere from 11-23 mutual funds.

Level 3 portfolios are designed as income models. This model approach uses a cash reserve consisting of 12 quarters worth of cash to cover client distributions. The reserve is replenished on a quarterly basis only when the strategies have positive returns. There are 5 different strategies based on the level of income needed with Spend 3 being the most conservative and Spend 7 being the most aggressive. The strategies generally utilize anywhere from 5-23 mutual funds.

### **Criteria Used in Selecting Investment Options**

The Firm examines a broad range of diversified investment options that will enable it to construct a portfolio with aggregate risk and return characteristics at any point within the client's desired suitability range (aggressive to conservative). Adherence to the specific investment objectives, time frame, and criteria contained herein will be evaluated over a full market cycle. The firm may, from time to time as warranted, modify the determinations and any objectives and criteria, according to the firm's discretion.

With these objectives and identified investment categories, the Firm will select investment options that seek to:

- Maximize return within reasonable and prudent levels of risk within portfolio timeframes.
- Provide returns comparable to returns for similar investment options.
- Provide exposure to a wide range of investment opportunities in various asset classes.

The Firm has identified 5 primary investment categories as appropriate for use with its strategies. These primary categories include Domestic Stock Funds, International Stock Funds, Asset Allocation Funds, Taxable Bond Funds, and Alternatives. Each of these categories include sub-categories that are allocated to as well. For example, strategies investing in Alternatives could have allocations to Commodities, Managed Futures, Currency, Long/Short, Market Neutral, Multi-Alternatives, or Real Estate Funds or strategies.

The Firm makes investment decisions on an ongoing basis, but no less than quarterly.

Investing in securities involves the risk of loss that investors should be prepared to bear.

## **B. RISKS**

GSAM will typically invest our clients' assets in a mix of ETFs and/or mutual funds, although other types of securities may be used as well under the terms of our advisory agreement. All investment portfolios are subject to risks. Accordingly, there can be no assurance that clients will meet their investment objectives and goals, or that investments will not lose money. Certain material risks to which the client's assets may be subject are discussed below:

- **Client Input Risk** As a completely online-based advisory experience, *Stella Nova's* recommendations are highly dependent on the information received by the client which include but are not limited to the Client's projections of future spending needs and

responses to visualizations of the potential financial goal planning options. Within the *Stella Nova* online interface, we will also use the information you provided to us to generate goals-based forecasting and recommendations on how to better meet your investment goals, based on your situation and goals at the time you engage the service as you input updated information in the future. Any inaccurate information provided, or not promptly updated, is the responsibility of the client and may affect the quality and applicability of the *Stella Nova* recommendations.

- **Management Risks.** While GSAM manages assets based on its experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that our firm may allocate assets to asset classes that are adversely affected by unanticipated market movements, and the risk that our specific investment choices could underperform their relevant benchmarks.
- **Cybersecurity Risks.** The increased use of technology to conduct business could subject GSAM and its third- party service providers to risks associated with cybersecurity. In general, a cybersecurity incident can occur as a result of a deliberate attack designed to gain unauthorized access to digital systems. If the attack is successful, an unauthorized person or persons could misappropriate assets or sensitive information, corrupt data, or cause operational disruption. A cybersecurity incident could also occur unintentionally if, for example, an authorized person inadvertently released proprietary or confidential information.

**Vendor Risk.** *Stella Nova*'s client onboarding capabilities rely on third- party vendors and its integration with the custodian. It is possible that Users' ability to use the *Stella Nova* Website and online Interface could be negatively impacted due to the performance of a third-party vendor. Third-party vendors may limit their liability to Users.

- **Risks Associated with Electronic Trading or Order Routing Systems.** Trading through an electronic trading or order routing system creates risks associated with system or component failure. In the event of system or component failure, GSAM may not be able to enter new orders, execute existing orders, modify, or cancel orders that were previously entered or determine the status of existing orders. This could result in financial losses to clients.
- **Equity Market Risks.** GSAM may invest portions of client assets directly into equity investments, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market.
  - **Risks of Investments in Mutual Funds, ETFs, and Other Investment Pools.** GSAM may invest client portfolios in mutual funds and ETFs. Investments in pooled investment funds are often less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940, as amended.

- **ETF Risks.** The ETF shares used in GSAM strategies are not redeemable directly with the issuing fund other than in very large aggregations worth millions of dollars. ETFs are subject to market volatility. When buying or selling an ETF, you will pay or receive the current market price, which may be more or less than net asset value.
- **Stock Market Risk.** The risk that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.
- **Industry Concentration Risk.** The risk that there will be overall problems affecting a particular industry.
- **Sector Risk.** The risk that that significant problems will affect a particular sector or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market. Because a fund invests all, or substantially all, of its assets in a particular sector, the fund's performance largely depends—for better or for worse—on the general condition of that sector.
- **Investment Style Risks.** Is the chance that: 1) returns from large-capitalization stocks will trail returns from the overall stock market. Large-cap stocks tend to go through cycles of doing better—or worse—than other segments of the stock market or the stock market in general; and 2) Returns from small- and mid-capitalization stocks will trail returns from the overall stock market. Historically, small- and mid-cap stocks have been more volatile in price than the large-cap stocks that dominate the overall market, and they often perform quite differently.
- **International risk or country/regional risk.** Is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of securities issued by companies in foreign countries or regions. Because a fund may invest a large portion of its assets in securities of companies located in any one country or region, including emerging markets, its performance may be hurt disproportionately by the poor performance of its investments in that area. Country/Regional risk is especially high in emerging markets.
- **Emerging markets risk.** is the chance that the stocks of companies located in emerging markets will be substantially more volatile, and substantially less liquid, than the stocks of companies located in more developed foreign markets.
- **Currency risk.** is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. Currency risk is especially high in emerging markets.
- **Fixed Income Risks.** We may invest portions of client assets in to pooled investment funds that invest in bonds and notes. While investing in fixed income instruments through pooled investment funds is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

- **Call Risk.** The risk that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupons or interest rates before their maturity dates. The fund would then lose any potential price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the fund's income. Such redemptions and subsequent reinvestments would also increase a fund's portfolio turnover rate. Call risk is generally low for short-term bond funds, moderate for intermediate-term bond funds, high for long-term bond funds, and high for high-yield bond funds.
- **Prepayment Risk.** The risk that during periods of falling interest rates, homeowners will refinance their mortgages before their maturity dates, resulting in prepayment of mortgage-backed securities held by the fund. The fund would then lose any price appreciation above the mortgage's principal and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the fund's income. Such prepayments and subsequent reinvestments would also increase a bond fund's portfolio turnover rate.
- **Extension Risk.** The risk that during periods of rising interest rates, certain debt securities will be paid off substantially more slowly than originally anticipated, and the value of those securities may fall. This will lengthen the duration or average life of those securities and delay a fund's ability to reinvest proceeds at higher interest rates, making a fund more sensitive to changes in interest rates. For funds that invest in mortgage-backed securities, extension risk is the chance that during periods of rising interest rates, homeowners will repay their mortgages at slower rates.
- **Credit Risk.** The risk that the issuer of a convertible security will fail to pay interest or dividends and principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of that security to decline.
- **Income Risk.** The risk that the strategy or fund's income will decline because of falling interest rates. Income risk is generally high for short-term bond funds, low for long-term bond funds, and high for limited-term bond funds.
- **Interest Rate Risk.** The risk that bond and loan prices overall will decline because of rising interest rates.
- **Liquidity Risk.** The risk that the fund may not be able to sell a security in a timely manner at a desired price. Liquidity risk is generally low for short-term bond funds, moderate for intermediate-term bond funds, and high for long-term bond funds.
- **Currency Hedging Risk.** The risk that the currency hedging transactions entered into by a fund may not perfectly offset the fund's foreign currency exposure.

The foregoing risks are just some of the most significant risks that may apply to a client's investments. Clients should understand that investing in any securities, involves a significant risk of loss of both income and principal and that they should be prepared to bear such losses.

Investment safety and satisfactory performance is in no way guaranteed and no incremental protections are offered via an investment account with GSAM.

## **ITEM 9: DISCIPLINARY INFORMATION**

Neither GSAM nor any of its owners or employees has reportable disciplinary events

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **A. BROKER-DEALER OR REPRESENTATIVE REGISTRATION**

As of December 31, 2021, representatives of our firm, including three of the principal owners, Daniel Catone, Patrick Catone and Kyle Fairall, are registered representatives of LPL Financial, LLC, member FINRA/SIPC. Registered representatives may offer securities and receive normal and customary commissions as a result of securities transactions. Therefore, a conflict of interest arises as these commissionable securities sales creates an incentive to recommend products based on the compensation they may earn and may not necessarily be in the best interests of the client.

### **B. FUTURES OR COMMODITY REGISTRATION**

Neither GSAM nor its affiliates are registered as a commodity firm, futures commission merchant, commodity pool operator or commodity trading advisor and do not have an application to register pending.

### **C. MATERIAL RELATIONSHIPS MAINTAINED BY THIS ADVISORY BUSINESS AND CONFLICTS OF INTEREST**

Daniel Catone, Patrick Catone, John Nahas, and Kyle Fairall are owners and control persons of Golden State Asset Management, LLC ("GSAM"). Golden State Asset Management is a federally registered investment advisor, operated at the same address as GSWM and GSEP.

Daniel Catone, Patrick Catone, and John Nahas are also control persons of Golden State Wealth Management, LLC, an investment adviser registered with the Securities and Exchange Commission and located at the same physical address as Golden State Asset Management, LLC. The firm provides wealth management services, including portfolio management, financial planning, and retirement consulting, amongst others. Each of the branches of the firm currently operates under a different "Doing Business As" name. Most of the firm's investment adviser representatives are also registered representatives of LPL Financial, LLC ("LPL"), member FINRA/SIPC.

Daniel Catone, Patrick Catone, and John Nahas also own interest in Golden State Equity Partners, LLC, an investment adviser whose principal place of business is in California. The

Firm provides wealth management services, including portfolio management, financial planning, and retirement consulting, amongst others.

Daniel Catone also owns SEC Registered Investment Advisers Redwood Investment Group, Inc. DBA Redwood Investments and Arimathea.

### **Conflict of Interests**

GSAM provides investment advisory services to advisory affiliates and their clients. Similarly, some of our control persons, investment professionals, and employees can provide other services to those affiliates and their clients. Financial advisors of both GSEP and GSWM will be permitted to utilize GSAM as a sub-adviser on separately managed accounts.

Certain representatives of Golden State Asset Management, LLC or other affiliated companies are licensed insurance agents of unaffiliated insurance companies and may recommend the purchase of certain insurance-related products on a commission basis.

The recommendation by Golden State's representatives that a client purchase an insurance commission product presents a **conflict of interest**, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than on a client's need. No client is under any obligation to purchase any commission products from Golden State's representatives. Clients are reminded that they may purchase insurance products recommended by Golden State through other, non-affiliated insurance agents.

**Golden State Asset Management's Chief Compliance Officer, Patrick Catone, remains available to address any questions that a client or prospective client may have regarding the above- described conflicts of interest.**

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

As a fiduciary, it is always an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients. Our fiduciary duty is the underlying principle for our firm's Code of Ethics, which includes procedures for personal securities transaction and insider trading. Our firm requires all representatives to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment with our firm, and at least annually thereafter, all representatives of our firm will acknowledge receipt, understanding and compliance with our firm's Code of Ethics. Our firm and representatives must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

In order to prevent conflicts of interest, our firm has established procedures for transactions effected by our representatives for their personal accounts. In order to monitor compliance with our personal trading policy, our firm has pre-clearance requirements and reports personal securities transactions to the firm.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Likewise, related persons of our firm buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day unless included in a block trade.

## **ITEM 12: BROKERAGE PRACTICES**

GSAM does not recommend brokers/custodians when acting as sub-adviser. The primary investment adviser that hires our firm to serve as sub-adviser or the primary investment adviser's underlying client selects the brokers/custodians that will be used for the underlying client accounts.

Clients that utilize the *Stella Nova* program are required to maintain their brokerage account at Pershing | BNY Mellon Institutional.

### **Research, Soft-Dollar Benefits and Brokerage for Client Referrals**

We receive no research, product, or services other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits"). We also receive no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### **Clients Directing Which Broker/Dealer to Use**

The primary investment adviser that hires our firm to serve as sub-adviser or the primary adviser's underlying client generally selects the brokers/custodians that will be used for that client's account. When given discretion to select the brokerage firm that will execute orders in client accounts, GSAM seeks "best execution" for client trades, which is a combination of a qualitative and quantitative number of factors, including, without limitation, quality of execution, services provided, and commission rates. In most cases the client chooses the custodian and clearing firm. Regardless, it is GSAM's practice to seek the lowest cost implementation of our strategies, including trade and management fees. GSAM may use or recommend the use of brokers who do not charge the lowest available commission in recognition of other services factors, including quality of execution, technology available and reporting quality.

In certain instances, clients may seek to limit or restrict our discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. Clients may seek to limit our authority in this area by directing that transactions (or some specified percentage of transactions) be executed through specified brokers in return for portfolio evaluation or other services deemed by the client to be of value. Any such client direction must be in writing (often through our advisory agreement) and may contain a

representation from the client that the arrangement is permissible under its governing laws and documents, if this is relevant.

Our firm provides appropriate disclosure in writing to clients who direct trades to particular brokers, that with respect to their directed trades, they will be treated as if they have retained the investment discretion that our firm otherwise would have in selecting brokers to effect transactions and in negotiating commissions and that such direction may adversely affect our ability to obtain best price and execution. In addition, our firm will inform clients in writing that the trade orders may not be aggregated with other clients' orders and that direction of brokerage may hinder best execution.

### **Aggregation of Clients' Orders**

GSAM generally trades ETFs and mutual funds only, but we will aggregate securities sale and purchase orders for clients with similar orders being made contemporaneously for other accounts managed by it if, in GSAM's judgment, aggregation is reasonably likely to result in an overall economic benefit to all the accounts involved or at least result in no detriment to the accounts involved.

## **ITEM 13: REVIEW OF ACCOUNTS**

GSAM will periodically review each client's account(s) and on an as-needed basis. These reviews generally will be conducted by one or more of its Managing Partners or the firm's Chief Compliance Officer.

Account custodians are responsible for providing monthly account statements which reflect the positions (and current pricing) in each client's account as well as transactions in each client's account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. GSAM will provide additional written reports as needed or requested by the client.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

Golden State Asset Management, LLC has arrangements with certain of its affiliates to provide digitally automated portfolio management services directly to retail clients through its *Stella Nova*<sup>™</sup> advisory program, which the firm began offering in the 4th Quarter of 2020. More detailed information about the program can be found in the *Stella Nova*<sup>™</sup> Program Brochure or on the *Stella Nova* website (<http://www.mystellanova.com>). The client will be provided with a copy of the program brochure, Form CRS, and the Solicitor Disclosure Document prior to or at the time of entering into any agreement with GSAM. GSAM does not currently have relationships with non-affiliated firms.

## **ITEM 15: CUSTODY**

GSAM does not have actual or constructive custody of its clients' funds and all clients' funds and securities are held at a qualified third-party custodian. To the extent it has custody of a



client's assets, GSAM will send such client a quarterly statement outlining its fee calculation before the debit of its fee is made. These statements and the statements received from each client's custodian should be carefully reviewed by the client. Clients should contact GSAM directly if they believe that there may be an error in their statement.

Currently, GSAM does not have custody over any of its clients' assets.

## **ITEM 16: INVESTMENT DISCRETION**

Clients engaging GSAM to provide advisory services, whether through the sub-advisory program or through *Stella Nova's* digital automated portfolio management service, generally hire our firm to provide discretionary asset management services, in which case we place trades in clients' accounts without contacting the client prior to each trade to obtain the client's permission. The Primary Adviser or the client themselves will execute an agreement, which allows GSAM to determine the securities to buy or sell and/or determine the amount of the securities to buy or sell in its discretion. As discussed above, GSAM may allow such clients to place various restrictions on its choice of allowable investments.

## **ITEM 17: VOTING CLIENT SECURITIES**

GSAM does not exercise voting authority with respect to any of its clients. Clients will be responsible for voting.

## **ITEM 18: FINANCIAL INFORMATION**

GSAM does not solicit or accept prepayment of more than \$1,200 in fees per client, six months or more in advance. GSAM currently does not have any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients.