

Item 1: Cover Page



Sammons Financial Group Asset Management, LLC

8300 Mills Civic Parkway
West Des Moines, IA 50266

Brochure
Part 2A of Form ADV
Last Updated March 1, 2024

This brochure provides information about the qualifications and business practices of Sammons Financial Group Asset Management, LLC ("SFGAM"). If you have any questions about the contents of this brochure, please contact us at RIACompliance@sfgmembers.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

SFGAM is an investment advisor registered with the SEC. Registration as an investment advisor does not imply a certain level of skill or training.

Additional information about Sammons Financial Group Asset Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov under CRD 321109.

Item 2: Material Changes

SFGAM's previous CCO, Emily Damman, has been promoted to the President and CCO for an affiliated RIA. Brett Agnew, General Counsel, will act as the interim CCO until a qualified replacement can be appointed.

Item 3: Table of Contents

Item 1: Cover Page	1
Item 3: Table of Contents.....	3
Item 4: Advisory Business	4
Item 5: Fees and Compensation	6
Item 6: Performance Based Fees and Side-by-Side Management	8
Item 7: Types of Clients	9
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	10
Item 9: Disciplinary Information.....	20
Item 10: Other Financial Industry Activities and Affiliations	21
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	24
Item 12: Brokerage Practices	26
Item 13: Review of Accounts.....	27
Item 14: Client Referrals and Other Compensation	28
Item 15: Custody	29
Item 16: Investment Discretion	30
Item 17: Voting Client Securities	31
Item 18: Financial Information	33

Item 4: Advisory Business

A. Description of the Advisory Firm

Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).

SFGAM is a Delaware limited liability company formed on January 1, 2022. SFGAM is an SEC registered investment advisor. It is a direct subsidiary of Sammons Financial Group ("SFG"). SFGAM provides discretionary and non-discretionary investment advisory services to various affiliated companies as described below.

B. Types of Advisory Services

Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.

SFGAM is engaged in the business of managing or advising certain affiliated client accounts. In some circumstances, SFGAM provides both investment advisory services and administrative services to clients.

SFGAM generally has discretionary authority to determine which investments are bought and sold and the amounts of such investments that are appropriate for each client. In addition to its direct advice, SFGAM, subject to approval by the client, will delegate investment discretion for all or part of the account to other investment management firms as sub-advisors. If SFGAM delegates any portion of a client account, it will evaluate and recommend appropriate sub-advisor(s), oversee the investment management of any sub-advisor(s), and monitor the performance of the sub-advisor(s). SFGAM conducts due diligence on sub-advisors to evaluate their investment processes, adherence to investment styles, strategies and techniques, and other factors that may be relevant to the services provided.

SFGAM will directly provide hedging and derivative services for clients. As appropriate, SFGAM will provide direct investment recommendations to clients.

SFGAM also provides services related to, among others, risk management and oversight of total portfolio, strategic asset allocation, and integration with asset-liability management and capital management strategies.

SFGAM will provide clients periodic reports on the investment performance of all accounts.

SFGAM may develop new advisory services in the future that could differ materially from those described in this Brochure, in which case SFGAM will amend this Brochure to provide applicable information and disclosures.

C. Client Tailored Services and Client Imposed Restrictions

Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.

SFGAM manages client accounts based on investment guidelines set forth in each client's Investment Management Agreement.

D. Wrap Fee Program

If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.

SFGAM does not offer a wrap fee program.

E. Assets Under Management

If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date "as of" which you calculated the amounts.

As of December 31, 2023, SFGAM has the following assets under management:

Discretionary Assets	Non-Discretionary Amounts	Date Calculated
\$9,112,274,301	\$0	December 2023

Item 5: Fees and Compensation

A. Advisory Fees

Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

Advisory fees charged by SFGAM are described below. Fees can be negotiated on a variety of factors, including the investment strategy. SFGAM can reduce or waive its advisory or management fee for any of its investment strategies or on any account. All fees are disclosed and documented in the Investment Management Agreement for each client.

Fee Type	Annual Fee %
Core Strategy- Less than or equal to \$15 billion	13 bps
Core Strategy- in excess of \$15 billion	9 bps
Non-Core Strategies- various asset classes	Sub-advisor fees and expenses + 10 bps

B. Payment of Fees

Describe whether you deduct fees from clients' assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.

Fees are calculated quarterly as an annualized percentage of the client's total asset value, and billed quarterly in arrears. Other payment arrangements may be negotiated at SFGAM's discretion. Clients, at their option, may have their fees deducted from their account by providing written authorization.

C. Other Fees and Expenses

Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.

In addition to SFGAM's advisory fees, clients generally also pay, usually on a pro rata basis, certain other fees and expenses, including the following: investment related expenses, whether relating to investments that are consummated or unconsummated, including trading costs, brokerage costs, clearing and settlement charges, interest expenses, research and related expenses, due diligence expenses; custodial fees; legal expenses; professional fees, including expenses of consultants and experts; audit and tax preparation costs and expenses; regulatory and filing fees; administrative fees; and litigation, indemnification and other extraordinary expenses. Some of these additional fees and expenses could be payable to SFGAM or entities affiliated with SFGAM as compensation for services rendered.

Most fixed income instruments trade at a bid/ask spread and without an explicit brokerage charge. Accordingly, while there is not a formal trading expense, clients will bear the implicit

trading costs reflected in those spreads. Please see Item 12 for further discussion of brokerage practices.

D. Prepayment of Fees

If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

Clients may choose to pay fees in advance. In the event of account termination, fees paid in advance, if any, will be pro-rated to the date of termination and any unearned portion will be refunded to the client.

E. Compensation for Sales

If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.

Neither SFGAM nor any of its supervised persons accept compensation for the sale of securities or other investment products.

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

If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.

SFGAM does not receive performance-based fees for advisory services provided to its clients.

Item 7: Types of Clients

Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

SFGAM's clients are currently affiliated companies and financial institutions, owned by Sammons Financial Group. Current and prospective clients will generally be limited to U.S. persons who are accredited investors, as that term is defined under Rule 501(a) of Regulation D of the Securities Act of 1933 and or qualified purchasers, as that term is defined in Section 2(a)(51)(A) of the Investment Company Act of 1940.

SFGAM does not have any requirements for opening or maintaining an account.

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

A. Methods of Analysis and Investment Strategies

Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.

The following is a summary of the investment strategies and methods of analysis employed by SFGAM in advising its clients and certain related risks. It is not possible in the context of this Brochure to describe all investment strategies and risks; as a result, this summary should not in any way be viewed as limiting SFGAM's investment activities. All investments carry a risk of loss that clients should be prepared to bear. There can be no assurance that the investment objectives of any client will be achieved.

For the portion of client accounts managed by sub-advisors, SFGAM will not directly offer advice on specific investments for client accounts. Instead, SFGAM contracts with, monitors, and oversees sub-advisor(s) who provide day-to-day discretionary investment management services to clients. In providing such services, each sub-advisor determines the method and timing of the acquisition and disposition of securities for clients, performs a security analysis, and determines the methods of analysis. A sub-advisor uses investment strategies it determines to be appropriate, subject to supervision by SFGAM, to achieve the investment objectives set forth in the investment guidelines of the applicable sub-advisory agreement.

For client accounts managed directly by SFGAM, investment strategies will vary depending on the client's needs based upon the investment objectives set forth in the investment management agreement. SFGAM determines the method and timing of the acquisition and disposition of securities for clients, as well as determining the methods of analysis and how analysis is performed.

1. Sub-Advisor Initial Selection and On-going Oversight Process

SFGAM is responsible for (1) the initial hiring of a sub-advisor, (2) the on-going oversight of a sub-advisor, and (3) recommending a change or termination of a sub-advisor if appropriate.

a. Initial Hiring of a Sub-Advisor

When engaging in the initial selection of a sub-advisor, SFGAM's recommendation to the client to hire a sub-advisor will be based on SFGAM's assessment of such sub-advisor's expertise and experience in managing the specific strategy sought by the client, for which there can often be a limited universe of potential sub-advisory firm candidates. SFGAM may also consider the experience and relationship of the sub-advisor in working with SFGAM or one of its affiliates. SFGAM may also seek input from its compliance team regarding appropriateness of a sub-advisor's compliance program and operational processes. The initial selection of a sub-advisor will not always involve a formal search process with review and consideration of multiple sub-advisory candidates. Instead, if a client is seeking a particular firm's investment strategy, there would not be a need to conduct a wide and extensive search for a sub-advisor. Unless otherwise directed by a client, SFGAM will typically conduct a formal review and evaluation of each sub-

advisor, including an examination of its personnel and investment strategy to ensure that the hiring of the sub-advisor is in the best interest of the client and that the sub-advisor has the capacity to manage the client account in accordance with the client's stated investment objectives.

b. On-Going Oversight of a Sub-Advisor

SFGAM's oversight of a sub-advisor includes a review of the following factors:

1. Performance. SFGAM will perform an analysis of the sub-advisor's short-term and longer-term performance relative to its peers, if any, and/or to the applicable benchmark of the client's strategy, and/or to the return expectations of the sub-advisor.
2. Investment and Risk Management Processes. SFGAM will evaluate the investment process, attribution analysis of the client accounts where applicable, the sub-advisor's risk management policies and procedures, and the sub-advisor's use of derivatives and other complex strategies, if applicable.
3. Investment Professionals/Expertise/Depth. SFGAM will evaluate key management and staff organization, which may include on-site due diligence visits with the sub-advisor and its management team.
4. Other. SFGAM can also consider other qualitative and quantitative measures of a sub-advisor as SFGAM deems relevant and appropriate.

c. Recommendation to Change or Terminate a Sub-Advisor

SFGAM may recommend a change in or termination of a sub-advisor where, based on its analysis, a change or termination of a sub-advisor would be in the best interest of a client. SFGAM may consider the length of time the sub-advisor has underperformed (if applicable), changes in management personnel, the sub-advisor's investment style and steps taken or to be taken by the sub-advisor to improve performance, and such other factors as it deems relevant and appropriate.

In making a decision whether to recommend terminating or changing a sub-advisor, SFGAM also considers the transition management costs (commissions or other costs associated with repositioning a client account holdings for a new sub-advisor) and the impact such costs will have on the client account.

2. Investment Strategies

SFGAM's primary investment strategy is based on hiring and monitoring specialist investment managers for their expertise in specific markets or with specific investment styles and then combining those managers to create a customized portfolio. Assets are allocated to each manager based on that manager's particular area of expertise with more assets going to certain managers and less to others based on each client's objectives. Through sub-advisors, SFGAM invests primarily in investment-grade debt securities (those of medium and high quality) of all types. SFGAM also provides direct investment advice pertaining to other securities including alternative investments and derivatives for hedging strategies as applicable.

B. Material Risks from Investment Strategies

For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these

risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

The specific risk factors discussed below provide a description of the nature of various risks to which a client may be exposed as a result investing. Clients are likely to be exposed to additional risks not described herein. The following list of risks factors do not purport to be a complete enumeration or explanation of the risks involved in an investment in any or all of the strategies of SFGAM. SFGAM's primary strategy does not involve unusual risks and does not include frequent trading of securities.

1. Risk of Loss of Investment

Investing involves risk of loss that clients should be prepared to bear. Many factors affect performance, and past performance does not guarantee futures results. Account values are expected to fluctuate and clients could lose money by investing. There is no assurance that any sub-advisor will achieve the client's investment objective, and a sub-advisor's investment strategy will not necessarily produce the intended results.

2. Structure and Liquidity Risks

General Liquidity Risks. Under certain market conditions, such as during volatile markets or when trading in a security or market is otherwise impaired, the liquidity of a client account is likely to be reduced. In addition, a client account could hold large positions with respect to a specific type of financial instrument, which will often further reduce the client account's liquidity. During times of limited liquidity, a sub-advisor could be unable to dispose of certain financial instruments, including longer-term financial instruments, which would adversely affect its ability to rebalance a client's portfolio holdings or to meet withdrawal requests. A sub-advisor could need to dispose of more liquid investments to meet a client's liquidity needs, even if it would be disadvantageous to the client to do so at that particular time. In either case, such circumstances could force a sub-advisor to dispose of financial instruments at reduced prices, thereby adversely affecting a client account performance. If there are other market participants seeking to dispose of similar financial instruments at the same time, a sub-advisor might be unable to sell such financial instruments or prevent losses relating to such financial instruments. Furthermore, if the client incurs substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired.

Limited Operating History Risk. The past investment performance of SFGAM or a sub-advisor or each of its key personnel should not be construed as an indication of future results. The asset mix and investment strategy for each client could differ, sometimes substantially, from other accounts managed by the SFGAM or sub-advisor. As a result, clients invested with the same sub-advisor may experience different performance attributes. In addition, anticipated investments for a client account will be highly dependent on current and prospective market trends and a client could experience highly different performance attributes than accounts with longer operating histories as a result. There can be no assurance that SFGAM's or a sub-advisor's assessment of the short-term or long-term prospects of investments will prove accurate or that a client will achieve its investment objective.

3. Operational Risks

Cybersecurity Risk. Cybersecurity breaches could occur allowing an unauthorized party to gain access to assets of a client account, client data, or proprietary information; or that cause SFGAM, the sub-advisor(s), or other service providers to suffer data corruption or lose operational functionality. Intentional cybersecurity breaches could occur, which include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information, possibly resulting in the violation of applicable privacy laws. A cybersecurity breach could result in the loss or theft of client data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause a client, SFGAM, the sub-advisor(s), or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. Consequently, a client could lose some or all of its invested capital. In addition, such incidents could affect issuers in which the client invests, and thereby cause the client's investments to lose all or a portion of their value.

Dependence on Sub-Advisor. The success of a client account is significantly dependent upon the ability of the sub-advisor(s) to develop and effectively implement a client's investment objective. If SFGAM has contracted with a sub-advisor to provide investment management services to a client, SFGAM relies entirely on the sub-advisor to make appropriate investments and investment decisions for the client on an ongoing basis. A sub-advisor is dependent upon the expertise of certain key personnel. If SFGAM were to lose the services of a sub-advisor, or a sub-advisor was to lose certain key personnel, a client account could be adversely affected.

4. General Risks Relating to the Investment Strategy

Use of Systems Risks Relating to the Investment Strategy. SFGAM and the sub-advisors rely extensively on the use of computer systems, hardware, software, and telecommunications equipment. SFGAM and the sub-advisors each make use of their own proprietary systems as well as systems that are publicly available or provided by third parties. Accordingly, a client is exposed to the risk that computer hardware, software, electronic equipment and other services used by SFGAM and a sub-advisor(s) may cease to be available, for example due to the insolvency of the provider or the discontinuation of services or software updates. In such circumstances, SFGAM or the sub-advisor(s) would seek to obtain equivalent hardware, software and services from an alternative supplier.

System Failure Risks Relating to the Investment Strategy. As SFGAM and the sub-advisor(s) make extensive use of computer hardware, systems and software, a client is exposed to risks caused by failures of IT infrastructure and data. In addition, outright failure of the underlying hardware, operating system, software or network, could leave a sub-advisor unable to trade either generally or in certain of its strategies, and this could expose it to risk should the outage

coincide with turbulent market conditions. In the worst case, SFGAM and/or the sub-advisor(s) could be required to liquidate the client's entire portfolio in viewing such liquidation as the only safe way to proceed should a crippling system outage occur.

Execution of Orders Risks Relating to the Investment Strategy. A sub-advisor's trading strategy depends on its ability to establish and maintain an overall market position in a combination of financial instruments selected by the sub-advisor(s). A sub-advisor's trading orders will not necessarily be executed in a timely and efficient manner due to various circumstances, including, without limitation, systems failures or human error, brokers, agents, or other service providers. In such an event, a sub-advisor might only be able to acquire some, but not all, of the components of such position, or if the overall position were to need adjustment, a sub-advisor might not be able to make such adjustment. As a result, a client would not be able to achieve the market position selected by SFGAM or the sub-advisor(s) and might incur a loss in liquidating its position.

Economic and Market Conditions Risks Relating to the Investment Strategy. The success of a client account will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of investments), trade barriers, currency exchange controls, sovereign economic activity and financial regulation, and national and global events (including wars, pandemics, natural disasters, terrorist acts, or security operations). These factors can affect the level and volatility of financial instruments' prices and the liquidity of a client's investments. Volatility or illiquidity could impair a client account's profitability or result in losses. An account could maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets — the larger the positions, the greater the potential for loss. The economies of foreign countries could differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency, and balance of payments position. Further, certain foreign economies are heavily dependent upon international trade and, accordingly, have been and could continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values, and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain foreign countries could be based, predominantly, on only a few industries and could be vulnerable to changes in trade conditions and thereby have higher levels of debt or inflation. A client could also be negatively affected if the operations and effectiveness of SFGAM and its affiliates, the sub-advisor(s), obligors, and counterparties, or their service providers, are compromised or if necessary or beneficial systems and processes are disrupted.

Limitation of Risk Management Techniques. Risk management techniques are based in part on the observation of historical market behavior, which will not necessarily predict market divergences that are larger than historical indicators. Also, information used to manage risks will not necessarily be accurate, complete or current, and such information can be misinterpreted.

5. Asset Class Summary and Risks

A client should be aware that it may lose all or part of its investment as all investments involve the risk of loss of capital. SFGAM and/or the sub-advisor(s) believe that its investment program and research techniques moderate this risk through a careful selection of securities, the use of hedging transactions, where appropriate, and other risk mitigation techniques. However, no guarantee or representation is made that SFGAM's and/or a sub-advisor's investment program will be successful. These investment programs may utilize such investment techniques as option transactions, margin transactions, short sales, limited diversification, leverage, and forward contracts. To the extent that such transactions are employed, they have, in certain circumstances, the potential to magnify the adverse impact to which a client's portfolio could be subject. Clients should not rely on or expect SFGAM, sub-advisor(s), or any of their respective affiliates or members to purchase distressed assets from a client, make capital infusions into a client account, enter into capital support agreements with a client or take other actions to help a client maintain a stable net asset value.

The success of each investment relies upon the obligor to pay in full and on time. To the extent that a payment is not made, or is made earlier or later than expected, the performance of the client account could suffer. The reasons for a payment not being made by the obligor include error, omission, lack of diligence, fraud by the officers of the obligor, default or insolvency of the obligor, disruption, insurrection, Act of God, or any other reason. Trade receivable securities are also subject to pre-payment risk, discussed in greater detail under the "Debt Securities Risk" sub-section below. Trade receivable securities generally are not listed on any national securities exchange or automated quotation system and no active trading market exists. As a result, these investments could be less liquid, meaning a sub-advisor will not necessarily be able to sell them quickly at a fair price. The market could be disrupted in the event of an economic downturn or a substantial increase or decrease in interest rates or corporate events or scandals affecting the obligor. Extraordinary events could disrupt the market for the securities. The securities will not necessarily be held by large numbers of investors which may further limit their liquidity.

6. Debt Securities Risk

Interest Rate Risk. The market value of bonds and other debt securities changes in response to interest rate changes and other factors. Interest rate risk is the risk that prices of bonds and other debt securities will increase as interest rates fall and decrease as interest rates rise. The magnitude of these fluctuations in the market price of bonds and other debt securities is generally greater for those securities with longer maturities. Fluctuations in the market price of a client's investments will not affect interest income derived from instruments already owned by a client but will be reflected in a client's net asset value. A client could lose money if short-term or long-term interest rates rise sharply in a manner not anticipated by SFGAM or the sub-advisor(s). To the extent a client invests in debt securities that may be prepaid at the option of the obligor, the sensitivity of such securities to changes in interest rates may increase to the detriment of a client account when interest rates rise. Moreover, because rates on certain floating rate debt securities typically reset only periodically, changes in prevailing interest rates,

particularly sudden and significant changes, can be expected to cause some fluctuations in the net asset value of a client account to the extent that it invests in floating rate debt securities. These basic principles of bond prices also apply to U.S. Government securities. A security backed by the full faith and credit of the U.S. Government is guaranteed only as to its stated interest rate and face value at maturity, not its current market price. Just like other debt securities, government-guaranteed securities will fluctuate in value when interest rates change.

Credit Risk. Credit risk refers to the possibility that the issuer of a debt security will not be able to make principal and interest payments when due. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness can also affect the value of the client's investment in that issuer. The degree of credit risk depends on the issuer's financial condition and on the terms of the securities.

Extension Risk. Extension risk exists when the issuer may exercise its right to pay principal on an obligation later than scheduled which would cause cash flows to be returned later than expected. This typically results when interest rates have increased, and the client will suffer from the inability to invest in higher yielding securities.

Prepayment Risk. Prepayment risk exists when the issuer may exercise its right to pay principal on an obligation earlier than scheduled which would cause cash flows to be returned earlier than expected. This typically results when interest rates have declined, and a client will suffer from having to reinvest in lower yielding securities.

Valuation Risk. Valuation risk is the risk that the securities held by a client are priced differently than the value realized upon such security's sale or that inputs to valuation models are not sufficient to accurately capture the security's value.

Disintermediation Risk. The majority of our clients hold their investments at amortized cost which can differ materially from market value. Should the need for liquidity arise, clients could be subject to significant unexpected, realized gains or losses. This risk is heightened in times of market instability.

Liquidity Risk. Liquidity risk is the risk debt securities may be difficult or impossible to sell at the time that the sub-advisor would like or at the price the portfolio managers believe the security is currently worth. Market conditions or government actions could subject a client to higher liquidity risk.

Inflation Risk. Inflation risk results from the variation of the purchasing power of cash flows. Additionally, inflation risk will decrease the value of an asset in real terms as well as impacting the income from assets.

7. Non-Diversification Risk

A client may invest a significant percentage of its assets in a single issuer, sector, or strategy. This increases the volatility of an account's performance because the poor performance of a single investment or a fewer number of investments will have a greater impact on the client account than if it had investments in more issuers, sectors, or strategies.

8. Derivatives Risk

Derivative instruments, or derivatives, include futures, options, swaps, structured securities, and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies, or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency, or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are several other risks associated with derivatives trading. For example, because many derivatives are leveraged, and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can not only result in the loss of the entire investment but may also expose a client account to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there will not necessarily be a liquid market within which to close or dispose of outstanding derivatives contracts. Clients could also incur counterparty risk. The counterparty risk lies with each party with whom a sub-advisor contracts for the purpose of making derivative investments. In the event of the counterparty's default, a client will only rank as an unsecured creditor and risks the loss of all or a portion of the amounts it is contractually entitled to receive.

9. Hedging Risk

SFGAM and/or sub-advisor may employ various hedging techniques as described herein. There remains a substantial risk, however, that hedging techniques will not necessarily be effective in limiting losses. If SFGAM or a sub-advisor analyzes market conditions incorrectly or employs a strategy that does not correlate well with its investments, the hedging techniques could result in a loss, regardless of whether the intent was to reduce risk or increase return. These hedging techniques can also increase the volatility of a client's results, involve a small investment of cash relative to the magnitude of risk assumed, or result in a loss if the other party to the transaction does not perform as promised.

10. Exchange-Traded Funds Risk

A client may invest in exchange-traded funds ("ETFs"), which are shares of publicly traded unit investment trusts, open-end funds, or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indexes can be broad-based, sector, or international. However, ETF shareholders are generally subject to the same risk as holders of the underlying securities they are designed to track. ETFs are also subject to certain additional risks, including, without limitation, the risk that their prices may not correlate perfectly with changes in the prices of the underlying securities they are designed to

track, and the risk of trading in an ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades. Furthermore, ETFs will be managed by a third party not affiliated with SFGAM or its affiliates. In addition, the client may bear, along with other shareholders of an ETF, its pro rata portion of the ETF's expenses, including management fees. Accordingly, in addition to bearing their proportionate share of the expenses (*e.g.*, management fees and other expenses), clients may also indirectly bear similar expenses of an ETF, which can have a material adverse effect on the return on capital of a client account. A client may not purchase shares of an ETF or other registered investment company (other than money market funds in compliance with Rule 2a-7 under the Investment Company Act) if, after the purchase, the client would own more than 3% of the acquired company's voting stock. Any purchase by a client of an ETF or other registered investment company must be in compliance with Section 12(d)(1)(A)(i) of the Investment Company Act.

11. Payment-In-Kind Instrument Risk

A client may invest in payment-in-kind instruments, which allow the issuer, at its option, to make current interest payments as an additional debt instrument rather than making payment in cash. Payment-in-kind instruments thus allow an issuer to avoid the need to generate cash to meet current interest payments. Accordingly, such instruments could involve greater credit risks, and their value is subject to greater fluctuation in response to changes in market interest rates compared to bonds that pay current interest in cash.

12. Commercial Paper Risk

A client may invest in money market instruments, which include commercial paper. Commercial paper is a short-term obligation with a maturity generally ranging from one to 270 days and is issued by U.S. or foreign companies or other entities in order to finance their current operations. Such investments are unsecured and usually discounted from their value at maturity. The value of commercial paper can be affected by changes in the credit rating or financial condition of the issuing entities and will tend to fall when interest rates rise and rise when interest rates fall. Asset-backed commercial paper can be issued by structured investment vehicles or other conduits that are organized to issue the commercial paper and to purchase trade receivables or other financial assets. The repayment of asset-backed commercial paper depends primarily on the cash collections received from such an issuer's underlying asset portfolio and the issuer's ability to issue new asset-backed commercial paper.

13. Foreign Investment Risk

A client may invest in U.S. dollar-denominated bank loans issued by foreign corporations, including emerging markets. The prices of foreign securities could be more volatile than the prices of securities of U.S. issuers because of economic and social conditions abroad, political developments, and changes in the regulatory environments of foreign countries. Foreign companies are generally subject to different legal and accounting standards than U.S. companies, and foreign financial intermediaries could be subject to less supervision and regulation than U.S. financial firms.

14. Contingent Liabilities Risk

A client could incur contingent liabilities in connection with an investment. For example, a client could enter into agreements pursuant to which it agrees to assume responsibility for default risk presented by a third-party, and could, on the other hand, enter into agreements through which third-parties offer default protection.

15. Discretion of Sub-Advisor; New Strategies and Techniques

SFGAM and the sub-advisors have considerable discretion in the types of securities which a sub-advisor trades and has the right to modify the trading strategies of such a client. Any of these new trading techniques will not necessarily be thoroughly tested in the market before being employed and could have operational or theoretical shortcomings that could result in unsuccessful trades and, ultimately, losses to the client. In addition, any new investment strategy developed by SFGAM or a sub-advisor could be more speculative than earlier techniques and may increase the risk to the client.

C. Primary Security Recommendations

If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.

SFGAM does not primarily recommend a particular type of security.

Item 9: Disciplinary Information

If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

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

Item 10: Other Financial Industry Activities and Affiliations

A. Broker Dealer Registration

If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

Brett Agnew, General Counsel of SFGAM, is a registered representative of Sammons Financial Network, an affiliated broker-dealer.

No other management persons of SFGAM are registered or have an application to register as a broker-dealer or as a registered representative of a broker-dealer.

B. Future Commission Merchant, Commodity Pool Operator or Commodity Trading Advisor

If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

No management persons of SFGAM are registered or have an application to register as a future commission merchant, commodity pool operator or commodity trading advisor or as an associated person of the foregoing entities.

C. Related Persons

Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker 2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund) 3. other investment adviser or financial planner 4. futures commission merchant, commodity pool operator, or commodity trading advisor 5. banking or thrift institution 6. accountant or accounting firm 7. lawyer or law firm 8. insurance company or agency 9. pension consultant 10. real estate broker or dealer 11. sponsor or syndicator of limited partnerships.

SFGAM has contractual relationships or is affiliated with the following broker-dealers, insurance companies, registered investment companies, registered investment advisors, insurance companies, and other financial entities, some of which may be considered material as described below:

1. **North American Company for Life and Health Insurance:** North American provides insurance products to consumers throughout most of the United States through portfolio of term, universal life, and indexed universal life insurance products. North American also offers a wide variety of traditional fixed and fixed index annuities. SFGAM will provide investment advisory services to North American.
2. **Midland National Life Insurance Company:** Midland National provides insurance products to consumers throughout most of the United States through portfolio of term, universal life, and indexed universal life insurance products. Midland National also offers a wide variety of

traditional fixed and fixed index annuities as well as certain variable and registered index-linked annuities. SFGAM will provide investment advisory services to Midland National.

3. **Solberg Reinsurance Company, MNL Reinsurance Company, and Canal Reinsurance Company:** Solberg Reinsurance, MNL Reinsurance, and Canal Reinsurance are limited purpose captive reinsurance companies owned by Midland National. SFGAM will provide investment advisory services to Solberg Reinsurance, MNL Reinsurance, and Canal Reinsurance.
4. **SFG Bermuda, Ltd:** SFG Bermuda is the captive reinsurance arm of Sammons Financial Group. SFGAM will provide investment advisory services to SFG Bermuda.
5. **SFG Tenura:** Tenura is holding company under Sammons Financial Group. SFGAM will provide investment advisory services to Tenura.
6. **SFG Fortuna:** Fortuna is holding company under Sammons Financial Group.
7. **Sammons Financial Network, Inc:** SFN is the distributor for Midland National's variable products. SFN is a registered broker/dealer under the Securities Exchange Act of 1934 and a member FINRA. SFN is an indirect wholly-owned subsidiary of Sammons Enterprises, Inc., of Dallas, Texas, the ultimate parent company of SFGAM.
8. **My Financial Freedom LLC:** My Financial Freedom is a licensed insurance agency in all states where Midland National and North American do business.
9. **Heyday Insurance Agency, LLC:** My Financial Freedom is a licensed insurance agency in all states where Midland National and North American do business.
10. **Beacon Capital Management, Inc:** Beacon is a registered investment advisory firm and turnkey asset management program.

D. Recommendation or Selection of Other Investment Advisors

If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

SFGAM's advisory business includes the recommendation or selection of other investment advisors for client accounts. In this role, SFGAM has, or may, enter into sub-advisory agreements with affiliated or non-affiliated sub-advisors.

Sub-advisory arrangements with affiliated sub-advisors presents potential conflicts of interest. For each client that employs an affiliated sub-advisor, SFGAM's ultimate parent will benefit not only from the advisory fee received by SFGAM from the client but also from the sub-advisory fee paid by SFGAM to the affiliated sub-advisor. Consequently, SFGAM, and its ultimate parent, will benefit financially from the appointment of or continued service of an affiliated sub-advisor as opposed to one that is unaffiliated.

SFGAM also has conflicts of interest in the selection of unaffiliated sub-advisors. For example, SFGAM or its affiliates could have other business relationships with an unaffiliated sub-advisor that provide economic or other benefits to SFGAM or its affiliates, and thereby having the potential of influencing SFGAM's decision to recommend the hiring of an unaffiliated sub-advisor.

SFGAM recognizes that conflicts of interest are inherent in its business and accordingly has developed policies and procedures reasonably designed to detect, manage, and mitigate the effects of actual or potential conflicts of interest. As an investment advisor, SFGAM must make investment decisions that are in the best interest of its clients to manage and mitigate any actual or potential conflicts of interest, to act in the benefit and interest of each client, and to put the interests of each client ahead of SFGAM's own interest. SFGAM's policies and procedures related to managing and mitigating actual or potential conflicts of interest include reviews of reports relating to potential conflicts of interest, such as personal or business relationships, that are submitted by personnel involved in the process for recommendation of a sub-advisor, and obtaining a certification confirming that such personnel have not been unduly influenced in their recommendation to hire a potential sub-advisor. SFGAM's sub-advisor oversight and selection process is discussed in detail in Item 8 above.

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

A. Code of Ethics

If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any client or prospective client upon request.

SFGAM maintains a written Code of Ethics designed to meet the requirements of Rule 204A-1 under the Advisers Act. The Code is intended to ensure that all acts, practices, and courses of business engaged in by the firm reflect high standards of integrity and comply with the requirements of applicable federal securities laws. All supervised persons are subject to the requirements of the Code. Supervised persons must avoid activities, interests, and relationships that might interfere or appear to interfere with making decisions in the best interests of our clients. The Code is designed to assure that the personal securities transactions, activities and interests of supervised persons of SFGAM will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing supervised persons to invest for their own accounts.

Pursuant to the Code, supervised persons may not disclose non-public information except for a valid business reasons provided appropriate confidentiality agreements have been executed, or for legal or regulatory requirements as permitted by applicable laws. While in possession of material non-public information, supervised persons are prohibited from using the information for trading for their accounts or on behalf of other accounts, or communicating this information to others, regardless of whether the supervised persons obtained the information through the scope of employment or elsewhere. Supervised persons must contact SFGAM's Chief Compliance Officer if they believe that are in possession of material non-public information.

In accordance with the Code, access persons must pre-clear certain transactions as outlined in the Code and are restricted from trading in certain other securities that are known to be considered by its sub-advisors. To monitor compliance with the Code, access persons are required to provide quarterly transactions reports and annual securities holdings reports to the Chief Compliance Officer of SFGAM. Additionally, all supervised persons must certify to the terms of the Code annually or whenever the Code is materially amended.

Violations of the Code can result in personal sanctions, including termination of employment.

Our clients or prospective clients can request a copy of the Code of Ethics by contacting SFGAM's Chief Compliance Officer at riacompliance@sfgmembers.com.

B. Recommendations Involving Material Financial Interests

If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

SFGAM typically does not recommend that clients buy or sell any security in which a related person to SFGAM has a material financial interest. In limited situations, if a related person to SFGAM could have a material financial interest in an investment recommended to an SFGAM

client, SFGAM will describe the potential conflict in a written memorandum to the client and will not proceed with the investment until it receives written confirmation the client understands and accepts the potential conflict.

C. Investing Personal Money in the Same Securities as Clients

If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.

Access persons of SFGAM are unlikely to buy or sell securities for themselves that they also recommend to clients. In general, investments entered into by SFGAM clients are inaccessible to retail investors.

Access persons of SFGAM could potentially invest in corporate bonds that are also held by SFGAM clients. Accordingly, SFGAM prohibits its access persons from directly investing in corporate bonds to mitigate risk of potential conflicts. To further monitor for any conflicts, SFGAM access persons provide their personal securities transactions and holdings to the CCO for monitoring.

D. Trading Securities at or around the Same Time as Clients' Securities

If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Access persons of SFGAM are unlikely to buy or sell securities for themselves that they also recommend to clients. In general, investments entered into by SFGAM clients are inaccessible to retail investors.

Access persons of SFGAM could potentially invest in corporate bonds that are also held by SFGAM clients. Accordingly, SFGAM prohibits its access persons from directly investing in corporate bonds to mitigate risk of potential conflicts. To further monitor for any conflicts, SFGAM access persons provide their personal securities transactions and holdings to the CCO for monitoring.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

Pursuant to the sub-advisory agreements between SFGAM and the sub-advisors, SFGAM has delegated a portion of its discretionary trading authority to the sub-advisors. In turn, the sub-advisors are responsible for placing all orders for the purchase and sale of portfolio securities and other assets in accordance with their own policies and procedures related to brokerage practices such as selecting broker-dealers, soft dollars, best execution, directed brokerage, and cross-trades.

SFGAM provides oversight of the sub-advisors, including reviewing select policies and procedures to determine if the sub-advisors are complying with their policies and procedures related to brokerage practices. The brokerage practices of each sub-advisor are discussed in the sub-advisor's Form ADV.

B. Aggregation of Purchase or Sale of Securities

Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.

As discussed above, SFGAM has delegated a portion of its discretionary trading authority to sub-advisors. It will not engage directly in activity that could present the option to aggregate purchases or sales of securities.

Item 13: Review of Accounts

A. Review of Client Accounts and Financial Plans

Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.

Client accounts are monitored by both SFGAM and the sub-advisors on an ongoing basis.

The sub-advisor conducts a daily review of a client account, which might include comparisons against benchmark figures, performance, structure, adherence to client guidelines, prices, market conditions, portfolio holdings, transactions, and cash flows.

SFGAM personnel will also review the client accounts. On a quarterly basis, SFGAM monitors accounts and utilizes performance attribution analysis as a quantitative check on the results of decision-making processes of the sub-advisor(s) of a client. SFGAM monitors client accounts on an ongoing basis for consistency with client objectives, portfolio guidelines, and restrictions. In addition, SFGAM also conducts an annual due diligence review of all sub-advisors, which can include reviewing client accounts.

B. Triggering Factors for Client Account Review

If you review client accounts on other than a periodic basis, describe the factors that trigger a review.

Client accounts may also be reviewed outside the set cadence under a number of circumstances, including client inquiry, atypical market activity, compliance checks, or sub-advisor reviews.

C. Client Reports

Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.

At least annually, SFGAM provides clients with a detailed report summarizing the results of their reviews of the sub-advisors and the client account during the year. Clients may also receive a statement of their holdings throughout the year.

Item 14: Client Referrals and Other Compensation

A. Economic Benefit from Third Parties for Advice

If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

SFGAM does not have any arrangements with non-clients to provide any economic benefits to SFGAM or its staff in connection with advice or other advisory services.

B. Compensation of Non-Supervised Persons for Client Referrals

If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.

SFGAM does not directly or indirectly compensate any person for client referrals.

Item 15: Custody

If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.

SFGAM does not have physical custody of any client funds or securities. Instead, client assets are held with banks, registered broker-dealers, or other qualified custodians. Because SFGAM's leadership also holds leadership roles for its affiliated clients, SFGAM could be considered to have custody. SFGAM retains an outside audit firm to provide a surprise custody audit annually. Clients receive account statements from the appropriate custodian and should review them carefully.

Item 16: Investment Discretion

If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

In managing client accounts, SFGAM generally has discretionary authority to determine which investments are bought and sold, as well as the amounts of such investments that are appropriate for each client. SFGAM may delegate its investment discretion to sub-advisors and will supervise the management of client accounts.

In all cases, however, such discretion is exercised subject to the investment objectives and guidelines that are established in the investment guidelines set forth in each advisory and sub-advisory agreement. These guidelines may include restrictions as to the types of securities to be bought and sold as well as the percentage limits of the securities, issuers, and sectors. Investment guidelines for each sub-advisor are available to clients upon request.

Item 17: Voting Client Securities

A. Authority to Vote Client Securities

If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.

SFGAM and its sub-advisors do not typically recommend investments in securities that have voting rights, and SFGAM does not anticipate that clients would hold any investments that have voting rights. In the unlikely case that a proxy is received, SFGAM has delegated authority to vote proxies to the sub-advisor. The sub-advisor has the responsibility to vote all proxies received for securities held by clients in accordance with its own proxy policy and in the best interest of the client, subject to the oversight of SFGAM. It is possible that a sub-advisor may not be able to vote proxies under certain circumstances, such as the logistics of voting foreign securities. In addition, a sub-advisor may refrain from voting one or more proxies if a sub-advisor believes that the costs of voting such proxies may outweigh the potential benefits of voting, such as recalling securities that have been loaned.

While unlikely to occur, it is possible that a conflict of interest could arise for a sub-advisor when voting proxies. Such conflicts can arise, for example, when the sub-advisor has a client or other business relationship with the issuer of the security being voted or with another party (including an affiliate of the sub-advisor) that has an interest in the vote. A conflict of interest can also arise when a client, SFGAM, or any of its affiliates have an interest in the vote. The specific conflicts procedures of a sub-advisor are set forth in its proxy voting procedures. Although conflict procedures will vary by sub-advisor, in general conflicts are addressed by one or more of the following:

- Voting pursuant to the sub-advisor's proxy voting guidelines on how to vote specific ballot initiatives
- Voting pursuant to the recommendation of a third-party voting service utilized by the sub-advisor
- Referring the vote to the sub-advisor's proxy voting committee for their determination
- Referring the vote to SFGAM for voting instructions

In the unlikely event that SFGAM would be required to vote a proxy (*e.g.*, if the sub-advisor's proxy voting conflict procedures requests voting instructions from SFGAM), SFGAM has adopted a policy to address proxy voting, including voting in the best interest of clients, addressing conflicts of interest, and recordkeeping.

Clients may obtain information on how proxies were voted for client accounts and a copy of the proxy voting policy and procedures for SFGAM upon written request to SFGAM's Chief Compliance Officer via riacompliance@sfgmembers.com.

B. Client Receipt of Proxies

If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.

Clients will delegate authority for proxy voting to SFGAM.

Item 18: Financial Information

A. Balance Sheet

If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.

SFGAM does not require nor solicit prepayment of fees.

B. Financial Conditions

If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.

SFGAM does not have any financial conditions that are likely to reasonably impair its ability to meet its contractual commitments to its clients.

C. Bankruptcy Petition

If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.

SFGAM has not been the subject of a bankruptcy petition.