

EFS Asset Management L.L.C.  
(successor to Five Keys Capital Advisors, Inc.)  
Part 2A of Form ADV  
The Brochure

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This brochure provides information about the qualifications and business practices of EFS Asset Management LLC (“EFSAM”) or the “Company”. If you have any questions about the contents of this brochure, please contact us at (214) 550-0914. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about EFSAM is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Material Changes

EFSAM's most recent update to Part 2 of Form ADV was made in March 2024. Since the brochure filed in March 2023, there have been no material changes to this brochure.

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## **Advisory Business**

EFSAM provides discretionary investment advisory services to a select number of separately managed accounts. The separately managed accounts are herein referred to collectively as “clients.” In providing such services, EFSAM directs and manages the investments based on the objectives identified in each respective clients’ advisory agreements.

In 2023 Keith Kennedy (one of the three partners) passed away. This resulted in the dissolution of Five Keys Capital Advisors, Inc. EFSAM is the successor entity and there is no practical change in the control or operations of the investment advisory firm. As of December 31, 2023, the Company managed \$69.7 million on a discretionary basis on behalf of approximately 32 clients.

## **Fees and Compensation**

Fees for separately managed accounts range between .4% and 2% per annum. Fees are negotiable based on the size of the account relationship and the strategy employed. Many of EFSAM’s separately managed accounts participate in equity and fixed income strategies. EFSAM typically implements its fixed income investment strategy by utilizing corporate, municipal and/or sovereign bonds, however the strategy may also include US treasury securities and other securities that routinely pay dividends such as preferred stock, master limited partnerships, real estate investment trusts, structured products and other similar securities that are not considered bonds. EFSAM’s accounts may also invest in equity and fixed income ETFs that provide exposure to a broad range of securities.. Although some of the fixed income securities may pay dividends or interest and are generally considered fixed income securities, their market prices may fluctuate similar to equity investments.

Clients whose accounts are invested in ETFs or other registered investment companies will, in addition to the fees paid to EFSAM, pay their share of the ETF’s and/or investment company’s expenses. Fees for separately managed accounts are debited from the client’s account quarterly, in arrears.

The Transaction charges and/or commission rates charged by Schwab, Fidelity, and JPMorgan are generally considered discounted from customary retail transaction charges and commission rates. However, the commission and/or transaction fees charged by Schwab, Fidelity, and JPMorgan may be higher or lower than those charged by other broker-dealers. In certain instances, individual fixed income transactions may occur through broker-dealers with whom EFSAM and/or the client have entered into prime brokerage clearing arrangements. In such event, the client may incur two separate transaction fees; one from the executing broker-dealer and the other from the account custodian.

## **Types of Clients**

EFSAM provides discretionary investment advisory services to a select number of high net worth individuals. Each client may have different minimum investment amounts. EFSAM customarily will not accept investments of less than \$500,000. However, EFSAM has discretion to accept smaller amounts.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

EFSAM's investment professionals continuously monitor global, national and regional economic factors to formulate macroeconomic investment views. EFSAM attempts to identify asset classes or investment strategies that have potential for positive returns within the time horizon and risk tolerances established for a client

EFSAM may utilize margin (leverage/lending) to attempt to enhance the potential return of certain client accounts. Use of margin is in accordance with the client agreement. Securities held in margin accounts are subject to margin calls and forced sales.

The Company may sell securities short in implementing some of its trading strategies. Securities sold short must later be replaced or offset by market purchases and therefore any appreciation in the market price of these securities over the price at which they were sold short results in a loss. In the case of short sales of securities in which the Clients do not hold a long position, EFSAM may prematurely be forced to close out a short position if a counterparty demands the return of such borrowed securities. There can be no assurance that the securities necessary to cover a short position will be available for purchase.

EFSAM may purchase shares of initial public offerings ("IPOs") for eligible client accounts. The Company's policy is to, subject to the clients' investment objectives, allocate IPOs to eligible client accounts pro-rata, based on the accounts' assets at the time of the allocation and subject to rounding the allocated shares. Any deviations from EFSAM's IPO allocation policy are fully documented and maintained in writing. The Company's related persons indirectly benefit from profits realized from IPOs due to their ownership interest in funds that receive allocations of IPO shares. The eligible accounts that receive IPOs could be construed as benefiting from the allocation of IPO shares in part due to the commissions and other revenue generated from trading in all advisory accounts. Broker/dealers' receipt of increased trading revenues may garner more favorable allocations of IPO shares to BGA.

## **Disciplinary Information**

EFSAM and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

## **Other Financial Industry Activities and Affiliations**

Applicant's directors are Edward Sullivan, Matthew Kennedy, and Mason Matlock. The directors may also be officers and/or director of other companies. EFSAM's employees may spend time on affairs of other company entities. Time spent with these other company entities will not conflict with time spent on EFSAM.

Matthew Kennedy, EFSAM's Chief Compliance Officer, is a partner in the law firm of Kennedy Legal Firm PLLC ("Kennedy Legal"). In his role as EFSAM's Chief Compliance Officer, Mr. Kennedy is

reimbursed for his expenses for any legal or advisory services provided to EFSAM at the corporate level and no expenses area allocated or incurred by Separate Accounts..

## **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

EFSAM and its employees may from time to time transact in securities also recommended for client accounts. All such transactions are subject to EFSAM's "Trading Procedures" and are closely monitored to ensure that no personal investment activities conflict with clients' interests.

EFSAM maintains a code of ethics that addresses conflicts of interest in related party transactions.

EFSAM's Code of Ethics requires, among other things, that Employees:

- Act in an ethical manner with the public, clients, prospective clients;
- Place the interests of clients above one's own personal interests;
- Attempt to avoid or fully disclose any actual or potential conflict of interest;
- Conduct all personal securities transactions in a manner consistent with this policy;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Comply with applicable provisions of the federal securities laws.

A copy of the code of ethics is available upon request.

On occasion EFSAM or its related parties may buy or sell the same security for its proprietary accounts or other managed accounts that it recommends to clients. EFSAM's proprietary transactions are conducted in accordance with the EFSAM's Code of Ethics to ensure that no Fund or client is disadvantaged by such trading.

## **Brokerage Practices**

Although EFSAM seeks competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission available or equivalent. Transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services.

Transactions for fixed income securities are typically completed through broker dealers acting in a principal capacity. EFSAM's decision to purchase or sell securities through such brokers is based on a number of overall factors, including but not limited to, best overall price, timeliness of the transaction, risk and reputation of the counterparty, among other factors.

EFSAM does not intend to seek lower brokerage commissions to the extent that doing so may detract from its receiving of valuable brokerage and research services. The commissions or equivalents paid to any one broker-dealer may be greater than the amount charged by another firm for executing the same transactions

if EFSAM determines in good faith that the amount of commissions charged by a broker-dealer are reasonable in relation to the value of the brokerage and research services provided.

EFSAM's allocation procedures seek to allocate investment opportunities among clients in a fair and equitable manner, taking into account clients' best interests. EFSAM will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any one client or group of clients. EFSAM will manage or advise numerous advisory accounts that may have investment objectives that are identical or substantially similar to other accounts. It is not anticipated that accounts having identical or substantially similar investment objectives will have identical or substantially similar investment portfolios. Differing investment portfolios can be expected to result from several factors including, without limitation, regulatory constraints that apply to certain accounts but not to others; investment constraints imposed by separate account owner; and the amount of cash available for investment at various times. As a result of such factors, among others, accounts may experience different performance results from other accounts even though such accounts have identical or substantially similar investment objectives. There may be circumstances that warrant one account to sell a security, while another account purchases the same security, on the same day.

The allocation of securities across client accounts will be based on various factors including: account size, diversification, cash availability, and, where appropriate, the value of having a round lot in the portfolio. In the event an order is partially filled, the allocation shall be made in the best interests of all the clients participating in the order, taking into account all relevant factors including, but not limited to, the size of each client's allocation, each client's liquidity needs, and previous allocations.

EFSAM will accept direction from clients or agree to limitations with respect to the Company's brokerage discretion as to which broker or brokers is/are to be used and what commissions are to be paid. Any such direction or limitation must be in writing. Clients which, in whole or in part, direct the Company to use a particular broker to execute transactions for their accounts should be aware that, in so doing, they may adversely affect the Company's ability to, among other things, obtain best price and execution, and the cost of the transaction may be greater. Clients that direct their brokerage should also be aware that Company will generally place such trades after the completion of trades for clients that do not direct their brokerage.

In seeking best execution for portfolio transactions on behalf of its clients, EFSAM from time to time may instruct the broker dealer that executes a transaction to allocate, or "step out" a portion of such transaction to another broker dealer. The broker dealer to which EFSAM has stepped out would then settle and complete the designated portion of the transaction, and the executing broker would settle and complete the remaining portion of the transaction that has not been "stepped out." Each broker dealer receives a commission or brokerage fee with respect to that portion of the transaction that it settles and completes. Certain directed brokers are unable to accommodate step out trades.

## **Review of Accounts**

All accounts are reviewed periodically as necessary to evaluate investment strategy in light of investment objectives of the account. Portfolio reviews are routinely conducted by the manager of the separately managed account.

Investors are provided with monthly statements provided by the respective custodian (Schwab, Fidelity, or JPMorgan).

## **Client Referrals and Other Compensation**

On occasion EFSAM may in certain instances, receive or have access to research provided by brokerage houses where trades are executed. Although EFSAM has not entered into any soft dollar arrangements, such access may be considered “soft dollars”. EFSAM understands that all institutional money managers receive the same access to this research.

EFSAM may compensate certain third parties and affiliates for referring investors. Compensation shall only be paid to individuals who are appropriately licensed as registered representatives of a broker-dealer, or registered investment adviser

## **Custody**

It is EFSAM’s intent that Client assets be held by unaffiliated broker/dealers or banks

EFSAM is authorized to make the following determinations in accordance with separately managed accounts’ objectives and restrictions without obtaining prior consent: (i) which securities or instruments to buy or sell; (ii) the total amount of securities or instruments to buy or sell; (iii) the executing broker or dealer for a transaction; and (iv) the commission rates or commission equivalents paid for transactions.

## **Voting Client Securities**

It is EFSAM’s policy to not vote proxies on behalf of separately managed accounts. Any proxies or other corporate actions received for clients’ securities will be promptly forwarded to the clients’ address of record.

Underlying ETF or mutual fund managers will be responsible for voting proxies on clients’ behalf. However, in the unlikely event that EFSAM is required to vote proxies or other similar issues from the underlying funds, EFSAM shall vote in the best interest of clients and in the interest of maximizing shareholder value. If required, EFSAM will vote in a way that it believes, consistent with its fiduciary duty, will cause the issue to increase the most or decline the least in value.

## **Financial Information**

EFSAM is not aware of any financial condition that is expected to affect its ability to manage client accounts.