



# Slavic Mutual Funds Management Corporation

FORM ADV PART 2A—APPENDIX 1  
WRAP FEE PROGRAMS BROCHURE

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This Wrap Fee Program Brochure provides information about the qualifications and business practices of Slavic Mutual Funds Management Corporation (“SMF”). If you have any questions about the contents of this brochure, please contact us at the phone number above. 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. SMF’s description of itself in this brochure as a registered investment advisor does not imply a certain level of skill or training on the part of SMF or its representatives.

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

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## Item 2. Material Changes

### Annual Update

**This section summarizes the material changes to the SMF Wrap Fee Program Brochure since the last version of our Form ADV on March 31, 2023. We encourage you to read each section.** We have made the following amendments to the brochure since the last update:

- Item 5: We have amended our IRA Program fee structure to increase the range to .75bps.

Additionally, we have made other changes, some of which may clarify or enhance existing disclosures, but we do not consider these other changes to be material

At least annually, SMF will provide you with a copy of our updated SMF Wrap Fee Program Brochure or a summary of material changes from that brochure previously provided to you. Please retain this document for your future reference as it contains important information about our advisory services. SMF will not provide another copy of the Wrap Fee Program Brochure, during the 12 months following the date of ADV Brochure, unless there are material changes from the Brochure SMF previously provided to you. You may also obtain a copy of our current Brochure at any time on the SEC's website at [www.sec.gov](http://www.sec.gov).

At least annually, Slavic Mutual Funds Management Corporation ("SMF") will provide you with a copy of our updated Brochure or a summary of material changes from that brochure previously provided to you. Please retain this document for your future references as it contains important information about our advisory services. SMF will not provide another copy of the Brochure unless there are material changes from the Brochure SMF previously provided to you. You may also obtain a copy of our current Brochure at any time on the SEC's website at [www.sec.gov](http://www.sec.gov).

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#### **Item 4. Services, Fees and Compensation**

Slavic Mutual Funds Management Corporation ("SMF") is a United States Securities and Exchange Commission ("SEC") registered investment advisor and has continuously been licensed as such since 1987.

SMF is principally based in Boca Raton, Florida with a branch office in Scottsdale, Arizona, although due to current COVID-19 safety protocols, most operations are being performed remotely. John J. Slavic founded SMF and is the president and principal owner. Michael A. Sandler is also a principal owner of SMF.

SMF is under common ownership with Slavic Integrated Administration ("SIA"), a 401K administrator and recordkeeper, that together with SMF are also known as Slavic401K. Please refer to Item 9 for more information on SIA.

This Brochure describes the Slavic Managed IRA Program (the "IRA Program"), which is a wrap fee program offered by SMF to individual retirement account ("IRA") participants (also referred to as our Pre-Allocated Portfolios and Bespoke). This Program is designed to assist you in your investment goals by providing you with access to one of our portfolio services ("Services"). Please see *Item 4.B—Services, Fees and Compensation—Detailed Description of Services* for more information on each of these services. As part of the IRA Program, all client assets are held at a qualified custodian. For more information, please refer to *Item 4.B—Services, Fees and Compensation—Detailed Description of Services—Brokerage and Custody Services*.

In addition to the IRA Program, SMF offers other types of advisory services. For a complete description of these services please refer to our Form ADV Brochure Part 2 for additional information.

##### **A. Description of Services**

Before investing through the IRA Program, please read the detailed description of our Services and the other information in this Brochure. Please speak with one of our representatives if you have any questions relating to this Brochure.

SMF's Pre-Allocated Portfolios and Bespoke are offered through our wrap fee program.<sup>1</sup> You can select from among three managed portfolios: aggressive, moderate, or conservative or any combination thereof. We utilize the information you furnish in the investor profile questionnaire designed by SMF to provide advisory services and investment options through our Wrap Fee Program. The questionnaire was developed with questions we believe assist in determining a reasonable investment allocation and risk tolerance, but it should not be construed as an indication of future performance or recognized as a universally accepted investment questionnaire. The investor profile questionnaire is a tool used to help you evaluate your risk tolerance and investment timeline. By selecting the responses that best describe you as an investor, a score is computed based solely upon the information you have provided to us as part of your investor profile questionnaire. Each of our investment strategies has a profile score range. Based on your score, you are categorized into an investment strategy: conservative, moderate, or aggressive. With this information provided via the profile questionnaire, we will recommend a portfolio that we believe is designed to meet your stated investment needs. You should be aware that we rely upon your answers to questions relating to your risk tolerance, investment objectives, and investment time horizon provided through the profile questionnaire, and that such answers serve as the basis for our investment allocation recommendations. However, we encourage you to consult with investment or tax professionals that you deem appropriate to help you understand these allocations or to help you make your own independent determination and self-select any one, or a

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<sup>1</sup> Please see our Form ADV Part 2A Brochure for additional information on our Bespoke program.

combination, of our strategies. This is especially true if you are going to deviate from the results of the profile questionnaire.

Once you have selected your Strategy, you grant us the authority to implement such Strategy for your account. You may change your Strategy by contacting us directly to redirect the allocation of your funds. For more information on each Strategy please refer to *Item 4.B—Services, Fees and Compensation—Detailed Description of Services—Portfolio Risk Tolerance*. For further details on how each Strategy is reviewed and selected, please see *Item 6—Portfolio Manager Selection and Evaluation*.

### Portfolio Risk Tolerance

Your risk tolerance is a reflection of your ability and willingness to lose some or all the assets in your portfolio in exchange for greater potential returns. The Investor Profile Questionnaire seeks to assist you in evaluating your risk tolerance. Your Profile Score will be determined by your answers to the Investor Profile Questionnaire and will be categorized as one of three types: conservative, moderate or aggressive. Currently our Strategies recommend allocation ranges of 0% to 100% across three asset classes: cash, fixed income investments and equity securities.

PROFILE SCORE	CONSERVATIVE - GOALS AND OBJECTIVES	Asset Allocation	Estimated Risk
1 - 27	This portfolio attempts to provide stable, low returns with about 70% in cash and/or fixed income investments funds. This portfolio is rebalanced or re-allocated at least annually by SMF and there is a 0.40% annual management fee for this service. Because 30% is invested in equities, this portfolio will fluctuate and bears a degree of market risk. There is no guarantee the targets will be met.	<b>Cash/Fixed Income</b> 60% - 70%  <b>Equities</b> 30% - 40%	<b>Estimated Risk Potential of Portfolio Decline: -15%</b>
PROFILE SCORE	MODERATE - GOALS AND OBJECTIVES	Asset Allocation	Estimated Risk
28 - 53	This portfolio is allocated to generate moderate returns with average risk. The portfolio is rebalanced or re-allocated at least annually. There is a 0.40% annual management fee for this service. Typically, the moderate portfolio is designed for participants with 10 to 20 years until retirement and who are willing to accept average risk. Investing in the stock market is inherently risky. There is no guarantee the targets will be met.	<b>Cash/Fixed Income</b> 25% - 50%  <b>Equities</b> 50% - 75%	<b>Estimated Risk Potential of Portfolio Decline: -25%</b>
PROFILE SCORE	AGGRESSIVE - GOALS AND OBJECTIVES	Asset Allocation	Estimated Risk
54 - 80	Primarily invested in the stock market, this Portfolio is allocated for participants with a long-term investment horizon (over 20 yrs.), a tolerance for volatility and higher risk, and targeting a market rate of return. This portfolio is rebalanced and re-allocated annually by SMF and there is a 0.40% annual management fee for this service. Investing in the stock market is inherently risky. There is no guarantee the targets will be met.	<b>Cash/Fixed Income</b> 0% - 20%  <b>Equities</b> 80% - 100%	<b>Estimated Risk Potential of Portfolio Decline: -40%</b>

The portfolios may consist of exchange-traded funds (“ETFs”) and/or mutual funds; however, we reserve the right to change the selection of funds in the future. We may adjust our asset allocation ranges and/or percentages based on market conditions, and other factors taking into consideration your investment profile, and may do so without prior notice to you. Our more conservative strategy typically recommends a greater percentage of your assets to be allocated to fixed income investments and cash, rather than to equity securities. Our more aggressive strategy typically recommends a greater percentage of your assets to be allocated to equity investments, rather than to fixed

income investments and cash.

There may be more than one Strategy that is suitable for your investment needs, and the same or similar types of investments may be available in multiple Strategies as well as available through other programs and services, offered by SMF and other firms. Please see *4.C— Services, Fees and Compensation—Fees—Ability to Obtain the IRA Program Services Separately* for more details on the Services we provided outside of the IRA Program.

### **Rebalancing**

SMF periodically may rebalance your investments to the Strategy's allocations at any time in its sole discretion. Once you have selected an asset allocation strategy (conservative, moderate or aggressive), we may need to rebalance the allocation of funds in your account to align with the original target (conservative, moderate or aggressive). The frequency and parameters SMF use to rebalance your account in a selected Strategy may change at any time and may be different from the parameters used in other types of investment strategies or investment advisory programs. For more information on how we select and review the funds please see *Item 6.A—Portfolio Manager Selection and Evaluation—Review and Selection of Portfolio Managers*.

### **Brokerage and Custody Services**

In order to participate in the IRA Program, you are required to establish and maintain a brokerage account for custody of your assets and execution of transactions. The IRA Program Fee you pay to SMF covers the custody of your assets and the execution of securities transactions in your account (except as otherwise indicated). For a description of our fees, please refer below to *Item 4.C— Services, Fees and Compensation—Fees*.

The custodian provides you with written confirmation of securities transactions and account statements at least quarterly. The custodian will also send the applicable prospectuses and other financial reports according to your brokerage account agreement. While you are enrolled in the IRA Program, certain brokerage, banking or other features may not be available for your account. Further details on brokerage services, account characteristics, and beneficiary designations are more fully described in your brokerage account agreement.

Your custodian will also communicate important terms, conditions, and information about your account through the delivery of periodic statements after you enroll in the IRA Program. Such statements will reflect the IRA Program Fee and the Services you have requested for your account under the Investment Management Agreement and the brokerage agreement. All transactions made through the Service will be confirmed by the custodian. *Further details can be found in your brokerage account agreement.*

### **IRA Rollover Recommendations**

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

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;

- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

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

#### **Other Legal Matters**

We will not advise or act for you with respect to any legal matters for securities held in your account, including bankruptcies or class actions. In the event we receive any legal documents, we will attempt to send you any documents received with respect to such matters.

#### **B. Fees**

For the Services provided in the IRA Program, you will pay SMF an asset-based fee ("IRA Program Fee"), which covers our investment advisory services and custody of your securities with a qualified custodian. SMF will charge an annual IRA Program Fee ranging from 40 basis points (0.40%) to 75 basis points (.0.75%), depending on the custodian used, on the account balance. This is a wrap fee. Our IRA Program Fee is not negotiable and is subject to change from time to time, upon notice to you. Your IRA Program Fee is payable quarterly in arrears and will be calculated based on the value of the assets in your account as of the last business day of the last month of the quarter.

You are responsible for paying the full amount of the IRA Program Fee, regardless of whether you use the results of the Investor Profile Questionnaire to help you select a strategy. The IRA Program Fee (and any other fee payable by you) will be deducted directly from your account in arrears, to the extent permitted by law.

In addition to mutual funds, the portfolios may consist of shares of, or interests in, ETFs. As an ETF shareholder, you, along with other shareholders of the ETF, will bear a proportionate share of the ETF's expenses, including, as permitted by applicable law, certain management, and other fees. An ETF's prospectus contains a description of its fees and expenses.

#### **C. Comparing Cost**

The Fee for your account may be higher or lower than the fees that we would charge the account if you had purchased the services covered by the fees separately; may be higher or lower than the fees that we charge other clients, depending on, among other things, the extent of services provided to those clients and the cost of such services; and may be higher or lower than the cost of similar services offered through other financial firms.

#### **Ability to Obtain the IRA Program Services Separately**

You may be able to obtain some or all of the Services described herein without participating in our IRA Program. If you were to do so, your total cost may be lower or higher than the IRA Program Fee. Depending on the level of trading and types of securities purchased or sold in your account, if purchased separately, you may be able to obtain transaction execution at a higher or lower cost elsewhere. Clients who participate in the IRA Program pay a fee based on the market value of the account for a variety of services, and accordingly may pay more or less for such services than if they purchased such services separately (to the extent that such services would be available separately to the client).

Please see *Item 9.B—Additional Information—Other Financial Industry Activities and Affiliations* for further details on

our affiliates.

You should consider these and other differences when deciding whether to invest in an investment advisory or a brokerage account and, if applicable, which advisory programs best suit your individual needs.

***D. Other Fees and Expenses***

SMF's advisory fees described above do not include certain charges such as electronic fund and wire transfer fees, custodial fees, and any other, non-trading, charges imposed by the account custodian. In addition, clients will incur additional fees and expenses of their underlying investments made or recommended by us, which include fees incurred as shareholders of mutual funds and ETFs. Each mutual fund and ETF expense ratio (the total amount of fees and expenses charged by the fund) is stated in each mutual fund's prospectus. Clients should note that many mutual funds have different share classes, with some share classes paying a distribution fee to broker-dealers (a "12b-1 fee") and others that do not. Additionally, some mutual fund share classes include a sub-transfer agent fee ("Sub-TA" fee), to offset certain shareholder servicing costs. Consequently, share classes that do not pay a 12b-1 or Sub-TA fee are less expensive for clients. The mutual fund fees and expenses, including those assessed by different mutual fund share classes, are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. SMF will generally not recommend a share class that pays a 12b-1 or Sub-TA fee when there is another share class with similar characteristics that does not pay a 12b-1 fee. However, in situations where the only share class that is available is a share class that pays a 12b-1 or Sub-TA fee, SMF has worked with its custodian to return such fees back to the client.

SMF does not receive performance-based fees and does not engage in side-by-side management agreements.

**Item 5. Account Requirements and Types of Clients**

Individual investors for retirement accounts are eligible to participate in the IRA Program. There is a minimum asset requirement of \$10,000 to enroll into the IRA Program. We may waive or alter this minimum at our discretion.

**Item 6. Portfolio Manager Selection and Evaluation**

***A. Review and Selection of Portfolio Managers***

The Investment Committee is knowledgeable and experienced in various types of investments, including mutual funds and ETFs. The Investment Committee members responsible for investment selection are appropriately licensed. Through the IRA Program, we make available strategies with three different investment styles and corresponding risk levels. As a general matter, we identify the rationale for each of our investment strategies: conservative, moderate, and aggressive based on a variety of factors and, including the stock market performance, platform capacity, and the outcome of reviews conducted by the Investment Committee. See *Methods of Analysis* below for more information on how the Investment Committee selects investments.

***B. Potential Conflicts of Interest***

None of our related persons act as a third-party portfolio manager for the wrap fee program described in this Brochure.

***C. SMF, Portfolio Managers and the Investment Committee***

SMF acts as the wrap fee program sponsor, as described above. The Investment Committee members serve as the portfolio managers as described in Item 6.A above. You select the investment Strategy for your account from one of our three portfolios: conservative, moderate, and aggressive. SMF has the discretion to select the securities within



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each investment Strategy of the IRA Program. *See Item 4 above, for more information on our advisory business, fees, investment strategies and risk of loss.*

**Performance-Based Fees and Side-By-Side Management**

This Program does not charge performance-based fees and does not engage in side-by-side management agreements.

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

The members of the SMF investment committee have been associated with SMF for several years and placed on the committee due to their knowledge and experience in various types of investments, including mutual funds and ETFs. The members of the investment committee include both licensed investment adviser representatives and non-licensed analysts or other professionals that have input into our investment strategies, including mutual fund selection and implementation. However, only the licensed investment adviser representatives make the final investment decisions. As a general matter, the SMF investment committee identifies the mutual funds within our asset allocation investment strategies based on a variety of factors, including fund costs, historical and current market performance, platform capacity, and the outcome of reviews conducted on the underlying mutual funds or, if appropriate, ETFs.

No financial plan, strategy, or individual investment has the ability to accurately predict the future, eliminate risk or guarantee investment results. Investment returns can, and often do, vary from year to year and vary from a long-term average. All investments and/or strategies carry the risk of loss and there is no guarantee that any investment strategy will meet its objective.

SMF uses Fi360, a proprietary third-party mutual fund scoring software, to evaluate mutual funds recommended for the Pre-Allocated Portfolio. Fi360 provides a peer percentile ranking of an investment against a set of quantitative due diligence criteria such as regulatory oversight, minimum track record, stability of the organization, assets in the investment, composition consistency with asset class, style consistency, expense ratio/fees relative to peers, risk-adjusted performance, and performance relative to peers. The scoring criteria helps the SMF investment committee determine which funds to offer in the fund lineup and as part of the portfolios. Criteria include: the fund's track record, value of assets in the fund, the stability of the fund and its managers, and the expense ratio and fees relative to peer funds.

**A. Investment Risk**

All investing involves risk including the possible loss of principal. There can be no assurance any strategy will achieve its investment objectives. In addition to the general risks of investing, each investment is subject to additional risks. Depending on the type of security or strategy employed, you may face the following investment risks:

**I. Market Risk:**

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

**II. Interest Rate Risk:**

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

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III. Inflation Risk:

If any type of inflation is present, a dollar today will not buy as much as a dollar tomorrow. Purchasing power is eroded at the rate of inflation. Inflation tends to erode returns on investments, as well.

IV. Mutual Funds Risk:

The risk associated with a mutual fund is largely determined by its underlying securities, which can go down in value. Dividends and interest payments may also change as market conditions shift. In addition, mutual funds are subject to investment advisory and other expenses, which will be indirectly paid by the fund holder. Also, the additional cost of our investment allocation services is on top of the mutual fund expenses resulting in higher costs than investing directly in mutual funds, as there are two levels of fees. Furthermore, SMF has no control in personnel changes at a Fund and the turnover of portfolio managers could impact the Fund's returns.

V. Risk Relating to Mutual Funds and ETFs

There are certain risks relating to mutual funds and ETFs that pursue complex or alternative investment strategies or returns. These mutual funds and ETFs may employ various investment strategies and techniques for both hedging and more speculative purposes such as short selling, leverage, derivatives, and options, which can increase volatility and the risk of investment loss. Alternative investment strategies are not suitable for all investors. While mutual funds and ETFs may at times utilize nontraditional investment options and strategies, they have different investment characteristics than unregistered privately offered alternative investments. Because of regulatory limitations, mutual funds and ETFs that seek alternative-like investment exposure must utilize a more limited spectrum of investments. As a result, investment returns and portfolio characteristics of alternative mutual funds may vary from traditional hedge funds pursuing similar investment objectives. They are also more likely to have relatively higher correlation with traditional market returns than privately offered alternative investments. Moreover, traditional hedge funds have limited liquidity with long lock-up periods allowing them to pursue investment strategies without having to factor in the need to meet investor redemptions. On the other hand, mutual funds typically must meet daily shareholder redemptions. This differing liquidity profile can have a material impact on the investment returns generated by a mutual fund pursuing an alternative investing strategy compared with a traditional hedge fund pursuing the same strategy.

Non-traditional investment options and strategies are often employed by a portfolio manager to further a fund's or ETF's investment objective and to help offset market risks. However, these features may be complex, making it more difficult to understand the funds or ETF's essential characteristics and risks, and how it will perform in different market environments and over various periods of time. They may also expose the fund or ETF to increased volatility and unanticipated risks particularly when used in complex combinations and/or accompanied using borrowing or "leverage".

VI. Risks Related to Legal and Regulatory Matters:

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

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transactions effected for the accounts. Accounts may also be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by governmental regulatory authorities or self-regulatory organizations.

VII. Risks Related to System Failures and Reliance on Technology:

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

VIII. Risk Related to Cybersecurity

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

IX. Pandemic Risks

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

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The above list of risk factors does not purport to be a complete list or explanation of all the risks involved in an investment strategy or security. In addition, due to the dynamic nature of investments and markets, investment securities may be subject to additional and different risk factors not discussed above.

**Voting Client Securities**

SMF does not accept authority to vote clients' securities (i.e., proxy voting) as part of its services.

**Item 7. Client Information Provided to Portfolio Managers**

In this Wrap Fee Program, the "portfolio managers" are the Investment Committee, and they have access to the information you provide at and subsequent to account opening, including information regarding your investment objectives, financial information, risk tolerance and any reasonably related information necessary to manage your account. This includes information in the client profile and investment questionnaire you complete as part of the account opening process. For more information on our services, refer to item 4 "*Services, Fees and Compensation*".

**Item 8. Client Contact with Portfolio Manager**

As a participant in the IRA Program described in this Brochure, you may contact us during normal business hours. A SMF representative will generally conduct all communication with clients. Clients will be referred to a qualified staff member for investment advice, complex and non-routine questions, or certain communications. SMF will use reasonable efforts to encourage each portfolio manager to be reasonably available to you regarding the management of your account.

**Item 9. Additional Information**

**A. Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of SMF or the integrity of SMF's management. As of the date of this Brochure, SMF has no disciplinary information to disclose.

**B. Other Financial Industry Activities and Affiliations**

We are not, nor are any of our management persons, registered, nor do we have an application pending to register, as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or as an associated person of the foregoing entities.

In addition, neither SMF nor its management persons have any relationship or arrangement that is material to its advisory business or to its clients, where any related person acts as a:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker,
- Investment company or other pooled investment vehicle,
- Other investment adviser or financial planner,
- Futures commission merchant (or commodity pool operator or commodity trading advisor),
- Banking or thrift institution,
- Accountant or accounting firm,
- Lawyer or law firm,

- Pension consultant,
- Real estate broker or dealer or
- Sponsor or syndicator of limited partnerships.

However, as identified in Item 4, SMF is affiliated with SIA. SIA serves as a third-party administrator and record keeper to qualified retirement plans and was founded in 1995 to concentrate on single employer and multiple employer plan administration and compliance. SIA offers recordkeeping and administrative services, including plan design, consultations, preparing plan documents, and conducting enrollment meetings. In addition, SIA owns the intellectual property of the Bespoke platform, therefore, both SMF and SIA benefit when SMF recommends or utilizes the Bespoke offering to or for a 401K Plan.

In addition, if a Plan Participant in an employer-sponsored retirement plan such as a 401K plan, decides to roll assets out of the plan into the IRA Program sponsored by SMF, this presents a conflict of interest. You should be aware that the fees in the IRA Program likely will be different from those a participant pays through an employer-sponsored retirement plan. SMF has a profit incentive to retain Plan Participants that leave their employer or retire even though the fees earned on those assets may or may not be higher in our IRA Program than the employer-sponsored plan. To address this conflict, SMF and SIA maintain policies to ensure the proper disclosure of fees charged by SMF versus a participant keeping their assets with an employer-sponsored plan and encourage the participant to consult with other professionals he or she deems appropriate before making a final decision.

Furthermore, it is important to note that if a Plan Sponsor chooses to include the Pre-Allocated Portfolios and/or Bespoke services, a potential conflict of interest exists. Although SMF allocates in a manner that it believes to be in the best interest of the participant, SMF benefits when Plan Sponsors include these options in their Plan line-ups because SMF earns additional compensation. This conflict occurs when SMF acts in a 3(21) or 3(38) Fiduciary capacity. SMF addresses this conflict by fully disclosing its fees to participants who elect one of these services.

SMF does not recommend or select other investment advisers.

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

SMF has a Code of Ethics adopted pursuant to SEC Rule 204A-1 under the Investment Advisers Act of 1940 (the "Code of Ethics"). The Code of Ethics, which supplements SMF's compliance manual, is provided to all SMF employees and each employee is responsible for acknowledging receipt and understanding.

SMF and its employees have an obligation to act in the best interests of its clients, and to make full and fair disclosure of all material facts, particularly where the client's interests may conflict with the interests of the firm or its employees. SMF employees must disclose all securities accounts owned or controlled at their date of hire.

Employees are required to promptly report any suspected violation of the Code of Ethics. Violations of the Code of Ethics may result in discipline, up to and including termination. SMF's Code of Ethics is available upon request.

#### **I. Personal Trading**

Under the Code of Ethics, SMF's personnel should conduct their personal investment activities in a manner that SMF believes is not detrimental to its advisory clients. SMF personnel must conduct all personal trading in such a manner as to avoid any conflicts of interest or any abuse of their position of trust and responsibility. SMF and/or its employees can buy, sell, or hold securities that it also recommends to clients, subject to the requirements of its internal policies and procedures. SMF's policies are based on the principle that SMF and its employees have a fiduciary duty to place the interests of clients ahead of their own interests. To the extent not prohibited by its

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policies, SMF and/or its employees can hold, acquire, increase, decrease, or dispose of securities or other interests at or about the same time that SMF is purchasing or selling the same securities or interests for an advisory account. The fact that SMF primarily recommends mutual funds significantly reduces any potential conflicts of interest. However, SMF has created internal controls to monitor client account activity and proper allocation of investment opportunities, based on each client's stated investment objectives/Investment Policy Statement ("IPS"), to address any potential conflicts.

***D. Review of Accounts***

SMF's investment committee periodically reviews the investment results of the funds and portfolios to evaluate compliance with the terms of the investment guidelines and investment management agreements, as applicable. Advisors are available upon request to discuss allocation or operational related questions.

The selection and review of the fund investments are performed by the investment committee. The investment options are designed to follow modern portfolio theory, whereby diversification through asset allocation allows participants to better achieve their target strategy. SMF's investment committee assesses the overall investment performance of each strategy and reviews the reasonableness of fees charged for the funds.

Each client will receive a statement from the custodian at least quarterly.

***E. Client Referrals and Other Compensation Review of Accounts***

Sponsorships of client events by mutual fund companies:

From time to time, mutual fund companies or the managers of mutual funds sponsor and pay for client luncheons or other events that SMF hosts. This may include third-party speakers that SMF does not have to compensate (although SMF may also pay consultants to attend these events or other client meetings to offer their expertise). These arrangements may give rise to conflicts of interest, or perceived conflicts of interest, in that SMF has an incentive to invest client assets in investment products managed or sold by companies that provide such benefits to SMF. SMF's commitment to its clients and the policies and procedures it has adopted and the review of such arrangements by the advisory CCO are designed to limit any interference with SMF's independent decision making when choosing the best investment products for our clients.

SMF does not compensate persons/firms for client referrals to SMF. However, SIA does enter into agreements where it will pay a third-party a referral fee for soliciting administration clients to SIA, who may ultimately engage SMF.

***F. Financial Information***

SMF does not require or solicit prepayment of advisory fees and is therefore not required to include a balance sheet for its most recent fiscal year. SMF is not subject to any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients. SMF has not been the subject of any bankruptcy petition at any time during the past 10 years.