



SECURE INVESTMENT MANAGEMENT, LLC

DISCLOSURE BROCHURE

FORM ADV PART 2A

March 28, 2024

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This brochure provides information about the qualifications and business practices of Secure Investment Management, LLC. If you have any questions about the contents of this brochure, please contact us at (520) 333-4719. 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. Secure Investment Management is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. Additional information about Secure Investment Management is also available on the SEC's website at www.adviserinfo.sec.gov or by state securities authorities.

Item 2: Material Changes

Since the last annual amendment filing on March 31, 2023, the following changes have been made:

- The Firm changed address from 7400 N Oracle Rd. #150-124 to 7400 N Oracle Rd. #150-418 Item 4: Advisory Business—Updated to include additional insurance agency affiliates Insurance Marketing Solutions, LLC ("IMS"), Retirement Income, LLC ("RI"), Ursus Financial Group, LLC ("UFG").
- Item 14: Client Referrals and Other Compensation—Updated to include information about SIM's referral relationships and payments to Promoters under said referral relationships
- Updates made to reflect change in custodian from TD Ameritrade to Charles Schwab

Our brochure may be requested, at no cost, by contacting Matthew Rothchild, Chief Compliance Officer, at

(319) 329-5351, or via e-mail at mrothchild@secureinvestmentmanagement.com.

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Item 4: Advisory Business

Secure Investment Management, LLC ("SIM" or the "Firm") is a limited liability company formed in 2012 in the State of Arizona. Prior to reorganizing as SIM, Secure Investment Management operated under the name Joshua David Mellberg, LLC since its inception as a registered investment adviser in August, 2006. SIM is owned by Joshua D. Mellberg.

The Firm's business model is based on a decentralized network of Investment Adviser Representatives ("IARs") doing business in disparate offices located in numerous states and cities. Although all IARs are registered with, and subject to oversight by the Firm, they operate their businesses independently. In addition, the majority of the IAR's are also independent insurance agents affiliated with JD Mellberg Financial ("JDM"), Insurance Marketing Solutions, LLC ("IMS"), Retirement Income, LLC ("RI"), Ursus Financial Group, LLC ("UFG"), or Secure Income Management, LLC, ("Secure"), all of which are independent marketing organizations for insurance agents. JDM is not affiliated with SIM or Secure, but Josh Mellberg maintains a personal ownership interest. Secure, IMS, RI, and UFG are affiliated with SIM along with another affiliate, SIM Asset.

SIM offers a variety of investment advisory services, consulting, and investment management services, to individuals, business entities, trusts, and estates. SIM provides investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative ("IAR") will ascertain each client's investment objective(s). Thereafter, SIM shall make recommendations for an appropriate allocation of investment assets consistent with the designated investment objective(s). The client can impose reasonable restrictions on SIM's services at any time.

Types of Advisory Services Offered

Financial Planning Services

Our IARs can provide financial planning services, including preparing and providing clients with a focused, general, or comprehensive financial plan, based on an analysis of the client's current financial circumstances, goals and objectives. For this service, clients will need to provide the IAR with personal data such as family financial records, budgeting, personal liability, estate information and additional financial information. Implementation of financial planning recommendations is entirely at the client's discretion. The Firm is not qualified to, and does not, offer legal, tax, or accounting advice.

Generally, SIM first conducts an initial consultation during which pertinent information about the client's financial circumstances and objectives is collected. For more comprehensive services, the Firm reviews and analyzes the information provided by the client and then provides a written financial analysis that contains recommendations designed with the intention of achieving the client's stated financial goals and objectives.

Financial plans are based on the client's financial situation at the time the plan is presented and are based on the information disclosed by the client to SIM. Clients are advised that certain assumptions are made with respect to interest and inflation rates, use of past trends and

performance of the market and economy. Past performance is in no way an indication of future performance. SIM cannot offer any guarantees or promises that the client's financial goals and objectives will be met. As the client's financial situation, goals, objectives, or needs change, the clients are strongly urged to promptly notify the Firm. For more information on the risks associated with investing, please refer to **Item 8**, below.

If the client decides to follow the recommendations, the client has the option, but is under no obligation, to request that SIM implement such recommendations through the Firm's Investment Management Services. Should a client request SIM to implement such recommendations, the client will receive the services outlined in our Investment Management section below. Furthermore, certain IARs of SIM sell insurance products when the client and IAR believe it to be in the client's best interest. Insurance products are sold by IARs in their separate capacity as an independent insurance agent with one of our affiliated carriers or with appointed carriers not affiliated with the SIM. If the IAR implements insurance or insurance transactions in this separate capacity, he/she earns a sales commission but does not also charge investment management fees on those investments. This could present a conflict of interest since the IAR is incentivized and earns insurance and/or commission(s) for implementing insurance product recommendations made as part of the Firm's Financial Planning Services. This conflict is mitigated by the IARs zealously attempting to always act in the best interest of all clients. Please see Items 5, 10 and 14 below for additional information concerning such conflicts.

Model Portfolios through Dimensional Fund Advisors

SIM is a Dimensional Fund Advisors ("DFA") approved investment adviser enabling it to offer DFA's institutional class, open ended, no-load mutual funds to Clients. DFA was founded in 1981 as an institutional fund manager and since the early 1990's has been allowing selected advisors (approved by DFA through a screening and training process) to use their funds in client portfolios without the usual \$20 million institutional investment. DFA authorized advisors must be fee based and adhere to a long-term, disciplined investment approach. SIM receives no financial compensation from DFA. SIM advisors do receive occasional, on-going training and practice management support from DFA associated with the proper use of DFA Funds in client portfolios. SIM does not believe this support materially affects the objectivity of its investment recommendations and remains free to offer non-DFA investment vehicles to Clients whenever deemed appropriate. SIM does not receive any compensation from DFA for using their funds.

Orion Portfolio Solutions TAMP

SIM offers SMAs through Orion Portfolio Solutions turnkey asset management program (TAMP) that focuses on modern portfolio theory on asset allocation as well as focusing on three major sections. Type of strategy and asset manager chosen will depend on individual client circumstances, goals and needs considering Market Cycle Mandates. Market cycle changes are unpredictable, yet inevitable. Through recognition of their impact, the potential negative effects may be minimized. Market Cycle Mandates seeks to address this challenge by delivering a commonsense approach to managing portfolios regardless of external market variables. Market Cycle Mandates allows you to focus on things within your control by:

- Setting clear expectations and replacing emotion with discipline
- Recognizing the biggest driver of return and risk
- Identifying dedicated investment strategies to properly diversify portfolios History shows that the market typically moves in cycles. Investment strategies that work in bull markets may not be effective in flat or bear markets.

Orion Portfolio Solutions and SIM are not related. See below for additional information on the portfolios available under this program.

Investment Advisory Services

The client can engage SIM to provide discretionary investment advisory services on a non-wrap fee basis.

SIM manages the investment accounts of its clients in accordance with the objectives established by each client, by developing an investment policy statement (“IPS”) or an asset allocation plan. SIM will direct at its sole discretion, the investment and reinvestment of the assets in client accounts. Clients can place reasonable restrictions on assets or investments and will be documented in the IPS. The firm’s philosophy centers on long-term investing and the use of the analysis of past performance of various asset classes to build diversified, low cost, passive, and active portfolios. Investment portfolios will be tailored to the individual needs and desires of each client. SIM currently creates portfolios for separately managed accounts utilizing open-end mutual funds created and managed by Dimensional Fund Advisors (“DFA”) (the “SAM Accounts”). The DFA funds are low-cost, no-load, institutional asset-class funds. DFA is only available to institutional investors or through approved investment advisers.

Some of SIM’s legacy clients are managed on a non-discretionary basis in accordance with the agreement entered into at the beginning of their engagement. However, SIM no longer offers non-discretionary services to new clients.

Transferring to the SIM Asset Management Platform from the SIM Fund Platform

SIM Clients that executed an Investment Advisory Agreement prior to February 28, 2022 must execute a new Client Agreement to invest in SAM Accounts. In addition to updating the Clients’ Investment Objective, the new client Investment Advisory Agreement discloses conflicts of interest as well as the advisory fee to be charged on the SAM account.

REITs and Real Estate Partnerships

SIM provides advice regarding legacy real estate investment trusts (REITs) and real estate partnerships which are no longer available to current clients. Some of the REITS that are the subject of SIM’s advisory services are not publicly traded. In other words, the lack of an active secondary market for the sale of such REITs can limit a client’s ability to dispose of such investments in a timely manner and/or at an advantageous price. Consequently, a client should exercise caution to avoid over- concentration of their assets in these illiquid investments.

It is likely the price of a REIT listed on your account statement provided by a custodian only reflects the original purchase price and does not reflect any price or value from a secondary market, a repurchase offered by the sponsor or the book value. It is possible that the actual value of the REIT

on a secondary market or through a repurchase by a sponsor is significantly higher or lower than the original purchase price shown on the account statement provided by the custodian.

To the extent that an alternative investment such as a non-traded REIT is included in your portfolio, the alternative investment is subject to an asset management fee by SIM, which will be based upon the current valuation set by the product sponsor, as reflected on the custodian's account statement. Since certain alternative investments, such as non-traded REITs, are illiquid, the value is not easily or readily ascertainable or reported. As a result, we believe the value shown on the account statement provided by the custodian is the most reliable method for determining the present value of the investment. Currently, SIM does not charge advisory fees for these legacy real estate investments.

Amount of Client Assets Managed

As of March 30, 2024, the following represents the amount of Client assets under management by SIM on a discretionary and non-discretionary basis:

Type of Account	Assets Under Management ("AUM")
Discretionary	\$ 32,406,000
Non-Discretionary	\$ 0
Total:	\$ 32,406,000

As a registered investment adviser subject to Section 206 of the Advisers Act, SIM acts as a fiduciary related to the provision of investment advisory services. As such, SIM has an obligation to act in the best interest of its clients, guided by the core fiduciary duties of loyalty and care.

IRA Rollovers

The Firm provides, as part of its investment advisory services, recommendations for clients to withdraw the assets from an employer's retirement plan (e.g., 401(k)/403b/457 plans) and roll the assets over to an individual retirement account ("IRA") that the Firm will manage for a fee. This is deemed a conflict of interest as we have an incentive to recommend a rollover to the Firm.

Compliance with Prohibited Transaction Exemption PTE 2020-02

In December 2020, the DOL adopted a new exemption under ERISA ("PTE 2020-02"), which specifically covers three activities prohibited under Section 406(a). These activities are self-dealing, receiving compensation from third parties in connection with any transactions involving an ERISA plan, and principal transaction activity.

PTE 2020-02 can be relied upon by, among others, SEC registered investment advisers and their investment professionals that are deemed investment advice fiduciaries, so long as all the exemption's requirements are met, as applicable. There are five main components to PTE 2020-02, which are designed to safeguard against the conflicts of interest that apply to the prohibited activities covered by the exemption. These include:

- Adhering to specific Impartial Conduct Standards
- Providing specific disclosure to each ERISA Plan client

- Maintaining applicable written policies and procedures
- Performing and documenting a retrospective review
- Having a senior officer make certain written certifications.

SIM is deemed to be an investment advice fiduciary. At all times, the Firm will act in the client's best interest in making any recommendations related to assets covered by ERISA. SIM will comply with all applicable rules in order to maintain this exemption.

Miscellaneous Advisory Services

If requested by the client, SIM can recommend the services of other professionals for certain implementation purposes (i.e., attorneys, accountants, insurance, etc.), including certain of SIM'S investment adviser representatives in their separate capacities as discussed in **Item 10 Other Financial Industry Activities and Affiliations**. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from SIM.

Client Obligations

In performing its services SIM shall not be required to verify any information received from the client, or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify SIM if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, and revising SIM's previous recommendations or services.

Item 5: Fees and Compensation

SIM's discretionary investment advisory fee is based upon the level and scope of the overall investment advisory services to be rendered, which is based upon various objective and subjective factors. These factors include, but are not limited to, the amount of the assets placed under SIM's management, the level and scope of services to be rendered, and the complexity of the engagement. Lower fees for comparable services may be available from other sources. SIM has the authority to negotiate fees and is outlined in the Investment Advisory Agreement.

Advisory Services

Investment management fees are based on a percentage of total assets managed. Unless otherwise noted, for services provided pursuant to the Investment Advisory Agreement, SIM's annual advisory fee is negotiable and ranges from 0.5% to 1.5% and is at the sole discretion of SIM. The quarterly advisory fee is calculated by multiplying the annual fee, divided by four, with the client's assets under management ("AUM") with SIM. The Firm assesses its Investment Management Fee quarterly, which is billed in arrears, based on the account value as of the close of business on the last business day of the preceding calendar quarter as valued by the qualified custodian. Fees for the investment management services provided by SIM are calculated and charged beginning on the first trade date in the account. The fee will be calculated and deducted from the client's account each calendar

quarter following the billing date as stated in the client's Investment Advisory Agreement ("IAA"). The client may instead pay fees from another account by completing and submitting written instructions to SIM. Fees are charged on an asset allocation to cash; however, SIM will not charge fees on uninvested cash balances (e.g., core cash position). SIM does not charge fees on margin balances.

Note: For legacy clients who have entered SIM Investment Advisory Agreements on or before February 28, 2022, the fee structure under which SIM renders its Services ranges from 0.50% to 2.00%, which is calculated by multiplying the annual advisory fee with the Client's assets under management ("AUM") with SIM.

Clients engaged on or after 03/01/2022 are charged a flat fee of no greater than 1.50%.

Financial Planning Services

Financial Planning Services are charged in advance through an hourly fee arrangement, unless mutually agreed upon to be conducted on a complimentary basis between the IAR and client. Fees for financial planning are charged hourly at \$250 per hour, with a minimum charge of \$1,250 or a 5-hour minimum. SIM, in its sole discretion, can charge 50% of the fee up front, with the remaining 50% due upon delivery of the plan. Clients should refer to their agreement for their specific terms of payment. Clients can also engage individually for the following services: Social Security Assessment, Risk Analysis and Stress Test, and Income Strategy and Analysis. A full financial plan including estate planning and asset map is available for \$1300. Analysis and planning will be accomplished utilizing standard industry planning software, such as Money Guide Pro/Elite, Retire Up, Orion Portfolio Solutions and more. SIM will make recommendations designed to meet the client's objectives; however, clients are not required to implement any recommendations made in the plan with a SIM representative. Clients should be aware that a conflict exists when implementing recommendations made through financial planning if they choose to implement with one of our IARs.

Although SIM believes its Financial and Estate Planning fees are competitive, clients should be aware that lower fees for comparable services are available from other sources. If the Client cancels this Agreement after five (5) business days, any unpaid earned fees will be due to SIM.

Should a client elect to implement the recommendations contained in their financial plan, the client will also be subject to fees, expenses, brokerage, and transaction costs as further described in Item 5. Please also refer to **Items 5 and 12** for more information on fees clients are responsible for and SIM's brokerage practices.

Fee Discretion

SIM may charge a lesser fee based upon certain criteria: future earning capacity; anticipated future additional assets; dollar amount of assets to be managed; related accounts; account composition; pre-existing/legacy client relationship; employer-employee relationship; account retention; or pro bono activities. Negotiated fees are at the sole discretion of SIM, but will not exceed 1.5%, unless otherwise indicated in the investment advisory agreement for the service provided.

Direct Fee Deduction

Clients can elect to have SIM's advisory fees deducted from their custodial account. Both SIM's

Investment Advisory Agreement and the custodial/clearing agreement authorize the custodian to debit the account for SIM's investment advisory fee and to directly remit that management fee to SIM in compliance with regulatory procedures. In the limited event that SIM bills the client directly, payment is due upon receipt of SIM's invoice.

Financial planning fees are due and payable upon the presentation of an invoice and may be made in a variety of ways as indicated by SIM and at their discretion.

Additional Fees and Expenses

Clients should understand that the fees described above do not include certain charges imposed by third parties such as custodial fees and charges imposed directly by a mutual fund for fees or expenses. Client assets can also be subject to transaction costs, retirement plan administration fees (if applicable), deferred sales charges on mutual funds initially deposited in the account, 12b-1 fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Client assets invested in mutual funds will be subject to certain fees and expenses imposed directly by mutual funds to their shareholders, which shall be described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the sponsor also imposes sales charges, a client can pay an initial or deferred sale or surrender charge, though SIM, as a policy, utilizes only no-load funds.

Such charges and fees incurred generally will be paid out of the assets in the account and are exclusive of and in addition to the fees charged by SIM. Clients should carefully review the fees assessed to fully understand the total amount of fees to be paid by the Client and to thereby evaluate the services being provided.

The Firm's brokerage practices are described at length in **Item 12** below.

The Investment Advisory Agreement between SIM and the client will continue in effect until terminated by either party by providing a written 30-day notice in accordance with the terms of the Investment Advisory Agreement. Upon termination, SIM shall refund the pro-rated portion of any advanced advisory fee paid based upon the number of months remaining in the quarterly billing cycle. Likewise, prorated fees that are paid in arrears are due upon termination.

SIM does not have any representatives who are Registered Representatives of a broker dealer and thus does not receive any revenue from advisory clients as a result of commissions or other compensation for the sale of investment products.

Although SIM believes its fees are competitive, clients are hereby advised that lower fees for comparable services could be available from other sources. Clients investing in the strategist portfolios through Orion Portfolio Solutions ("OPS") may pay additional fees. OPS charges an account fee for portfolios with less than \$100,000. There is also an administration fee is charged to all accounts subject to the following fee schedule:

From:	To:	%
\$0.00	\$100,000.00	.35
\$100,000.01	\$250,000.00	.30
\$250,000.01	\$1,000,000.00	.20
\$1,000,000.01	\$9,999,999,999.00	.10

Additional fees are outlined in the OPS agreement. Clients are encouraged to review these fees and discuss them with their IAR.

See **Item 12** below for additional information related to fees and expenses.

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

Neither Secure Investment Management nor any supervised person of SIM accepts performance-based fees.

Item 7: Types of Clients

SIM's clients shall generally include individuals, business entities, trusts, and estates.

Minimum Account Requirements

SIM generally has an account minimum of \$25,000; however, SIM, in its sole discretion may waive the account minimum or charge a lesser advisory fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

Separate Accounts

SIM provides portfolio management services to clients using separately managed accounts ("Separate Accounts"). SIM's management of the client's Separate Account will be consistent with the particular investment strategy or strategies the client selected for that account. Clients can impose certain limitations or restrictions on SIM's discretionary authority. However, SIM reserves the right not to enter into a contract with a prospective client, or to terminate an agreement with an existing client, if the proposed limitation or restriction is likely in SIM's opinion to impair its ability to provide services to a client or is otherwise believed by SIM to be administratively or practically infeasible. Refer to **Item 8** for additional detail about each strategy.

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

SIM constructs investment portfolios to match the investment goals, objectives, needs, and risk tolerance of each client. SIM takes a quantitative, factor-based approach to investing that is structured around the latest academic research and based on Modern Portfolio Theory, which refers to the process of attempting to reduce risk in a portfolio through systematic diversification across and within different asset classes including equities of different sizes, styles, and geographies; fixed income of various credit qualities and maturities; and alternative investment strategies. SIM focuses on developing globally diversified investment portfolios, primarily through the use of low cost, no-load institutional mutual funds and exchange-traded funds.

DFA Investment Strategies

As outlined in Item 4 above, the Firm has developed investment portfolios to suit differing portfolio objectives utilizing DFA Funds and allocations to cash. The strategies available (equity/fixed income) are listed below:

- **Conservative** - The 20/80 Conservative portfolio seeks total return with emphasis on current income and preservation of capital with some capital appreciation. This portfolio primarily emphasizes income and capital preservation, typically the lowest returns and the highest degree of stability. Least aggressive portfolio suitable for risk averse clients with shorter time horizons and the need for portfolio income generation.
- **Moderately Conservative** – The 40/60 Moderately Conservative portfolio seeks total return with emphasis on current income and preservation of capital with moderate capital appreciation. This portfolio emphasizes income and capital preservation, typically lower returns in exchange for a higher degree of stability. This strategy is predominantly fixed income oriented and suitable for moderately risk averse clients with at least a 3 to 5-year time horizon.
- **Moderate** – The 60/40 Moderate portfolio seeks total return consisting of long-term capital appreciation and moderate emphasis on current income. This portfolio emphasizes both capital appreciation and income and has potential for higher long-term returns in exchange for less stability. It is suitable for clients with a modest degree of risk tolerance and average 3 to 5-year time horizon.
- **Moderately Aggressive** – The 80/20 Moderately Aggressive portfolio seeks total return consisting of long-term capital appreciation with some emphasis on current income. This portfolio emphasizes capital appreciation with typically higher long-term returns in exchange for enduring larger losses in the short-term. This strategy has the potential for significant fluctuation and is only suitable for clients with an above-average tolerance for risk and a long-term time horizon.
- **Aggressive** – The 100/0 Aggressive portfolio seeks total return consisting of long-term capital appreciation. This portfolio primarily emphasizes capital appreciation with typically the highest long-term returns in exchange for enduring large losses in the short-term. Fluctuation can be significant and is only suitable for clients that are comfortable

with high capital fluctuation and have a long-term investment horizon.

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

Orion Portfolio Solutions Strategist Program TAMP

The Separately Managed Account (“SMA”) Program is managed by Strategists we have selected. Investment Advisors are responsible for assisting clients in completing a suitability review and the Strategists direct clients’ investments in individual securities accordingly. You remain the owner of all securities held in your SMA with all associated ownership rights. You and your IAR will select the SMA Program Strategist based on your risk profile and investment objective(s), and the SMA Program Strategists will manage your account accordingly using various investment options and strategies. The following directives will be considered when building a portfolio.

- **Mandate 1: Beta** - Building Confidence based on Long-Term Trends Strategists in this mandate are optimized and stay fully invested in all market conditions. Dependent on market direction, less reliance on active management. Designed to capture and fully participate in market returns; long term growth, effectively manage longevity and inflationary risks.
- **Mandate 2: Active** - Turning Frustration into Opportunity Strategists in this mandate are highly flexible and able to adjust for changing market conditions. Their active approach allows them to increase and decrease their exposure to market movement as their research dictates. Increasingly dependent on active manager decisions and variable market exposure. Moderate/Flexible allocation designed to actively manage risk while opportunistically allocating to attractive asset classes.
- **Mandate 3: Diversifier** - Managing Concern by Providing Consistency Strategies in this mandate are designed to disengage from market movement and provide new sources of potential return and risk. Very active strategies that are heavily reliant on manager skill and use wider spectrum of asset classes and approaches. Very little dependence on market direction. Counterbalance to the Beta Mandate; focus on risk, then return, enhance diversification and protection; improve overall risk management of portfolio.

The following strategies are available.

For accounts with less than \$100,000, the following strategies will be applied:

- Income
 - Beta Mandate – American Funds Conservative Income Model Portfolio
 - The Income portfolio seeks total return with emphasis on current income and preservation of capital with some capital appreciation. This portfolio primarily emphasizes income and capital preservation, typically the lowest returns and the highest degree of stability. Least aggressive portfolio suitable for risk averse clients with shorter time horizons and the need for portfolio income generation.
- Moderate Income

- ☐ Beta Mandate – American Funds Retirement Income Moderate Portfolio
 - ☐ The Moderate Income portfolio seeks total return with emphasis on current income and preservation of capital with moderate capital appreciation. This portfolio emphasizes income and capital preservation, typically lower returns in exchange for a higher degree of stability. This strategy is predominantly fixed income oriented and suitable for moderately risk averse clients with at least a 3 to 5-year time horizon.
- Balanced
 - ☐ Beta Mandate – American Funds Retirement Income – Enhanced Growth Model
 - The Balanced portfolio seeks total return consisting of long-term capital appreciation and moderate emphasis on current income. This portfolio emphasizes both capital appreciation and income and has potential for higher long-term returns in exchange for less stability. It is suitable for clients with a modest degree of risk tolerance and average 3 to 5-year time horizon.
- Moderate Growth
 - ☐ Beta Mandate – American Funds Growth and Income Model Portfolio
 - ☐ The Moderate Growth portfolio seeks total return consisting of long-term capital appreciation with some emphasis on current income. This portfolio emphasizes capital appreciation with typically higher long-term returns in exchange for enduring larger losses in the short-term. This strategy has the potential for significant fluctuation and is only suitable for clients with an above-average tolerance for risk and a long-term time horizon.
- Growth
 - ☐ Beta Mandate – American Funds Moderate Growth Model Portfolio
 - The Growth portfolio seeks total return consisting of long-term capital appreciation. This portfolio primarily emphasizes capital appreciation with typically highest long-term returns in exchange for enduring large losses in the short-term. Fluctuation can be significant and is only suitable for clients that are comfortable with high capital fluctuation and have a long-term investment horizon.

For accounts with more than \$100,000, the following strategies will be applied:

- Income
 - The Income portfolio seeks total return with emphasis on current income and preservation of capital with some capital appreciation. This portfolio primarily emphasizes income and capital preservation, typically the lowest returns and the highest degree of stability. Least aggressive portfolio suitable for risk averse clients with shorter time horizons and the need for portfolio income generation.
 - 15% Diversifier Mandate – Ocean Park Balanced
 - 15% Beta Mandate – Ocean Park Tactical Bond Strategy
 - 13% Active Mandate – Ocean Park/ AAMA Tactical Allocation
 - 10% Diversifier Mandate – Toews Hedged Capital Preservation

- 10% Diversifier Mandate – Toews High Income ETF Focus
 - 15% Beta Mandate – Vanguard CRSP 10% Equity/ 90% Fixed Income - MF
 - 5% Beta Mandate – iShares TIPS Bond ETF
 - 2% Beta Mandate – Muni Money Market
 - 15% Diversifier Mandate – Ocean Park Diversified Municipal Bond
- Moderate Growth and Income The Moderate Growth and Income portfolio seeks total return with emphasis on current income and preservation of capital with moderate capital appreciation. This portfolio emphasizes income and capital preservation, typically lower returns in exchange for a higher degree of stability. This strategy is predominantly fixed income oriented and suitable for moderately risk averse clients with at least a 3 to 5-year time horizon.
 - 28% Active Mandate – Toews Defensive Alpha Balanced
 - 52% Beta Mandate – Vanguard CRSP 30% Equity 70% Fixed Income
 - 10% Diversifier Mandate – Blackstone Alternative Multi-Strategy
 - 10% Active Mandate – Ocean Park/ AAMA Tactical Allocation
- Balanced
 - The Balanced portfolio seeks total return consisting of long-term capital appreciation and moderate emphasis on current income. This portfolio emphasizes both capital appreciation and income and has potential for higher long-term returns in exchange for less stability. It is suitable for clients with a modest degree of risk tolerance and average 3 to 5-year time horizon.
 - 50% Beta Mandate – Vanguard CRSP 60% Equity 40% Fixed Income – MF
 - 20% Active Mandate – Ladenburg Thalmann Franklin Templeton Income & Growth Model Portfolio
 - 20% Active Mandate – Toews Defensive Alpha Balanced
 - 10% Diversifier Mandate – Meeder High Volatility Diversifier
- Moderate Growth
 - The Moderate Growth portfolio seeks total return consisting of long-term capital appreciation with some emphasis on current income. This portfolio emphasizes capital appreciation with typically higher long-term returns in exchange for enduring larger losses in the short-term. This strategy has the potential for significant fluctuation and is only suitable for clients with an above-average tolerance for risk and a long-term time horizon.
 - 10% Diversifier Mandate – Brinker Capital Real Assets - ETF
 - 50% Beta Mandate American Funds Growth and Income Model Portfolio
 - 27% Active Mandate – Ocean Park/ AAMA Tactical Allocation
 - 13% Active Mandate – Toews Defensive Alpha Equity
- Growth
 - The Growth portfolio seeks total return consisting of long-term capital appreciation. This portfolio primarily emphasizes capital appreciation with typically highest long-term returns in exchange for enduring large losses in the short-term.

Fluctuation can be significant and is only suitable for clients that are comfortable with high capital fluctuation and have a long-term investment horizon.

- 55% Beta Mandate – Vanguard CRSP 100% Equity Mutual Fund
- 30% Active Mandate – Ladenburg Thalmann Franklin Templeton Aggressive Growth
- 15% Diversifier Mandate – Brinker Capital Real Assets - ETF

These allocations are subject to change at any time based on recommendations from the portfolio manager.

Direct Indexing: We also make available certain Direct Indexing and tax managed strategies, which replicate broad market indexes through the direct purchase of individual securities. These strategies seek to replicate the risk/return profile of the index being targeted and can create tax alpha by harvesting tax losses to offset taxes on capital gains as well as provide comprehensive tax transitions. To monitor Investment Managers and manage the strategies on the platform, SIM utilizes a proprietary risk scoring methodology. This tool assists SIM in developing and selecting Investment Manager strategies by assigning a risk score to each strategy on the platform. The tool also defines each strategy according to their investment style or mandate.

We will also allow clients to request a change in sleeve managers for reasons such as political orientation, religious, socially conscious, and other reasonable requests. For example, if a client is against Blackrock's energy investments or political comments, the sleeve will be removed or replaced with an appropriate alternative. The client will be informed of such risks, and that they may not obtain the results pursued by taking on additional risk by changing the models. The client must represent such wishes in writing and may be asked to remove any liability to the IAR and the RIA by making client directed changes regardless of reason for the request.

Holding accounts for clients who want us to monitor non-advised accounts will be available. This is for transferring non-qualified assets mainly with large capital gains, just to better service the client.

Risk of Loss

Clients must understand that past performance is not indicative of future results. Therefore, current, and prospective clients (including you) should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there are varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Our portfolios are designed for investors whose objective is to hold the investment for one or more years. Investors should be able to accept price volatility during this period, the level of which should match the stated risk tolerance of the respective investor.

Our portfolios are designed to meet stated investment objectives based on your Investment Policy Questionnaire (IPQ). The portfolios are not designed to match equity market returns during strong rallies. There is no guarantee that any client portfolio or strategy managed by SIM will meet a target

return or investment objective.

Diversification cannot protect an investor from these fluctuations. The use of indexed funds is not fully guaranteed to track an intended market and may carry additional 'product' risks.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program.

Market Risk: Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.

Equity (Stock) Market Risk: Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.

Company Risk: When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

Fixed Income Risk: When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.

ETF and Mutual Fund Risk: When investing in an ETF or mutual fund, it will bear additional expenses based on its pro rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs. The Sub-Advisor may, at its discretion, invest in leveraged ETFs which provide two times the exposure to a stated index or asset class. These ETFs may be held for periods longer than one week.

Cybersecurity Risk: The computer systems, networks, and devices used by SIM, and service providers to SIM and our clients to carry out our business operations engage a variety of safety measures designed to prevent interruption from computer viruses, systems failures, infiltration by unauthorized persons and other security breaches. Despite the various

protection efforts employed, systems, networks and/or devices can be breached. SIM and clients could be negatively impacted as a result of a cybersecurity breach. For example, cybersecurity breaches may cause disruptions in business operations which in turn may potentially result in a financial loss to a client; the inability by us and/or other services providers to transact business; violations of applicable privacy laws; the inadvertent release of confidential information, regulatory fines, penalties and/or reputational damage. Similar adverse consequences could apply to issuers of securities in which a client invests, exchange and other financial market operators, government authorities, banks, or other financial institutions, among other parties.

Public Health Risk: Certain countries have been susceptible to epidemics, such as severe acute respiratory syndrome, avian flu, H1N1/09 flu, and, most recently, COVID-19. The outbreak of an infectious disease or any other serious public health concern, together with any resulting restrictions on travel or quarantines imposed, has a negative impact on the economy, and business activity in any of the countries in which the Adviser may invest and thereby adversely affect the performance of the client account.

Item 9: Disciplinary Information

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SIM or the integrity of SIM's management. SIM has no material pertinent disclosures related to disciplinary events associated with SIM's clients. On SIM's ADV Part 1, under the Regulatory Action Disclosure Reporting Pages, you will find one regulatory action ("DRP") listed related to an event which occurred regarding one of SIM's investment adviser representatives.

In 2014, an investment adviser representative ("IAR") employed by SIM entered into investment advisory agreements with five Kansas clients. At the time, neither SIM nor the IAR was registered in Kansas, as required. In July 2015, the Kansas Insurance Department referred a complaint from a Kansas resident to the office of Kansas Securities Commissioner resulting in an administrative inquiry into the unregistered activity of the firm and the IAR. As a result of the investigation, a notice of intent to impose administrative sanctions was filed along with a consent order on December 21, 2016. Per the consent order, a civil penalty of \$5,000 was assessed against SIM and was paid within 30 days of the entry of the order.

Item 10: Other Financial Industry Activities and Affiliations

Licensed Insurance Agents

SIM does not engage in the sale of insurance products to advisory clients. Certain of SIM's supervised persons, in their individual capacities, are also licensed insurance agents, with various insurance companies, that include both affiliated and non-affiliated insurance agencies and entities. As a result, such supervised persons recommend, on a commission basis, the purchase of certain insurance products. A conflict of interest exists to the extent that SIM recommends the purchase of insurance products where SIM's supervised persons receive insurance commissions or other

additional compensation. As referenced in Item 4 above, clients can engage certain of SIM's representatives to purchase insurance products on a commission basis. Any activity by your investment adviser representative as an insurance agent is separate from and outside of his or her role on behalf SIM. You should understand the following:

- SIM does not serve as an insurance agency for your investment adviser representative to offer fixed insurance, fixed annuities or fixed indexed annuities;
- SIM does not conduct due diligence of the fixed insurance, fixed annuities or fixed indexed annuities offered by your investment adviser representative in his or her separate capacity as an insurance agent; and
- SIM does not review, approve, or supervise your investment adviser representative's recommendations as an insurance agent to hold, purchase or sell/surrender fixed insurance, fixed annuities, or fixed indexed annuities.

Additionally, in their individual capacities as insurance licensed agents, SIM's representatives receive compensation in addition to commissions from certain insurance wholesalers. No client is under any obligation to purchase any commission products recommended by SIM's investment adviser representatives.

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

SIM has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. SIM's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non- public information by the Firm or any of its Supervised Persons and the trading of the same securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of SIM's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). Neither SIM nor any related person of SIM recommends, buys, or sells for client accounts, securities in which SIM or any related person of SIM has a material financial interest. However, SIM, along with related persons, are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner consistent with the Firm's policies and procedures. This Code of Ethics established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities.

SIM has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of SIM's "Access Persons." SIM's securities transaction policy requires that an Access Person of SIM must provide the CCO a written report of their current securities holdings within ten (10) days after becoming an Access Person. Access Persons are also required to provide a list of their outside brokerage accounts and set up each outside brokerage account to provide duplicate

statements directly to SIM's CCO. SIM's internal compliance reviews each confirmation of trade statement as well as each monthly report received from the Access Person's outside brokerage account(s). Additionally, each Access Person provides the CCO with a written attestation confirming/identifying each one of the Access Person's current outside brokerage accounts.

Item 12: Brokerage Practices

In the event that the client requests that SIM recommend a broker-dealer/custodian for execution and/or custodial services, SIM recommends that investment management accounts be maintained at Fidelity or Charles Schwab & Company ("Schwab"). Prior to engaging SIM to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with SIM setting forth the terms and conditions under which SIM shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Fidelity

Factors that SIM considers in recommending Fidelity include historical relationship with SIM, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by SIM's clients shall comply with SIM's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to affect the same transaction where SIM determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although SIM will seek competitive rates, it will not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions, transaction and transfer of asset fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, SIM's investment management fee. SIM's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular custodian, SIM receives from Fidelity without cost, and/or at a discount support services and products, certain of which assist SIM to better monitor and service client accounts maintained at such institutions.

Included within the support services that are obtained by SIM is investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and practice management-related publications, discounted or free consulting services, discounted attendance at conferences, meetings, and other educational and social events, marketing support, computer hardware and software or other products used by SIM in furtherance of its investment advisory business operations. The receipt of benefits gives SIM an incentive to recommend or select Fidelity based on SIM's interest in receiving the research or other products or

services, rather than on the clients' interest in receiving most favorable execution.

As indicated above, certain of the products and support services received can assist SIM in managing and administering client accounts. Others do not directly provide such assistance, but rather assist SIM to manage and further develop its business enterprise.

SIM's clients do not pay more for investment transactions effected and assets maintained at Fidelity as a result of this arrangement. This, however, can cause clients to pay commissions higher than those charged by other broker-dealers who do not offer such benefits. There is no corresponding commitment made by SIM to Fidelity or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

To the extent that services of value are received by SIM, SIM avoids expenses which it might otherwise incur. The receipt of research in connection with brokerage transactions executed on behalf of its clients' benefits SIM by allowing SIM, at no cost to it, to supplement its own research and analysis activities. Research obtained can be utilized by SIM for the benefit of clients not related to the broker-dealer providing the research.

Charles Schwab

Custodian services can be provided by Charles Schwab & Company ("Schwab") in which SIM receives some economic benefits for recommending clients for custody and brokerage services. Please reference disclosures located in Client Referrals and Other Compensation. Schwab an independent SEC-registered broker-dealer member FINRA/SIPC. OPS is separate from and unaffiliated with Schwab.

SIM participates in Schwab's Institutional customer program, and we recommend Schwab to clients for custody and brokerage services. There is no direct link between SIM's participation in the program and the services it gives to its clients, although SIM receives economic benefits through its participation in the program that are typically not available to Schwab retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving SIM's participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to SIM by third party vendors. These benefits include various technological tools. Schwab may also have paid for business consulting and professional services received by SIM's IARs. Some of the products and services made available by Schwab through the program may benefit SIM but may not benefit its client accounts. These products or services may assist SIM in managing and administering client accounts, including accounts not maintained at Schwab. Other services made available by Schwab are intended to help SIM manage and further develop its business enterprise. The benefits received by SIM or its

personnel through participation in the program do not depend on the amount of brokerage transactions directed to Schwab. Clients should be aware that the receipt of economic benefits by SIM or its related persons in and of itself creates a potential conflict of interest and may indirectly influence SIM's choice to make Schwab available as an option for custody and brokerage services.

SIM does not receive referrals from broker dealers.

Directed Brokerage

SIM does not accept or allow directed brokerage arrangements. As stipulated at the beginning of this section, SIM recommends clients open up brokerage accounts with Fidelity or Schwab.

SIM will aggregate orders in a manner that it considers to be the most equitable to all accounts.

Mutual Fund Share Class Selection

Mutual funds generally offer multiple share classes available for investment based upon certain eligibility and/or purchase requirements. For instance, in addition to retail share classes (typically referred to as class A, class B and class C shares), funds may also offer institutional share classes or other share classes that are specifically designed for purchase by investors who meet certain specified eligibility criteria, including, for example, whether an account meets certain minimum dollar amount. Institutional share classes usually have a lower expense ratio than other share classes. When recommending investments in mutual funds, it is our policy to review and consider available share classes. Our policy is to select the most appropriate share classes based on various factors including but not limited to: minimum investment requirements, trading restrictions, internal expense structure, transaction charges, availability and other factors. When considering all the appropriate factors, we can select a share class other than the 'lowest cost' share class. In order to select the most appropriate share class, we consider retail, institutional or other share classes of the same mutual fund. Regardless of such considerations, clients should not assume that they will be invested in the share class with the lowest possible expense ratio. Clients should ask their adviser whether a lower cost share class is available instead of those selected by SIM. SIM periodically reviews the mutual funds held in client accounts to select the most appropriate share classes in light of its duty to obtain best execution.

The Strategist Program generates multiple levels of fees and expenses. By investing through the Strategist Program, the client bears fees charged at different levels as described under Fees and Compensation. Thus, clients are subject to higher operating expenses than if they invested in the same funds directly

Order Aggregation

SIM typically affects transactions for each client account independently. At times, when able, the Firm generally aggregates trades of accounts. Trade aggregation, or "bunching of orders," may result in better execution and/or better realized prices for SIM client accounts. Because SIM's services utilize various types of investments and securities, it may not be possible to bunch orders. Alternatively, even

when possible, SIM may not be able to execute all shares of an aggregated trade because of prevailing market conditions and other variables, in which case the Firm will allocate the trade among participating accounts in an equitable manner determined prior to execution of the trade.

In certain cases, the Firm may not be able to purchase or sell the same security for all clients that could transact in the security, which is generally based on various factors such as the type of security, size of the account, cash availability, account restrictions, timing of when monies are received and rebalancing needs. If SIM or its related person(s) wish to transact in the same securities on the same day as client accounts, such transactions must adhere to SIM's Code of Ethics policies. All participants of the aggregated order will receive the average price of the block trade. In the event that a block trade is not filled, SIM will allocate shares executed to the underlying accounts on a pro rata basis, adjusted to be in the client's best interest. At all times, the interests of SIM's clients will come first.

Trade Errors

From time-to-time SIM may make an error in submitting a trade order on your behalf. When this occurs, SIM will place a correcting trade with the broker-dealer which has custody of your account. Should you sustain any economic detriment as a result of an error it is our legal obligation to make you whole.

The Firm will correct the trade in a "trade error" account and keep any profits or losses in that account. In the event there is a profit, at the end of each quarter, SIM will donate the proceeds to charity. However, the client will be made whole in the event of having sustained any loss(es).

Item 13: Review of Accounts

For those clients to whom SIM provides investment supervisory services, account reviews are conducted on an ongoing basis by the client's investment adviser representative or qualified designee. All investment advisory clients are advised that it remains their responsibility to advise their investment adviser representative and SIM of any changes in their investment objectives or financial situation. SIM encourages you to request a review with your investment adviser representative to discuss such things as account performance, changes in your investment objectives, goals, and financial situation, tax planning, estate planning, retirement planning and any other questions you have concerning your investment portfolio. If you only receive financial planning services from SIM, you will be charged a separate fee for meetings with your investment adviser representative. You should read carefully the agreement with SIM to determine the amount of such separate fees, if any on an annual basis.

SIM conducts account reviews on an other-than-periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives or financial situation, market corrections and client request.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the custodian.

Item 14: Client Referrals and Other Compensation

As referenced in Item 12 above, SIM receives an indirect economic benefit from Fidelity and Schwab. SIM, without cost or at a discount, receives support services and products from both Fidelity and Schwab. SIM's clients do not pay more for investment transactions effected or assets maintained at Fidelity and Schwab as a result of this arrangement. There is no corresponding commitment made by SIM to Fidelity and Schwab to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as a result of the above arrangement.

SIM has arrangements with persons ("Promoters") under which the Promoters introduce potential advisory clients to the Firm in exchange for a referral fee. Promoter arrangements are conducted in accordance with the SEC's "Marketing Rule" (Rule 206(4)-1). If you are introduced to us through a Promoter, a separate disclosure statement is provided to you advising that a referral fee is being paid to the Promoter and whether that Promoter is affiliated with the Firm. A conflict of interest exists as the Promoter, through this arrangement in which the Promoter is paid a referral fee, has an incentive to refer potential advisory clients to SIM and not another investment advisory firm.

We anticipate that SIM will be fortunate to receive many client referrals, from estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. However, the firm currently does not compensate referring parties for these referrals.

Item 15: Custody

SIM does not maintain physical possession of Client cash or securities. For certain Clients, SIM deducts fees directly from Client accounts. As a result, SIM is deemed to have custody of these Client assets. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the custodian and/or program sponsor for the client accounts. SIM urges clients to carefully review such statements and compare such official custodial records to the account statements that SIM provides.

Please Note: The account custodian does not verify the accuracy of SIM's advisory fee calculation. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact SIM directly if they believe that there is an error in their statement.

SIM is also deemed to have custody when clients have standing letters of authorization ("SLOA") with their custodian to move money from their account to a third-party and under that SLOA authorize SIM to designate the amount or timing of transfers with the custodian. SIM has implemented procedures to meet the specific conditions as stated in the SEC's SLOA no action letter which are

intended to protect client assets in such situations, which SIM follows. Additionally, as a result of following these conditions, SIM is not required to obtain a surprise examination.

Item 16: Investment Discretion

Clients can engage SIM to provide investment advisory services on a discretionary basis. Prior to SIM assuming discretionary authority over a client's account, the client shall be required to execute an Investment Advisory Agreement, granting SIM full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's account.

Clients who engage SIM on a discretionary basis may, at any time, impose reasonable restrictions, in writing, on SIM's discretionary authority. (i.e., limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe SIM's use of margin, etc.). If these restrictions hamper SIM's fiduciary duty and responsibility, SIM may choose to terminate the relationship.

Item 17: Voting Client Securities

SIM does not vote client proxies. The client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the account assets, including, but not limited to, class action lawsuits.

Item 18: Financial Information

SIM does not solicit fees of more than \$1,200.00, per client, six months or more in advance.

SIM does not have any financial condition or circumstance that is reasonably likely to impair our ability to meet our contractual obligations.