

**ITEM 1: COVER PAGE**

**FIRM BROCHURE**  
Part 2A of Form ADV

**March 21, 2024**

**Strategy Financial Services, LLC**

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Part 2A of Form ADV (the “Brochure”) provides information about the qualifications and business practices of Strategy Financial Services, LLC. If you have any questions about the contents of this Brochure, please contact us at (602) 343-9301 or via email at [cgoetz@strategyfinancialservices.com](mailto:cgoetz@strategyfinancialservices.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Strategy Financial Services, LLC is registered as an investment advisor; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

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

## ITEM 2: MATERIAL CHANGES

Strategy Financial Services, LLC (“Strategy Financial” or the “Firm”) is required to advise clients and prospective clients of any material changes to this Form ADV Part 2A, from our last annual update dated March 23, 2023.

We have made the following material changes to our Brochure since our last annual update:

- While the arrangements have not changed significantly, we have provided additional detail about our compensation arrangements with Mulholland, as well as the benefits we receive from both Mulholland and AE Wealth, and AE Wealth’s affiliate Advisor Excel. See *Item 10: Other Financial Industry Activities and Affiliations*, for more information.
- We have begun using interval funds in client portfolios in some cases. These are mutual funds that offer limited, rather than daily, liquidity. Limited liquidity creates an important risk clients should be aware of. These funds should only be used with clients for whom they are suitable and who have adequate liquidity from other investments. See *Item 8: Methods of Analysis, Investment Strategies and Risk of Loss* for more information.
- We have entered into an insurance referral arrangement with Advisors Excel a licensed insurance affiliate of AE Wealth. See *Item 10: Other Financial Industry Activities and Affiliations*, and *Item 14: Client Referrals and Other Compensation* for more information.
- We have provided more detail about our typical asset allocations and the related fees, including the related conflicts of interest based on receipt of different types of compensation. See *Item 4: Advisory Business, Investment Management Services* and *Item 5: Fees and Compensation*.
- We now recommend a direct indexing overlay for certain client accounts, which results in an additional flat annual charge per account enrolled. See *Item 5: Fees and Compensation*, and *Item 8: Methods of Analysis, Investment Strategies and Risk of Loss* for more information.
- We have provided an update on Charles Schwab & Co., Inc.’s acquisition of TD Ameritrade and the planned transition of TD Ameritrade clients to Charles Schwab. In July 2023, subsequent to filing our annual updating amendment, we began recommending clients use the custodial and brokerage services offered through Fidelity Institutional, rather than transferring to Charles Schwab. See *Item 12: Brokerage Practices* for more information.

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## ITEM 4: ADVISORY BUSINESS

### A. Description of Firm

Strategy Financial Services, LLC (“Strategy Financial” or the “Firm”) is a Phoenix, Arizona based investment management firm founded in 2012. Strategy Financial provides discretionary investment advice to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations. The Firm specializes in conservative investing with a focus on income planning and risk management.

Strategy Financial is beneficially owned and controlled by Calvin P. Goetz through CPG Group, LLC.

### B. Types of Advisory Services Offered

Strategy Financial offers clients financial consulting services and investment management services on a discretionary basis. The investment advice provided is variable depending on the individual goals, objectives, time horizon, and risk tolerance of each client and in accordance with a written Investment Advisory Agreement entered into between the Firm and the client.

#### Financial Consulting Services

Strategy Financial may provide its clients with a broad range of financial consulting services. Depending upon the client’s situation, Strategy Financial’s financial consulting advice may include advice on securities investments as well as advice on matters not involving securities including, but not limited to, tax planning, insurance planning, retirement planning and estate planning. In providing financial consulting services, an IAR of Strategy Financial provides a professional opinion on one or more specific financial related areas at the clients’ request.

The client acknowledges, in advance, that they only desire consultation with respect to the specific financial area agreed upon to be reviewed and/or analyzed. Under this arrangement, written recommendations may or may not be provided to the client.

#### Investment Management Services

Based on the Firm’s assessment of client needs, objectives, risk tolerance, and investment time horizon, Strategy Financial typically allocates client assets in accordance with one of several available Models or Strategies. These Models and Strategies are sub-advised by Mulholland Wealth Advisors (“Mulholland”) or AE Wealth Management (“AE Wealth”), unaffiliated investment advisors (collectively, “Sub-Advisors”). The Sub-Advisors provide advice to Strategy Financial, including discretionary management of portfolios in accordance with the Models and Strategies, but do not provide individual advice directly to Strategy Financial’s clients. The Sub-Advisors also provide Strategy Financial with operational support, such as fee billing, and other administrative services that we would otherwise have to take care of internally. Where appropriate for the client’s needs, we routinely recommend that clients purchase fixed annuities to meet income and retirement objectives. Annuities are not securities products, are not part of the firm’s asset management services, and are not assessed advisory fees, but often end up being a significant portion of recommendations we make to clients. Annuities are subject to separate commissions as discussed in Item 5 and Item 10. Additional information on the Firm’s investment approach is provided in response to Item 8, below.

Mulholland uses its own affiliated mutual funds or ETFs (which are not affiliated with Strategy Financial) when managing the assets included in the Models. These funds or ETFs are advised by Redwood Investment Management, LLC (“Redwood”), an investment advisor under common control with Mulholland. Use of affiliate-advised funds and ETFs creates a conflict of interest described in detail in Mulholland’s disclosure brochure. While allocations will vary over time, Mulholland’s use of Redwood-advised funds and ETFs is not limited to any particular percentage of the portfolio and could represent 100% of holdings. Typical allocations have included between 80 and 90% of Redwood-advised funds and ETFs.

AE Wealth has a number of different managers on its platform and has discretionary authority to hire and fire those managers in advising Strategy Financial on the creation of client portfolios.

Clients will not sign a separate agreement with Sub-Advisors, but will receive a copy of the Sub-Advisors’ ADV Part 2 disclosure brochure prior to or upon entering into an agreement with Strategy Financial.

Risk tolerance levels are documented in the Client Profile. Prior to entering into an Investment Advisory Agreement with the Firm, a client should carefully consider:

- That over time the client’s assets may fluctuate and at any time be worth more or less than the amount invested; and
- Strategy Financial’s strategies are designed for investors who practice patience with a time horizon of 3-5 years.

Generally, Strategy Financial will manage client portfolios through the platforms made available by the Sub-Advisors. These platforms allow us to streamline enrollment, provide proposals and disclosures to clients through one portal, and also provide investment management, rebalancing, and performance reporting, as well as back-office functions, such as fee billing, through a single solution.

#### **Important Information for Retirement Investors**

When we recommend that you roll over retirement assets or transfer existing retirement assets (such as a 401(k) or an IRA) to our management, we have a conflict of interest. This is because we will generally earn additional revenue when we manage more assets. In making the recommendation, however, we do so only after determining that the recommendation is in your best interest. Further, in making any recommendation to transfer or rollover retirement assets, we do so as a “fiduciary,” as that term is defined in ERISA or the Internal Revenue Code, or both. We also acknowledge we are a fiduciary under ERISA or the Internal Revenue Code with respect to our ongoing investment advisory recommendations and discretionary asset management services, as described in the advisory agreement we execute with you. To the extent we provide non-fiduciary services to you, those will be described in the advisory agreement.

#### **C. Advisory Agreements**

Prior to engaging Strategy Financial to provide investment advisory services, the client is required to enter into a written Financial Consulting or Investment Advisory Agreement (Agreement) with the Firm which describes the fees charged and the terms and conditions under

which the Firm will render its services. The Firm will provide a Brochure and one or more Brochure Supplements to each client or prospective client prior to or at the same time a client executes the Agreement.

A Financial Consulting Agreement may be cancelled at any time, by either party, for any reason, upon written notice of either party. Financial Strategy reserves the right to bill the client for work performed up to the date of termination.

An Investment Advisory Agreement may be cancelled at any time, by either party, for any reason, upon written notice of either party. Upon receipt of notice of termination, Strategy Financial will commence the process of transferring or liquidating the account, as requested by the client. Any prepaid, unearned fees will be promptly refunded, less any actual costs the Firm incurs upon termination, if applicable. Any earned, unpaid fees will be due and payable upon termination. Additionally, if client requests the account to be transferred in-kind to another custodian, client will be responsible for any custodial transfer fee.

**D.** Strategy Financial does not participate in wrap fee programs.

**E. Assets Under Management**

As of February 1, 2024, the Firm managed approximately \$181.5 million on a discretionary basis and \$0 on a non-discretionary basis.

**ITEM 5: FEES AND COMPENSATION**

**A. Advisory Fees**

**Financial Consulting Fees**

Financial Consulting Services are provided at an hourly fee of \$350 per hour, to be paid directly by the client (i.e., such fees are not billed to the client's account). While Strategy Financial generally bills its hourly fees upon delivery of the requested services, Strategy Financial reserves the right to request a deposit of one-half of the estimated total hourly fee upon the client's execution of the Financial Consulting Agreement, with the balance due upon delivery of the requested services. Notwithstanding the previous sentence, Strategy Financial does not require prepayment of more than \$1,200 per client six months or more in advance. In certain circumstances, all fees may be negotiable.

Strategy Financial may waive or reduce current or future financial consulting fees for clients who engage Strategy Financial or its IARs for other services. In addition, certain affiliated persons of Strategy Financial and family members and personal acquaintances of Strategy Financial's affiliated persons may receive financial consultation services at a discounted rate which is not available to advisory clients generally.

The Financial Consulting Agreement automatically terminates upon delivery of the requested Financial Consulting Services. Prior to the delivery of the requested services, either Strategy Financial or the client may terminate the Financial Consulting Agreement at any time with written notice to the other. If the Agreement is terminated, all fees due from the Client at the time of termination are due and payable immediately. Advisor will refund any unearned, prepaid fees

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within thirty days of termination. All financial consulting services requested will be completed within 6 months of the time the agreement is signed or the Client will receive a refund of unearned fees.

**Investment Management Fees**

Strategy Financial charges fees based on a percentage of assets under management. The specific fees charged by the Firm for its advisory services will be outlined in each client's written Investment Advisory Agreement.

Strategy Financial generally charges an annual asset management fee billed monthly in arrears (after services are provided). The fee is based on the average daily market value of the account's assets under management (AUM) during the preceding calendar month. Asset management fees are calculated and paid monthly based on the following annual percentages:

**Firm Fees and Sub-Advisor Fees – Maximum Asset-Based Fee Schedule**

Assets Under Management	<b>Advisor's Annual Fee Rate</b>	Sub-Advisor's Annual Fee Rate	Monthly Fee Rate (to 4 decimals)	Annual Fee Rate— Both Advisor & Sub-Advisor Fees
Under \$100,000	<b>1.50%</b>	0.30%	0.1500%	1.80%
\$100,000 - \$249,999	<b>1.40%</b>	0.30%	0.1417%	1.70%
\$250,000 - \$499,999	<b>1.30%</b>	0.30%	0.1333%	1.60%
\$500,000 - \$999,999	<b>1.20%</b>	0.30%	0.1250%	1.50%
\$1,000,000 - \$1,999,999	<b>1.00%</b>	0.30%	0.1083%	1.30%
\$2,000,000 - \$4,999,999	<b>0.80%</b>	0.30%	0.0917%	1.10%
\$5,000,000 and above	<b>0.60%</b>	0.30%	0.0750%	0.90%

The fees above are not tiered, meaning that the total fee charged changes when clients cross the fee threshold(s) shown above. This can result in a meaningful overall fee change even though assets under management did not change materially. For example, a client with \$999,999 under management would pay total advisory and sub-advisors fees based on an annual rate of 1.50%, while a client with \$1,000,000 would pay total advisory and sub-advisory fees based on 1.30%. Similarly, a client with \$500,001 under management would pay fees based on an annual rate of 1.50%, but if the average daily market value dropped to \$499,999, the annual fee rate would increase to 1.60% for that month.

In addition to the above asset-based fee schedule, we may recommend AE Wealth Management's Direct Indexing models for certain client accounts. We may choose Direct Indexing for a portion of client assets that may, for example, otherwise be allocated to an ETF that tracks a particular index. With Direct Indexing, the Sub-Advisor selects some portion of the individual securities that are tracked by the index and purchases those securities for client portfolios using the Direct Indexing models. A primary benefit of Direct Indexing is that it allows clients to sell a security at a loss to offset capital gains on other assets in that tax year. Selling a security to realize a loss and replacing the security with a new security is known as tax-loss harvesting. When clients own a mutual funds or ETF that tracks an index, they can't recognize losses on individual holdings within that fund or ETF. Direct Indexing, though, permits some additional flexibility with respect to the securities owned and, where tax-harvesting is involved, may permit greater tax savings. We recommend two Direct Indexing models: AE

Direct Flex and AE Direct Flex + Harvesting. AE Direct Flex has a \$250,000 minimum per account and AE Direct Flex + Harvesting has a \$500,000 minimum per account. The same asset-based fees described in the chart above also apply to Direct Indexing models, but there are flat annual fees applied, as well. For AE Direct Flex, each account allocated to the model will be charged \$250 per year, assessed monthly in arrears. For AE Direct Flex + Harvesting, each account allocated to the model will be charged \$500 per year, assessed monthly in arrears. See *Item 8: Methods of Analysis, Investment Strategies and Risk of Loss* for more information.

Although Strategy Financial believes its advisory fees are competitive, clients should be aware that lower fees for comparable services may be available from other sources. Fees are negotiable at the sole discretion of the Firm, and will not be greater than those listed above. There is an account minimum of \$100,000, which the firm may waive at its sole discretion. To the extent we waive the minimum, however, our fee as a percent of assets will be higher. The typical all-in asset-based fee to clients (our fee and the sub-advisor fee discussed above and below) does not exceed 1.8%. Note that additional per account fees will apply to client accounts using Direct Indexing models.

As noted in the chart above, Sub-Advisor fees are 0.30% annually and are in addition to Strategy Financial's fees. These fees do not include any fees or charges assessed by the custodian holding client assets. Strategy Financial's fees are negotiable, though the Sub-Advisor's fees are generally not. Actual fees charged are detailed in the Strategy Financial Agreement, and the custodial agreement. Total asset-based advisory fees (Firm and Sub-Advisor) will not exceed 1.80%. Please refer to Item C. Other Fees and Expenses, below, for additional details regarding other fees that may be applicable in the management of client accounts.

Fees will be assessed on all assets listed on the custodian statement. The Sub-Advisors charge these fees on our behalf using their respective platforms. The specific terms are detailed in the client agreement.

Redwood institutional mutual funds are included in Fidelity's list of no-transaction-fee funds and are not assessed transaction charges, though they will incur management fees that accrue to Redwood, Mulholland's affiliate. In selecting the Redwood funds, Redwood receives a portion of Mulholland's sub-advisory fees, as well as its own management fees. Investors are able to access Redwood funds and ETFs without using the services of Mulholland or Strategy Financial; the models created using these funds and ETFs, however, are not available except through advisers such as Strategy Financial who enter into agreements with Mulholland to obtain access to those models for their clients. Additional information about the conflict of interest inherent in selecting an affiliates' funds for portfolio construction is found in Mulholland's ADV 2A brochure.

See *Item 12, Brokerage Practices*, for more information on custodial and brokerage fees.

## **B. Payment of Fees**

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid monthly to Strategy Financial and are billed in arrears, with the specific terms detailed in the client's agreement with us.



Because our models use funds and ETFs, the third-party manager fees for those products are built into the fund/ETF expense ratio. Where Mulholland uses Redwood-advised funds or ETFs, Mulholland will earn sub-advisory fees on assets where Redwood is also earning management fees. As disclosed above, Redwood also receives a portion of Mulholland's sub-advisory fees.

We use the average daily balance method of calculating asset value for fee billing purposes, and additions and withdrawals during the month will affect the average value. For new accounts or terminations, fees will be assessed only for the number of days assets were held in the account.

### **C. Other Fees and Expenses**

Client will be responsible for all fees imposed by the custodian for trading and other related costs, and the Sub-Advisors' management fees (described in A, above). All fees paid to Strategy Financial for investment management services are separate and distinct from the fees and expenses charged by mutual funds and exchange-traded funds ("ETF"). These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund or ETF directly, without the services of the Firm for a lower cost. In that case, the client would not receive the services provided by Strategy Financial which are designed to assist the client in determining which fund or funds are most appropriate to each client's financial objectives. Further, as discussed above, while Redwood-advised funds and ETFs could be purchased independently, the models using them are not available except through investment advisers such as Strategy Financial.

For mutual funds and exchange-traded funds, a client may be charged internal management fees, distribution fees, redemption fees and other expenses, which are fully described in the applicable fund's prospectus. Strategy Financial will not receive any portion of these other fees and expenses. Clients should review the fees charged to their account to fully understand all fees charged. Clients should understand that lower fees for comparable services may be available from other investment advisory firms.

The Firm's representatives are typically licensed to sell insurance and related products, including fixed annuities, with various unaffiliated insurance companies. If the representative is licensed to sell insurance and annuities, this information is disclosed on the representative's ADV 2B Brochure Supplement. The Firm's representatives in such cases will earn typical and customary commission for the sale of insurance products purchased for a client's account. This represents a conflict of interest in that Strategy Financial's representatives have a financial incentive to recommend purchasing insurance products based on compensation received rather than on the needs of the client. Generally, the sale of fixed annuities results in a higher, one-time commission (typically around 6-7%) and subjects the client to a surrender penalty if they terminate the contract in the first 7-10 years after purchase. Securities managed pursuant to our advisory contract, on the other hand, result in a lower annual asset-based fee that is paid as long as the relationship continues. Accordingly, each representative has a conflict related to receipt of higher, non-recurring compensation in the near-term, versus lower, recurring compensation over the long-term. To mitigate this conflict of interest, Strategy Financial's practice is to fully disclose to a client when a particular transaction will result in the receipt of commissions or other associated fees. Further, the Firm educates representatives concerning their fiduciary duty in

making insurance recommendations to advisory clients. Clients are never obligated to purchase insurance products through their Strategy Financial representative.

Neither Strategy Financial nor any of its investment advisor representatives receives compensation for the sale of securities.

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

Strategy Financial does not charge performance-based fees (*i.e.*, fees calculated based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client). Consequently, Strategy Financial does not engage in side-by-side management of accounts.

## **ITEM 7: TYPES OF CLIENTS**

Strategy Financial provides investment advisory services to individuals, high net-worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations. For its investment management services, Strategy Financial generally requires a minimum of \$100,000 of assets under management for an individual account. Strategy Financial may waive this minimum at its sole discretion.

There may be times when certain restrictions are placed by a client, which prevents Strategy Financial from accepting or continuing to manage the client account. Strategy Financial reserves the right to not accept and/or terminate management of a client's account if it feels that the client imposed restrictions would limit or prevent it from meeting and/or maintaining the account's overall investment strategy.

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

### **A. Methods of Analysis and Investment Strategies**

To help develop its strategies and recommendations, Strategy Financial uses commercially available services, financial publications, SEC filings, and information services providing investment research. Such information may be obtainable in print, computer media, the Internet or other electronic means. Public company prepared materials (particularly prospectuses) and research releases prepared by others are also utilized. Strategy Financial also uses research materials prepared by various investment product vendors or broker-dealers. For the construction of our models, we rely on our Sub-Advisors. Strategy Financial may also obtain information by attending industry conferences and consulting with experts in the appropriate field.

Strategy Financial seeks to provide long-term total return and to limit downside risk for each client account. In selecting sub-advisors or other third-party managers, the Firm evaluates the third-party manager's strategy; the third-party manager's risk-adjusted track record with an emphasis on downside risk (volatility and drawdown) and consistency; and the manager's fees and liquidity.

Strategy Financial's goal is to construct diversified, multi-asset class, multi-strategy portfolios utilizing a blend of tactical and strategic solutions in equities and fixed-income.

Active Management – the Firm (or the Sub-Advisors we select) may at any time move money into a money market fund, government security fund or cash instrument if we believe it is in the best interest of clients to do so. Active management does not ensure a profit and may not protect against loss in declining markets.

Diversification – Strategy Financial attempts to create comprehensively diversified portfolios as a means to reduce the risks associated with concentrated portfolios. While diversification seeks to reduce risk, a properly diversified portfolio will normally contain positions that will perform at variance to other positions. Diversification does not ensure a profit and may not protect against loss in declining markets.

## **B. Risks**

Investing in securities involves risk of loss that clients should be prepared to bear. Prior to entering into an Investment Advisory Agreement with Strategy Financial, a client should carefully consider: 1) committing to management only those assets that the client believes will not be needed for current purposes and that can be invested on a long term basis; 2) that volatility from investing in the stock market can occur; and 3) that over time the client's assets may fluctuate and at any time be worth more or less than the amount invested.

Strategy Financial's investment recommendations are subject to various markets, currency, economic, political and business risks, and such investment decisions may not always be profitable. Strategy Financial does not represent, guarantee or imply that the services or methods of analysis employed can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. In addition, there is no assurance that a mutual fund, an ETF, or any security will achieve its investment objective.

Strategy Financial's portfolios may (and in certain cases will) heavily overweight specific sectors in adherence to the specific strategy philosophy employed. Strategy Financial does not represent, guarantee or imply that the services or methods of analysis used can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

The principal risks of investing in any security, mutual fund or ETF include, but are not limited to:

Systemic Risk: these are risks inherent to the entire market or market segment. Systemic risk is also known as "undiversifiable risk," and affects the overall market, not just a particular stock or industry. This type of risk is both unpredictable and impossible to completely avoid;

Market Risk: the chance the stock market as a whole, or the value of an individual security or fund value will decline;

Equity 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;

Fixed Income Risk: when investing in bonds, there is the risk that an issuer will default on the bond and be unable to make payments – additionally there is a risk that inflation may erode spending power for those that depend on a set amount of periodically paid income. Because the prices of fixed income securities tend to fall when prevailing interest rates rise, fixed income securities – especially those with longer-term maturities – may drop significantly in value in the event interest rates rise steeply or unexpectedly;

Diversification Risk: the chance an investment's performance may be hurt disproportionately by the poor performance of an investment's holdings – the use of indexed funds is not guaranteed to track an intended market and may carry additional product risks;

Sector Risk: the chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall market; and style risk (for example growth investing risk and mid-cap company risk).

Liquidity Risk: the chance (or structural certainty) that a given investment cannot be readily converted to cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not. Certain instruments may have no readily available market or third-party pricing. Interval funds, for example, have a limited secondary market and are often relatively illiquid. Reduced liquidity may have an adverse impact on market price and the ability to sell particular securities when necessary to meet cash needs or in response to a specific economic event, such as the deterioration of creditworthiness of an issuer. Reduced liquidity in the secondary market for certain securities may also make it more difficult to obtain market quotations based on actual trades for the purpose of valuing the security. Clients should invest in illiquid (or relatively illiquid) assets only to the extent they have adequate other liquid assets available to fund current and ongoing cash requirements.

Manager Risk: Sub-Advisors, or managers of ETFs or mutual funds, used by Strategy Financial who have been successful in the past may not be successful in the future, and they may deviate from their stated investment mandate or strategy. Because Strategy Financial does not control these third-party advisors, we may not be able to fully identify internal control weaknesses or fully evaluate the accuracy of their representations when performing due diligence on them or relying on the due diligence provided by others. Furthermore, such third-party investment advisers may have material conflicts of interest, including using affiliated advisers or products, or trading through an affiliated broker-dealer—this is discussed in *Item 4* and *Item 10* with respect to both Mulholland and AE Wealth, for example. Although clients receive disclosures about third-party managers, in light of our discretionary authority to hire and fire these advisers, clients are largely dependent on Strategy Financial's ongoing assessment and monitoring.

Tracking Risk: This refers to a product or model that attempts to track the performance of an index, sector, or other benchmark, and the risk that the actual performance will differ materially from the instrument being tracked. This is a risk of index funds and ETFs. In addition, the Direct Index models we use aim to track specified indexes through selection of a subset of

representative securities. The smaller the number of representative securities—versus the selection of all securities in the underlying index—is likely to increase tracking risk. A Direct Indexing model's performance could deviate substantially from its benchmark. The two Direct Indexing models we use are AE Direct Flex and AE Direct Flex + Harvesting. With both, Strategy Financial specifies a benchmark to follow, made up of one or a combination of indexes available and/or certain models on the AE Wealth platform. AE Wealth then optimizes the account to a set of holdings where the weightings of those holdings generate the lowest tracking error to the benchmark given the client's annual capital gains budget (established in consultation with the client's Strategy Financial advisor and possibly their tax advisor). With AE Direct Flex, trades are not made unless there is still room within the annual capital gains budget and tracking error rises above acceptable limits. AE Direct Flex + Harvesting involves ongoing monitoring for potential tax-loss harvesting opportunities throughout the year. This can reduce net annual gains and losses, providing additional room to sell appreciated securities while staying with the net annual capital gains budget. AE Direct Flex tolerates a greater tracking error than AE Direct Flex + Harvesting but neither model will produce results identical to the index or indexes the models are tracking.

Direct Indexing Risk: Tracking risk (discussed above). Higher management fees apply to Direct Indexing in the form of per-account charges. This reduces returns over time. Direct Indexing typically leads to higher trading volume than would occur if the portfolio simply held an index ETF, for example, which could lead to increased trading costs.

Additional Risks of Mutual Funds and ETFs: Additional risks when investing in a mutual fund are investment company risk of the mutual fund itself and additional fees. Mutual funds are also subject to the risks of the underlying holdings, such as those described under Equity Risk and Fixed Income Risk.

ETF share prices may significantly fluctuate from their underlying net asset value leading to receiving more or less than the net asset value when those shares are sold; trading may be halted by (1) the activation of individual or market wide "circuit breakers" (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage), (2) if the shares are delisted without first being listed on another exchange, or (3) exchange officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors. ETFs are also subject to the risks of the underlying holdings, such as those described under Equity Risk and Fixed Income Risk.

To the extent that a mutual fund or ETF invests in foreign securities or debt securities, a fund would be subject to foreign exposure risk, currency risk, interest rate risk and credit risk. A fund may invest in derivative instruments that carry derivative instruments risk. A principal risk is the risk that the value of securities may decline. Although a mutual fund or ETF may be a diversified fund, it may invest in securities of a limited number of issuers to achieve a potentially greater investment return than a fund that invests in a larger number of issuers. As a result, price movements of a single issuer's securities will have a greater impact on this fund's net asset value causing it to fluctuate more than that of a more widely diversified fund. These and other risk considerations are discussed in a fund's prospectus. Past performance of investments is no guarantee of future results.

Mutual funds reserve the right to reject purchases or delay redemptions, sometimes after the “Purchase decision” is made. These rights may affect the Firm’s efforts to manage risk for the client. In addition, it is possible for the value of a mutual fund to fall (or to rise more slowly than the stock market as a whole) even when stock prices in general are rising. Risk is involved in fund selection as well as in the timing of trades. The number of mutual funds that allow for unrestricted trading is limited, and the selection of mutual funds in which the Firm can invest in accordance with its trading strategies is therefore limited to that extent. Mutual funds with which the Firm trades may underperform other mutual funds that have trading restrictions. On occasion, the Firm may purchase a mutual fund for client accounts that has a short-term redemption fee. If the Firm or the client sells that fund during the specified redemption period, the sale will result in a fee that is deducted directly from the client's account.

Where we believe it to be suitable for the client, and where the client has adequate liquidity from other investments, we may allocate some percentage of client assets to interval funds. Interval funds are closed-end mutual funds that don’t offer daily liquidity and have no history of public trading. Instead, the sponsor intends to offer to repurchase fund interests quarterly, at the then-current net asset value, but is not obligated to do so. Further, even if the sponsor makes a quarterly repurchase offer, there’s no guarantee that the client will be able to sell as many shares as the investor would like to sell. Accordingly, these should be considered long-term investments. These funds also may invest in underlying debt instruments that have varying degrees of risk, including use of non-investment grade securities, and non-performing loans. Further, the operating and management expenses of the funds may be higher than other income-focused funds. Those expenses are deducted directly from the fund’s value and must be paid before an investor receives any return.

If margin is used to purchase additional securities, the total value of account assets increases, as does the asset-based fee. In addition, the account is charged margin interest on the debit balance in the account. Notably, the increased asset-based fee presents a potential conflict since there may be an incentive for the Firm to implement the use of margin. Additionally, the use of margin increases leverage in an account and therefore increases overall risk.

## **ITEM 9: DISCIPLINARY INFORMATION**

Registered investment advisors such as Strategy Financial are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client’s or prospective client’s evaluation of Strategy Financial or the integrity of its management. We have nothing to disclose in response to this item.

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

### **Affiliations**

Calvin Goetz, the owner and Managing Member of Strategy Financial is an Arizona-licensed insurance agent and also owns Strategy Financial Insurance, LLC, (“Strategy Financial Insurance”) a licensed insurance agency. Clients should be aware that as an insurance agent he (as well as other insurance-licensed representatives associated with the Firm) earns typical and customary commissions for the sale of insurance products and this presents a conflict of interest.

Clients are never obligated to follow recommendations made or to purchase insurance products through their Strategy Financial representative.

Strategy Financial Insurance is the general agency for some of the insurance policies written by insurance producers associated with Strategy Financial. When serving as the general agent, Strategy Financial Insurance will receive some portion of the insurance commission, as will the individual agent associated with the insurance transaction. Clients are never obligated to follow the insurance recommendations of Strategy Financial IARs and are free to implement those recommendations through agents unaffiliated with Strategy Financial.

In all cases, when making insurance recommendations to advisory clients, we ensure that the recommendations are consistent with our fiduciary duty.

### **Selection of Other Advisors**

As discussed in Item 4 and Item 5, we use Sub-Advisors and their third-party platforms, including other managers who may be available through those platforms, to create portfolios. In the case of one of our Sub-Advisors, Mulholland, Strategy Financial client assets represent about 45% of Mulholland's own assets under management. Mulholland provides us with a number of back-office services, in addition to Sub-Advisor services. Strategy Financial is able to recommend the services of Fidelity as custodian due to Strategy Financial's relationship with Mulholland. Mulholland and its affiliates negotiated an attractive pricing arrangement that they then extended to those advisers using Mulholland as Sub-Advisor. It is unlikely that Strategy Financial would qualify for this pricing arrangement independent of the firm's relationship with Mulholland, and this fact creates an operational incentive for us to remain with Mulholland. See *Item 12: Brokerage Practices* for more information. Accordingly, our operations are dependent to some degree on our relationship with Mulholland and it would be burdensome to us to transfer most or all assets away from them. This dependence creates a conflict of interest to the extent we have an operational and administrative incentive to use Mulholland separate from the benefits we believe the relationship provides to our clients. We mitigate the conflict by disclosing it and by regularly reviewing both the quality and overall value of Mulholland's services to clients to ensure we satisfy our fiduciary duty to make decisions for clients that, at all times, serve their best interest, not our own.

Both Mulholland and AE Wealth, in addition to providing access to their sub-advisor platforms and the operational support provided through those platforms, also provide Strategy Financial with additional resources, including template marketing materials that we are able to employ as Strategy Financial-branded materials. These materials are available generally to advisers who use their platforms. We don't pay extra for these services, though we believe they will be useful to us in continuing to grow our client base. The receipt of these additional services at no cost provides an incentive to us to use these Sub-Advisors that is unrelated to the Sub-Advisors' investment advisory services. That creates a conflict of interest that we mitigate through disclosure, by the fact that we are not required to place any certain level of assets with the Sub-Advisors to obtain them, and by evaluating the value of the Sub-Advisors' services to ensure they are in the best interests of clients.

AE Wealth's affiliate, Advisors Excel, is an insurance marketing organization that provides us with marketing support and access to a large number of insurance carriers. They help us with

administrative and sales support, such as insurance illustrations and recommendations of the best policy to meet the needs of our clients. They also provide competitive commission payouts from insurance carriers we would not otherwise be able to access. Insurance commissions are standardized; our relationship with Advisors Excel (or any other FMO) does not result in higher commissions to the client. We also have a referral agreement with Advisors Excel that allows us to refer clients interested in Medicare policies or Medicare supplemental insurance to a licensed health care agent associated with Advisors Excel. Advisors Excel will pay Strategy Financial Insurance a portion of the standard commissions they earn as the result of the sale of a policy to a client we refer. As explained above, our clients are not required to purchase any insurance policy, whether recommended by us or by a company we refer you to.

No Sub-Advisors will be selected prior to confirming they are properly registered or exempt from registration as an investment advisor.

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

### **A. Code of Ethics Summary**

Strategy Financial has a fiduciary duty to act in the best interest of its clients. Our fiduciary duty compels all employees to act with integrity in all of their dealings. Because the Firm's investment professionals may transact in the same securities for their personal accounts as they buy or sell for client accounts, it is important to mitigate potential conflicts of interest. To that end, Strategy Financial has adopted personal securities transaction policies in the form of a Code of Ethics ("Code"). All Strategy Financial associated persons must follow Strategy Financial's Code which sets the standard of business conduct. Strategy Financial requires all of its employees to comply with applicable federal securities laws, and sets forth provisions regarding personal securities transactions to employees in its Code. Additionally, the Code sets forth Strategy Financial's policies and procedures with respect to material, non-public information and other confidential information, and the fiduciary duties that Strategy Financial and each of its employees has to each client. The Code is circulated at least annually to all employees, and each employee annually certifies in writing that they have received and understand the Code. Strategy Financial will provide a copy of the Code upon request.

### **B. Participation or Interest in Client Transactions**

Strategy Financial recognizes that the personal securities transactions of its members and employees demand the application of a high code of ethics, and Strategy Financial requires that all such transactions be carried out in a way that does not endanger the interest of the client. At the same time, Strategy Financial believes that if investment goals are similar for clients and for members or employees of Strategy Financial, it is logical and even desirable that there be common ownership of some securities. Therefore, in order to address conflicts of interest, Strategy Financial has adopted a set of procedures, included in the Code, with respect to transactions effected by its officers, managers, members, and employees for their personal accounts.



As indicated in Item 4 above, Strategy Financial places client assets into one of our sub-advised models. The sub-advisor processes all executions for client accounts. We do not directly execute any transactions for clients in the models. Our employees may also be included in one of the sub-advised models and will be traded together with client accounts. In situations where employees of Strategy Financial manage their own accounts, any executions are separate from executions processed by the sub-advisor – no employee has access to the sub-advised portfolio management system, essentially eliminating the possibility of trading in front of clients.

If the possibility of a conflict of interest occurs, the client's interest prevails. It is Strategy Financial's policy that priority will always be given to the client's order over the order of their employees. The CCO reviews employee trades quarterly.

Strategy Financial does not effect any principal or agency cross securities transactions for client accounts, nor does it effect cross-trades between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the transaction.

Strategy Financial does not recommend to clients, or buy/sell for client account, securities in which we or any related person has a material financial interest.  
We will provide a copy of our Code at no cost to current and prospective clients upon request.

## **ITEM 12: BROKERAGE PRACTICES**

### **A. Selection Criteria**

Currently, Strategy Financial recommends that clients establish accounts with an independent custodian, Fidelity Institutional® in order to maintain custody of client assets and effect transactions for their accounts. Fidelity Institutional® ("Fidelity") is a comprehensive service for investment professionals, including investment advisers such as Strategy Financial. Fidelity provides clearing, custody, and brokerage services through broker-dealer affiliates, National Financial Services LLC or Fidelity Brokerage Services LLC. Fidelity is unaffiliated with Strategy Financial. We periodically evaluate the commissions charged and the service provided by the custodian and compare those with other third-party independent custodians to evaluate whether overall best qualitative execution could be achieved by using alternative custodians. Other factors the Firm may consider when evaluating its choice of custodian include:

- Ability to trade securities and other investments that Strategy Financial determines suitable for a client's portfolio;
- Any existing custodial relationship between the client and the broker-dealer;
- Excellent customer service and interaction simplicity;
- Discount transaction rates, including no charge for most transactions executed on behalf of our clients;
- Research and other services available to both the client and Strategy Financial; and

- Reliability and financial stability.

Fidelity is our preferred custodian due to the firm's quality of services, competitive costs, and dedicated service team. In addition, Fidelity includes Redwood-advised mutual funds on its no-transaction fee lists. Because our portfolios engage in a significant number of transactions in Redwood-advised funds, it's important in assessing the overall value the custodian provides that transactions be executed at zero or low cost. ETFs (including those advised by Redwood) are subject to a transaction fee if the account is not enrolled in e-delivery of documents from Fidelity. We encourage all clients to enroll in e-delivery to achieve the lowest pricing available, as well as to provide better security concerning your confidential information. We are able to maintain a competitive, low-cost structure with Fidelity, though the assessment of overall value may change in the future if we cease using Mulholland as Sub-Advisor, or otherwise stop using Redwood-advised funds. Our relationship with Mulholland is the primary factor in our choosing to recommend Fidelity, and Mulholland extended its own pricing from Fidelity to us. Please see below for a detailed description of the services and benefits provided by Fidelity.

Fidelity's fees and charges are fully disclosed on the account application that each client will review and sign. Custodians typically assess other fees and charges, in addition to transaction fees that may apply, for services such as wire fees, retirement plan maintenance fees, transfer and termination fees, etc. Strategy Financial does not share in the fees Fidelity charges clients under Fidelity's custodial agreement.

Strategy Financial does not offer asset-based pricing and believes that Fidelity's transaction-based fee schedule, made available to use through our relationship with Mulholland, provides the best value to our clients given the types of trades executed in most circumstances.

## **1. Research and Other Soft Dollar Benefits**

Strategy Financial does not have any soft dollar agreements, in which the firm receives research or other benefits in connection with client securities transactions. Strategy Financial does, however, benefit from the services Fidelity provides. These services are generally available to all advisers using Fidelity's custody and execution platform, but are not typically available to retail investors. These services are not contingent on Strategy Financial executing any specific number of trades or maintaining a minimum asset level, though we have received Fidelity's pricing and services through our relationship with Mulholland and Redwood. We have not attempted to independently and directly price Fidelity services, but we believe that direct pricing would be higher given Strategy's size. The availability of more competitive custodial pricing through Mulholland provides another incentive for us to continue to use Mulholland as a Sub-Advisor.

As indicated in Item 4, Strategy Financial uses model portfolios that are managed by Mulholland and contain a significant portion of funds or ETFs advised by Mulholland's affiliate, Redwood. Mulholland and Redwood's soft dollar practices are described in their respective ADV Part 2 brochures. In selecting Mulholland as Sub-Advisor, we reviewed their soft dollar practices and believe they are consistent with both Strategy Financial and Mulholland's duty to seek best execution for clients, especially since trades are executed with the custodian and not directed to other brokers. Redwood, in trading on behalf of the Redwood-advised funds and ETFs, may "pay up" for execution in exchange for research and other designated soft-dollar services. The impact of trading costs is reflected in the expenses of the funds or ETFs, and is not a direct transaction

cost paid by any individual investor. We consider Redwood's expense ratios in continuing to use the services of Mulholland and in our use of model portfolios sub-advised by Mulholland.

## **2. Brokerage for Client Referrals**

Strategy Financial does not receive client referrals from any custodian or brokerage firm.

## **3. Directed Brokerage**

Our recommendation of Fidelity is a type of directed brokerage arrangement since Strategy Financial (and the Sub-Advisors we select) generally place all client trades with Fidelity for execution. Clients should understand that not all advisors require their clients to use the custodian for execution. Strategy Financial has recommended Fidelity to provide its clients with brokerage and custodial services because it believes Fidelity can provide overall best execution. To help ensure that clients are receiving best execution and to address the conflict of interest surrounding this arrangement, Strategy Financial performs periodic reviews of the quality of execution and services provided by Fidelity.

### **B. Aggregation of Orders**

As described above in Item 4. B., Strategy Financial has created model portfolios through a third party sub-advisory agreement. Strategy Financial does not usually execute any client transactions. However, if the situation were to arise and we were to execute transactions of behalf of clients, when it is advantageous to clients and can be accomplished efficiently, we will aggregate orders for a security for the accounts of multiple clients into a single transaction, often referred to as a "block" or "bunched" trade. In a block trade, each participating client receives a price that represents the average of the prices at which we executed all the transactions in that block. Our purpose with a block trade is to lower transaction costs and/or help clients achieve better execution. Accounts participating in a block trade share transactions costs on an equal and pro rata basis, unless a participating client has an agreement with the broker-dealer that specifically dictates the brokerage commissions and/or transaction fees that the client must pay. If the order is not completely filled, the securities purchased or sold are distributed among participating clients on a pro rata basis or in some other equitable manner. We will only aggregate orders and allocate trades among clients whose accounts are held in custody at the same broker-dealer and generally those clients managed by the same portfolio manager/investment advisor representative. We are not obligated to include any client account in a block trade. No client participating in a block trade will be favored over any other client that also participates in the same block trade.

### **Trade Errors**

Strategy Financial will promptly correct trade errors and will take steps necessary to avoid harm to the client and to otherwise make the client whole. If Strategy Financial is responsible for the error, the Firm will correct it and fully absorb any associated cost.

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

### **Financial Consulting Services**

For Strategy Financial's financial consulting services, reviews are conducted by the client's assigned IAR upon client request. Since the client's Financial Consulting Agreement with

Strategy Financial terminates upon delivery of the requested services, requests for new services, including reviews, are subject to a new client services agreement.

#### Investment Management Services

All accounts are continuously monitored by the IAR on the account: Calvin Goetz, Managing Member; David Riley, IAR; Clayton Netherlin, IAR; , Daniel Brown, IAR; Jeremy Kraut-Ordoover, IAR and Andrew Abysalh, IAR. Specific reviews are conducted quarterly and upon client request. Accounts are reviewed for consistency with the investment strategy and other parameters set forth for the account and to determine if any adjustments need to be made.

In addition to the periodic reviews described above, reviews may be triggered by changes in an account holder's personal, tax or financial status. Other events that may trigger a review of an account are material changes in market conditions as well as macroeconomic and company-specific events. Clients are encouraged to notify Strategy Financial and its advisory representatives of any changes in their personal financial situation that might affect their investment needs, objectives, or time horizon.

The custodian will provide a written confirmation to each client of each transaction. Each client can opt to receive trade confirmations and/or monthly statements electronically instead of U.S. mail. The custodian also provides a monthly/quarterly statement to each client, showing all current holdings and recent transactions. Additionally, clients can view their accounts online. Mutual fund families provide similar monthly/quarterly statements showing activity in the account. Clients should review the fees charged to their account to fully understand all fees charged. We encourage clients to sign up for electronic delivery of statements and trade confirmation to achieve the lowest possible pricing through Fidelity, and to provide additional security in the delivery of sensitive information.

Clients are encouraged to review their account statements received from the account custodian for accuracy and to compare them to any reports received from Strategy Financial.

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

#### **A. Economic Benefit Received by Strategy Financial from Non-Clients**

See *Item 10: Other Financial Industry Activities and Affiliations* for information on the operational and administrative benefits we receive from our Sub-Advisors.

#### **B. Compensation for Client Referrals**

Strategy Financial does not currently refer clients to third-party advisors for compensation. It does use Mulholland and AE Wealth as Sub-Advisors, but both Sub-Advisors assess their own separate fees, which are charged directly to clients. See Item 5, above, for additional information, as well as Item 10 for a discussion of the additional financial arrangements we have with Sub-Advisors.

Strategy Financial has a referral agreement with Advisors Excel, an affiliate of AE Wealth, that allows us to share in standard commissions that result from sales of insurance policies that are made as a result of our referral. See *Item 10: Other Financial Industry Activities and Affiliations*,

for more information. Clients are never required to accept our referrals or to purchase insurance policies recommended by Strategy Financial or other companies.

### **Other Compensation**

While there is no direct link between the investment advice given to a client and Strategy Financial's recommending Fidelity as their custodian, Strategy Financial receives certain indirect economic benefits due to this arrangement. These benefits are described in *Item 12: Brokerage Practices*.

## **ITEM 15: CUSTODY**

All client funds and securities are maintained with a qualified custodian; we don't take physical possession of client assets. Our clients will receive account statements directly from the custodian at least quarterly, which they should carefully review. We urge clients to carefully compare the custodian's account statements with the periodic statements and reports they receive from us and to notify us promptly of any discrepancies.

We have the ability to deduct our advisory fees directly from client accounts based on the Client's written authorization to do so, and this ability is technically considered "custody" but doesn't require separate reporting or surprise examinations. In addition, in some cases Clients provide us with standing letters of authorization ("SLOAs"). These are written directives from the client authorizing us to initiate payments from their custodial accounts to specified third parties. This authority is considered "custody" under current SEC guidance and requires us to report that we have custody over these account assets on our ADV 1A. To the extent the SLOAs comply with certain conditions, however, including that clients have the right to terminate the SLOA, and that the qualified custodian will confirm the status of the SLOA annually directly with the client, we are not subject to a surprise custody exam.

## **ITEM 16: INVESTMENT DISCRETION**

### **A. Discretionary Authority; Limitations**

All investment management services performed by Strategy Financial are provided on a discretionary basis. This authority is granted by the written Investment Advisory Agreement which allows the Firm to make the following determinations without obtaining the consent of the client before the transactions are effected:

- the selection and termination of third-party managers on the –Sub-Advisors' third-party platforms;
- the delegation of our discretionary authority to Sub-Advisors, who may use that authority to hire and fire other managers; and
- the type/amount of the securities to be bought or sold.

Such discretion is to be exercised in a manner consistent with Strategy Financial's strategies, including investment objective, time horizon, and risk appetite. In addition, Strategy Financial's authority to trade securities may be limited in certain circumstances by applicable legal and regulatory requirements. Clients are permitted to impose reasonable limitations on Strategy

Financial's discretionary authority, including restrictions on investing in certain securities or types of securities. All such limitations, restrictions, and investment guidelines must be provided to Strategy Financial in writing.

**B. Limited Power of Attorney**

By signing Strategy Financial's Investment Advisory Agreement, clients grant Strategy Financial a limited power of attorney to exercise discretionary authority with respect to investment transactions or selection or termination of Sub-Advisors involving the client's account.

**ITEM 17: VOTING CLIENT SECURITIES**

Strategy Financial's policy and practice is to not vote proxies on behalf of clients and therefore, will have no obligation or authority to take any action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held in a client's account. Custodians are directed to forward all shareholder-related materials to the owner of the account.

Strategy Financial will not be deemed to have proxy-voting authority solely as a result of providing advice or information about a particular proxy vote to a client, but clients may contact Strategy Financial at the number shown on the cover of this Brochure with questions concerning proxy solicitations. Strategy Financial typically does not advise or act for clients with respect to any legal matters, including bankruptcies and class actions, for the securities held in clients' accounts.

**ITEM 18: FINANCIAL INFORMATION**

Strategy Financial does not require or solicit prepayment of more than \$1,200.00 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. Strategy Financial does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients, and has not been the subject of a bankruptcy proceeding.