

**SYMPHONY FINANCIAL, LTD. CO.***a Registered Investment Adviser*

Symphony Financial, Ltd. Co., a Registered Investment Adviser  
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This brochure provides information about the qualifications and business practices of Symphony Financial, Ltd. Co. (hereinafter “Symphony” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at this telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2. Material Changes**

Since Symphony's last annual amendment filing on February 28, 2024, we have amended our total regulatory assets under management. See Item 4 below.

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## Item 4. Advisory Business

Symphony offers a variety of advisory services, which include Personal Choice Retirement Account self-directed retirement account management (PCRA), financial planning, consulting, and portfolio management services. Prior to Symphony rendering any of the foregoing advisory services, clients are required to enter one or more written agreements with Symphony setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

Symphony has been registered as an investment adviser since June 23, 2014, and is wholly owned by Wallace Carr Burgoyne, Jr. As of March 4, 2024, Symphony had \$860,973,427 in assets under management, all of which is managed on a discretionary basis.

While this brochure describes the business of Symphony, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on Symphony’s behalf and is subject to the Firm’s supervision or control.

### Financial Planning and Consulting Services

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Symphony may offer clients financial planning and consulting services, which may include any or all the following functions:

- Business Planning
- Cash Flow Forecasting
- Trust and Estate Planning
- Financial Reporting
- Investment Consulting
- Insurance Planning
- Retirement Planning
- Risk Management
- Charitable Giving
- Distribution Planning
- Tax Planning
- Manager Due Diligence

While each of these services is available on a stand-alone basis, they are typically rendered in conjunction with investment portfolio management as part of an investment management engagement (described in more detail below).

In performing these services, Symphony is not required to verify any information received from the client or from the client’s other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Symphony may recommend clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents or registered

representatives of a broker-dealer and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage Symphony or its affiliates to provide additional services for compensation. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Symphony under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Symphony's recommendations and/or services.

### **Investment Management Services**

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Symphony manages client investment portfolios on a discretionary basis. Investment management services may include a broad range of comprehensive financial planning, consulting services and portfolio management.

The Firm provides its portfolio management services through programs offered by LPL Financial Services LLC ("LPL Financial"), Fidelity Investments and Charles Schwab. All custodians are independently owned and operated, not affiliated with the Firm and provide non-wrap fee and wrap-fee programs. Please refer to Symphony's Part 2A Appendix 1 of Form ADV: Wrap Fee Program Brochure for a description of services and fees.

We may determine that it is appropriate to have some or all of your assets managed by a third party manager. Some of these managers offer asset management through wrap fee programs where transactional charges are covered by the asset management fee paid by the client. Please refer to the ADV Part 2A and/or Wrap Fee Brochure of the third party manager for a full description of services and associated fees.

A wrap fee program is an advisory program under which a specified fee not based directly upon transactions in a client's account is charged for the execution of client transactions and investment advisory services. From an investment management perspective, there is not a fundamental difference in the way Symphony manages wrap and non-wrap accounts. The only significant difference is whether the Firm or the client is responsible for securities brokerage commissions and transactions fees.

As part of its non-wrap fee portfolio management services, Symphony primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities and options in accordance with their stated investment objectives. In addition, Symphony may also recommend that certain eligible clients invest in privately placed securities, which may include debt, equity and/or interests in pooled investment vehicles (e.g., hedge funds).

Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios. Clients may engage Symphony to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Symphony directs or recommends the allocation of client assets among the various investment options available with the product. These assets are maintained at the underwriting insurance company or the custodian designated by the product's provider.

Symphony tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. Symphony consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify Symphony if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if Symphony determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

### **Self-Directed Retirement Account Management**

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Symphony self-directed retirement account management. Through this service Symphony will consult with the client to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. The advisor will then make recommendations regarding the products available to the sponsored program. If the Client chooses to engage Symphony to manage their account(s), the Client will execute an agreement which will allow the advisor on the account to log in and manage the Client's account(s).

### **ERISA 3(21) Fiduciary**

Both parties acknowledge that if the Account is subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA), the following provisions will apply:

- The Adviser acknowledges that it is a "fiduciary" with respect to the Client as that term is defined under Section 3(21)(A) of ERISA.
- The person signing this Agreement on behalf of the Client acknowledges its status as a "named fiduciary" with respect to the control and management of the assets held in the Account, and agrees to notify the Adviser promptly of any change in the identity of the named fiduciary with respect to the Account;
- The Adviser agrees to obtain and maintain an ERISA bond satisfying the requirements of Section 412 of ERISA and include The Adviser and its members, agents and employees among those insured under that bond unless provided by the Plan.

When delivering ERISA fiduciary services, we will perform those services for the retirement plan as a fiduciary and will act in good faith and with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances. In our capacity as a 3(21) plan fiduciary, we will conduct research to determine appropriate investment selections and allocations and to project potential ranges of returns and market values over various time periods and using various cash flows to assist the plan sponsor in determining the appropriate model(s) investment(s) for the retirement plan.

Under this arrangement the Adviser is appointed by the plan sponsor or trustee to determine a recommended lineup of investments to be included in the Plan. These recommendations are presented to the Plan Sponsor, who has the ultimate responsibility to accept or reject the recommendation. The Adviser will not have any further responsibility to communicate instructions to any third-party, including the custodian, and/or third-

party administrator. The Adviser will/will not communicate directly with the recordkeeper regarding administrative and recordkeeping matters arising under the Adviser's investment advisory agreement with the Plan Sponsor, or more generally about the recordkeeper's services to the Plan.

The Adviser will provide the Plan Sponsor with a sample investment policy statement. Each retirement Plan Sponsor should adopt a final investment policy statement ("IPS") which serves as a guide for the Adviser's investment advisory services. The Adviser offers the following 3(21) services:

- Plan design and asset selection consultation
- Develop and annually review Investment Policy Statement ("IPS")
- Develop investment menu according to the IPS
- Review plan sponsor's stated financial criteria for each investment option
- Monitor each investment option according to the IPS
- Quarterly portfolio statements, rate of return reports, asset allocation statements
- Provide investment research and performance information on investment options
- Investment option replacement guidance
- Personal consultations with the plan sponsor as necessary
- Develop Plan Investment Committee Charter, as needed
- Fiduciary due diligence assistance
- Attendance at Plan Committee and other meetings
- Annual Fiduciary Plan Review
- Fiduciary education services to Plan Committee
- Participant education, guidance, and enrollment
- Vendor coordination assistance
- Benchmarking services

The Adviser will conduct research to determine appropriate investment selections and allocations and to project potential ranges of returns and market values over various time periods and using various cash flows to assist the Plan Sponsor in determining the appropriate investment options for the retirement plan.

The data used to select the investment options is based on estimated, forward-looking performance of various asset classes and subclasses to create our forward-looking capital markets assumptions (e.g., expected return, expected standard deviation, correlation, etc.). Past performance and the return estimates

of the asset classes and the indices that correspond to these asset classes are not representative of actual future performance. Actual results could differ, based on various factors including the expenses associated with the management of the portfolio, the portfolio's securities versus the securities comprising the various indices and general market conditions. Before a specific investment is selected, other factors such as economic trends, which can influence the choice of investments and risk tolerance, should be considered. The Adviser has the responsibility and authority to recommend the investment line up including evaluating investment managers and mutual fund companies, individual mutual funds, and money market funds which will be retained or replaced. The Plan Sponsor has the responsibility and authority to make the final decision regarding what investments to include and when to add or exclude a specific security.

The Client confirms that any instructions that have been given to the Adviser with regard to the Account are consistent with the governing plan documents and investment policy statements of the plan.

Except as otherwise provided under ERISA the Adviser shall not be liable for any error of judgment or mistake of law or for any loss suffered by the Client in connection with the matters to which this Agreement relates except a loss resulting from the Adviser's breach of its fiduciary duty, negligence, misconduct or bad faith.

The Adviser is not (i) the "administrator" of the Plan as defined in § 3(16)(A) of ERISA or (ii) the "plan administrator" of the Plan as defined in Section 414(g) of the Internal Revenue Code of 1986, as amended (the "Code");

The Adviser is neither a law firm nor a public accounting firm and Adviser will not provide legal or accounting advice;

The Client acknowledges that the services covered by this Agreement are consultative, and give no investment authority ("discretion") or responsibility to the Adviser over any assets of the Plan or Participant regardless of how and where the assets are held. Throughout the term of this Agreement, the Plan or Participant retains full discretion to supervise, manage and direct the assets which are held with any affiliated or unaffiliated third-party.

The Adviser encourages plan sponsors to consult with other professional advisors since we do not provide tax or legal advice that may affect asset classes or allocations. The Adviser will apply any guidelines the client supplies, as directed, however, compliance with these restrictions or guidelines, is the client's responsibility.

Symphony Financial does not act as a discretionary investment manager of any Sponsored Plans as defined in Section 3(38) of the Employee Retirement Income Security Act of 1974.

## **Item 5. Fees and Compensation**

Symphony offers services on a fee basis, which may include fixed and/or hourly fees, as well as fees based upon assets under management and assets under advisement. Additionally, all of the Firm's Supervised Persons, in their individual capacities, may offer securities brokerage services and/or insurance products



under a separate commission-based arrangement.

### **Financial Planning and Consulting Fees**

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Symphony charges a fixed and/or hourly fee for providing financial planning and consulting services under a stand-alone engagement. These fees are negotiable, but range from \$1,000 to \$15,000 on a fixed fee basis and/or up to \$450 on an hourly basis, depending upon the scope and complexity of the services and the professional rendering the financial planning and/or consulting services.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement and Symphony generally requires one-half of the fee (estimated hourly or fixed) payable upon execution of the Advisory Agreement. The outstanding balance is due upon delivery of the financial plan or completion of the agreed upon services.

### **Investment Management Fees**

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Symphony offers investment management services and investment advisement services for an annual fee based on the amount of assets under the Firm's management. This management fee varies between 0 and 250 basis points (0.00% to 2.50%), depending upon the size and composition of a client's portfolio and the type of services rendered. The fee the client will pay will be disclosed within the advisory agreement.

The Account Fee is based on the value of assets in the account, including cash holdings, and is payable quarterly in advance. For purposes of calculating Account Fees, LPL calculates the fee rate using the number of days in the quarter, Charles Schwab uses 90 days in the quarter and the other custodians use the annual fee divided by 4. The account quarter will be based on the appropriate fee cycle. Fee cycles are as follows and will be based upon the date in which the client funds their account(s):

<b>Cycle 1</b>	<b>Cycle 2</b>	<b>Cycle 3</b>
January	February	March
April	May	June
July	August	September
October	November	December

The Account Fee is due at the beginning of the quarter following account inception and will include the prorated fee for the initial quarter in addition to the standard quarterly fee for the upcoming quarter. Subsequent Account Fee payments are due and will be assessed at the beginning of each quarter based on the account value as of the close of business on the last business day of the preceding quarter. All Additional deposits and withdrawals will be added or subtracted from portfolio assets on a prorated basis to adjust the Account Fee at LPL and Aspire, while Schwab and Fidelity accounts are not adjusted for auto-deposits and payroll deductions. Additionally, the Firm will consider householding client assets when appropriate.

In the event the Advisory Agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding portion of the fee is charged to the client, as appropriate.

As mentioned above, certain advisors act as ERISA 3(21) fiduciaries. In this capacity, the Firm offers investment advisement services for an annual fee based on the amount of assets under the Firm's management. This management fee varies between 0 and 250 basis points (0.00% - 2.50%) and is stated within the Agreement.

The Account Fee is based on the daily average balance of assets in the account, including cash holdings, and is payable quarterly in arrears. For the purpose of calculating Account Fees, the administrator (TPA) calculates the fee rate using the number of days in the quarter.

### **Self-Directed Retirement Account Management**

Symphony offers Personal Choice Retirement Account self-directed retirement account management services for an annual fee based on the amount of assets under the Firm's management. This management fee varies between 0 and 250 basis points (0.00% - 2.50%), depending upon the size and composition of a client's portfolio and the type of services rendered.

The Account Fee is based on the value of assets in the account, including cash holdings, and is payable quarterly in advance. For purposes of calculating Account Fees, the account quarter will be based on the appropriate fee cycle. Fee cycles are as follows and will be based upon the date in which the client funds their account(s):

<b>Cycle 1</b>	<b>Cycle 2</b>	<b>Cycle 3</b>
January	February	March
April	May	June
July	August	September
October	November	December

The Account Fee is due at the beginning of the quarter following account inception and will include the prorated fee for the initial quarter in addition to the standard quarterly fee for the upcoming quarter. Subsequent Account Fee payments are due and will be assessed at the beginning of each quarter based on the account value as of the close of business on the last business day of the preceding quarter. Additional deposits and withdrawals will be added or subtracted from portfolio assets on a prorated basis to adjust the Account Fee.

In the event the Advisory Agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding portion of the fee is charged to the client, as appropriate.

We may determine that it is appropriate to have some or all of your assets managed by a third party manager. Some of these managers offer asset management through wrap fee programs where transactional charges

are covered by the asset management fee paid by the client. Please refer to the ADV Part 2A and/or Wrap Fee Brochure of the third party manager for a full description of services and associated fees.

### **Fee Payment Authorization**

If the Client has indicated on this agreement that Symphony will have fee payment authority over all accounts of the Client, the Client authorizes the custodian to pay annual account fee, per the agreed upon fee rate above, and related fees from the Client's account(s) to Symphony in the amount of their instruction. The Client has authorized Symphony in writing to receive fee payments directly from the Client's account(s). Schwab may rely on the instructions submitted by Symphony, and will have no responsibility to confirm those instructions with the Client or verify the fees. Schwab may redeem money market fund shares in the Client's account(s) to the extent necessary to pay these fees. Symphony's fees debited from the Client's account(s) will appear on the Client's Schwab statements, which will be issued at least quarterly.

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### **PayPal**

Under certain circumstances the Adviser will allow the client to submit payment via PayPal. In this situation we will submit an invoice to the client's address of record or via electronic mail and the client will submit payment via PayPal link accessible from the electronic invoice or our website; <http://www.4-sf.com/>. Fees are due and payable upon receipt of our invoice.

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### **Fee Discretion**

Symphony may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

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### **Additional Fees and Expenses**

In addition to the advisory fees paid to Symphony, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions, including those recommended by the Firm (collectively "Financial Institutions"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, reporting charges, fees charged by the Independent Managers, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (*e.g.*, fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12, below.

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### **Direct Fee Debit**

Clients provide Symphony and/or certain Independent Managers with the authority to directly debit their

accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Symphony. Alternatively, clients may elect to have Symphony send a separate invoice for direct payment.

### **Use of Margin**

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Symphony may be authorized to use margin in the management of the client's investment portfolio. In these cases, the fee payable will be assessed net of margin such that the market value of the client's account and corresponding fee payable by the client to Symphony will not be increased.

### **Account Additions and Withdrawals**

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Clients may make additions to and withdrawals from their account at any time, subject to Symphony's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client's account. Clients may withdraw account assets on notice to Symphony, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives.

Symphony may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

### **Commissions and Sales Charges for Recommendations of Securities**

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Clients can engage certain persons associated with Symphony to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with Symphony.

Under this arrangement, the Firm's Supervised Persons, in their individual capacities as registered representatives of LPL Financial, may provide securities brokerage services and implement securities transactions under a separate commission based arrangement. Supervised Persons may be entitled to a portion of the brokerage commissions paid to LPL Financial, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. Symphony may also recommend no-load or load-waived funds, where no sales charges are assessed. Prior to effecting any transactions, clients are required to enter into a separate account agreement with LPL Financial.

A conflict of interest exists to the extent that Symphony recommends the purchase or sale of securities where its Supervised Persons receive commissions or other additional compensation as a result of the Firm's recommendation. The Firm has procedures in place to ensure that any recommendations made by such

Supervised Persons are in the best interest of clients. For certain accounts covered by the Employee Retirement Income Security Act of 1974 (“ERISA”) and such others that Symphony, in its sole discretion, deems appropriate, Symphony may provide its investment advisory services on a fee-offset basis. In this scenario, Symphony may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by the Firm’s Supervised Persons in their individual capacities as registered representatives of LPL Financial.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

Symphony does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client’s assets).

## **Item 7. Types of Clients**

Symphony offers services to individuals, trusts, estates, charitable organizations, corporations and business entities.

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

### **Methods of Analysis**

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Symphony primarily utilizes a combination of fundamental and technical methods of analysis. Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For Symphony, this process typically involves an analysis of an issuer’s management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm’s model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Symphony will be able to accurately predict such a reoccurrence.

### **Investment Strategies**

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The Firm generally uses a long-term investment philosophy to provide individual advice based on each

client's risk tolerance. Symphony reviews its clients' long-term and short-term financial needs and objectives, and risk tolerance or risk-aversion. Investment recommendations are based on information provided to the Firm by its clients, including information gathered in response to Firm questionnaires and personal discussions with the clients. The Firm designs each client's investment strategy based on a thorough evaluation of the individual goals and objectives of each client. After analyzing a client's financial situation and understanding the client's individual investment objectives. On a continuous basis, the Firm implements and monitors each aspect of the strategy.

## **Risk of Loss**

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### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Symphony's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that Symphony will be able to predict those price movements accurately or capitalize on any such assumptions.

### *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholder's fees (*e.g.*, sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. ETF shares trade at or near their most recent NAV, which is calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### *Use of Independent Managers*

As stated above, Symphony may select certain Independent Managers to manage a portion of its clients' assets. In these situations, Symphony continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, Symphony may not have the ability to supervise the Independent Managers on a day-to-day basis. Independent Managers are not required to be held at LPL Financial, but are limited to those managers approved by LPL Financial.

#### *Use of Private Collective Investment Vehicles*

Symphony recommends that certain clients invest in privately placed collective investment vehicles (*e.g.*, hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

#### *Options*

Options allow investors to buy or sell a security at a contracted "strike" price at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (*i.e.*, limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

#### *Use of Margin*

While the use of margin borrowing can substantially improve returns, it may also increase overall portfolio risk. Margin transactions are effected using capital borrowed from a Financial Institution, which is secured by a client's holdings. Under certain circumstances, a lending Financial Institution may demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the Financial Institution may liquidate account assets to satisfy the client's outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of a client's borrowings and the corresponding interest rates may have a significant effect on the profitability and stability of a client's portfolio.

### **Item 9. Disciplinary Information**

Symphony has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.



## **Item 10. Other Financial Industry Activities and Affiliations**

### **Registered Representatives of a Broker/Dealer**

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All of the Firm's Supervised Persons are registered representatives of LPL Financial and may provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length in Item 5.

### **Licensed Insurance Agents**

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A number of the Firm's Supervised Persons are licensed insurance agents and may offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that Symphony recommends the purchase of insurance products where its Supervised Persons may be entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interests regardless of any such affiliations.

### **Fees from Independent Managers**

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As discussed above, Symphony recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain Independent Managers. The Firm's compensation is included in the advisory fee calculated by the custodian. The fee charged by the custodian is then paid out, according to scale, a portion to the Firm and a set portion to the Independent Manager. There may be a conflict of interest in choosing such Independent Managers; however, Symphony evaluates Independent Managers objectively and not based on the amount of compensation it may receive from a fee.

## **Item 11. Code of Ethics**

Symphony 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. Symphony'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 by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Symphony's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been 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. Therefore, under limited circumstances, exceptions may be made to the policies stated below.



When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact Symphony to request a copy of its Code of Ethics.

### **ERISA Conflicts of Interest**

We act in a fiduciary capacity as required by SEC and state Regulations. If a conflict of interest arises between us and you, we shall make every effort to resolve the conflict in your favor. Conflicts of interest may also arise in the allocation of investment opportunities among the accounts that we advise. We will seek to allocate investment opportunities according to what we believe is appropriate for each account. We also adhere to the fiduciary standards of ERISA for all ERISA accounts. We adhere to the Impartial Conduct Standards which includes the "best interest" standard, reasonable compensation and no misrepresentation of information. We have policies and procedures in place to monitor our adherence to our fiduciary obligation. We strive to do what is in the best interests of all the accounts we advise.

## **Item 12. Brokerage Practices**

### **Recommendation of Broker/Dealers for Client Transactions**

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Symphony is approved to utilize the custody, brokerage and clearing services of LPL Financial, Charles Schwab or Fidelity Investments ("Custodians") for investment management accounts. However, the Firm will generally recommend that clients custody at LPL Financial, while Schwab and Fidelity are primarily used on an exception basis. Hybrid advisers of the Firm must apply for an LPL exception to custody off the platform, and when approved are limited to using no more than ~~prohibited from exceeding~~ 20% of their total assets with an outside custodian.

Factors which Symphony considers in recommending the custodians to clients include their respective financial strength, reputation, execution, pricing, research and service. The Custodians may enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by the Custodians may be higher or lower than those charged by other Financial Institutions.

The commissions paid by Symphony's clients to the Custodians comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where Symphony determines that the commissions are 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 Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. Symphony seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Certain IARs of the Firm have received money from LPL, in the form of forgivable loans. This creates a conflict, as those IARs will only have the funds forgiven if they remain with LPL for a specified number of years.

The Firm has a financial conflict of interest with Fidelity. Fidelity charges the Firm a platform fee per quarter if assets fall under \$15 million. This gives the Firm an incentive to avoid this fee by recommending to, or maintaining existing clients at Fidelity.

Symphony periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution. The Firm has significant ties to LPL Financial that serves as a barrier to the Firm switching custodians and can create bias in the Firm's analysis of best execution.

### **Software and Support Provided by Financial Institutions**

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Symphony receives without cost from the Custodians certain computer software and related systems support, which allow Symphony to better monitor client accounts maintained at the Custodians. Symphony receives the software and related support without cost because the Firm renders investment management services to clients that maintain assets at the Custodians. The software and support are not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support benefit Symphony, but not its clients directly. In fulfilling its duties to its clients, Symphony endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Symphony's receipt of economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker/dealer over another that does not furnish similar software, systems support or services. While all three custodians provide benefits and support, the level provided by LPL is significant and a majority of the firm's operations occur on LPL systems.

Specifically, Symphony and/or certain of its advisers may receive the following benefits from LPL:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts;

- Access to an electronic communication network for client order entry and account information;
- Travel, meals, entertainment, and admission to educational or due diligence programs, which may include ‘Club Level Benefits’ for some advisers based upon their IA or BD business. While the Firm may not be aware of the value of the benefits, they do create an incentive to favor LPL and therefore a conflict of interest; and
- Marketing support including sponsorship of client events.
- LPL provides significant integrations for the Firm in the form of background checks and staff screening, email archiving, social media surveillance, document storage and suitability screening, platform usage, outside business activity review.

### **Directed Brokerage**

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Although we do not allow directed brokerage, the client may direct Symphony in writing to use one of our vendor approved Financial Institutions to execute some or all transactions for the client.

### **Commissions or Sales Charges for Recommendations of Securities**

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As discussed above, certain Supervised Persons in their respective individual capacities are registered representatives of LPL Financial. These Supervised Persons are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless LPL Financial provides written consent. Therefore, clients are advised that certain Supervised Persons may be restricted to conducting securities transactions through LPL Financial if they have not secured written consent from LPL Financial to execute securities transactions through a different broker-dealer. Absent such written consent or separation from LPL Financial, these Supervised Persons are prohibited from executing securities transactions through any broker-dealer other than LPL Financial under its internal supervisory policies. The Firm is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

### **Trade Aggregation**

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Transactions for each client generally will be effected independently, unless Symphony decides to purchase or sell the same securities for several clients at approximately the same time. Symphony may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm’s clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among Symphony’s clients pro rata to the purchase and sale orders placed for each client on any given day. It is not our policy to aggregate client trades with Supervised Person’s trades. In the event this does occur, the Firm does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Symphony does not receive any additional compensation or remuneration as a result of the aggregation.

The firm will generally execute trades first at the custodian with the largest planned trading volume. This creates a conflict, as trades will be executed at LPL Financial before accounts of clients at Fidelity or Schwab. This allocation method has the potential to negatively impact clients of Fidelity and Schwab. Symphony will monitor this process and work to ensure all client accounts receive the best execution available at the time of the trade.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de Minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

## **Privacy**

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As discussed previously, certain associated persons of the Symphony are registered representatives of LPL Financial. As a result of this relationship, LPL Financial may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about Symphony's clients, even if client does not establish any account through LPL. If you would like a copy of the LPL Financial privacy policy, please contact Amber Walker at (281) 272-6803.

## **Item 13. Review of Accounts**

### **Account Reviews**

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Symphony monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by the Firm's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Symphony and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### **Account Statements and Reports**

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from Symphony and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from Symphony or an outside service provider.

## **Item 14. Client Referrals and Other Compensation**

### **Client Referrals**

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In the event a client is introduced to Symphony by either an unaffiliated or an affiliated endorser, the Firm may pay that endorser a referral fee in accordance with all applicable Rules and Regulations. Unless otherwise disclosed, any such referral fee is paid solely from Symphony's investment management fee and does not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated endorser, the endorser is required to provide the client with Symphony's written brochure(s) and disclosure statement containing the terms and conditions of the arrangement. Any affiliated endorser of Symphony is an employee and is required to disclose the nature of his or her relationship to prospective clients at the time of the referral and will provide all prospective clients with a copy of the Firm's written brochure(s) at the time of the referral. All employee endorsers have an exclusive independent contract with our Firm and may not provide endorsement services to other financial firms.

## **Item 15. Custody**

The Advisory Agreement and/or the separate agreement with any Financial Institution authorize Symphony and/or the Independent Managers to debit client accounts for payment of the Firm's fees and to directly

remit that those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Symphony.

## **Item 16. Investment Discretion**

Symphony manages client accounts on both a discretionary and non-discretionary basis. Symphony is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. Symphony is given this authority through a power-of-attorney included in the Advisory Agreement between Symphony and the client.

Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Symphony takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The Independent Managers to be hired or fired.

## **Item 17. Voting Client Securities**

### **Declination of Proxy Voting Authority**

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Symphony does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

## **Item 18. Financial Information**

Symphony is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and

- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.