

Item 1: Cover Page

**AIFG Consultants, LTD
d/b/a
Simmons Capital Group
Simmons Advisory Group**

**Form ADV Part 2A
Investment Adviser Brochure**

139 Meyer Road
Halfmoon, NY 12065
(518) 406-5624

www.simmonscapitalgroup.com

March 2024

This Brochure provides information about the qualifications and business practices of Simmons Capital Group (“we,” “us,” “our”). If you have any questions about the contents of this Brochure, please contact Audra K. Higgins, Partner, Chief Operating Officer and Chief Compliance Officer at (518) 406-5624 or ahiggins@simmonscapitalgroup.com.

Additional information about our Firm is also available on the SEC’s website at www.adviserinfo.sec.gov. 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.

We are a registered investment adviser. Please note that use of the term “registered investment advisor” and a description of the Firm and/or our employees as “registered” does not imply a certain level of skill or training. For more information on the qualifications of the Firm and our employees who advise you, we encourage you to review this Brochure and the Brochure Supplement(s).

Item 2: Material Changes

Annual Update

In this Item of Simmons Capital Group's (the Firm, we, us, our, etc.) Form ADV Part 2A Brochure, the Firm is required to discuss any material changes that have been made since the Firm's last Annual Amendment filing.

Material Changes since the Last Update

Since our last Annual Amendment filing on March 30, 2023, the Firm has the below Material Changes to report:

- This Form has been amended to update our Investment Management and Financial Planning Services. Please see Item 4: Advisory Services for more information;
- This Form has been amended to update our fee schedule. Please see Item 5: Fees and Compensation for more information; and
- This Form was updated to clarify that we do not vote proxies on behalf of clients. Please see Item 17 (Voting Client Securities).

Full Brochure Available

The Firm's Form ADV may be requested at any time, without charge by contacting Audra K. Higgins, Partner, Chief Operating Officer and Chief Compliance Officer at (518) 406-5624 or ahiggins@simmonscapitalgroup.com.

Additional information about our Firm is also available on the SEC's website at www.adviserinfo.sec.gov. 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.

Item 3: Table of Contents

Item 1: Cover Page	1
Item 2: Material Changes.....	2
Item 4: Advisory Business	4
Item 5: Fees and Compensation	8
Item 6: Performance-Based Fees and Side-by-Side Management	13
Item 7: Types of Clients.....	14
Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss	15
Item 9: Disciplinary Information	17
Item 10: Other Financial Industry Activities and Affiliations	18
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .	20
Item 12: Brokerage Practices	22
Item 13: Review of Accounts	25
Item 14: Client Referrals and Other Compensation	26
Item 15: Custody	27
Item 16: Investment Discretion	28
Item 17: Voting Client Securities	29
Item 18: Financial Information	30

Item 4: Advisory Business

Firm Description

Simmons Capital Group (Simmons Capital, we, our, or the Firm) is an investment adviser. Simmons Capital Group also operates under the dba Simmons Advisory Group. Simmons Capital provides discretionary investment advisory and financial planning services to our clients. The Firm was founded in 2015. Donald E. Simmons, Founder, Principal and Executive Director is the majority owner of Simmons Capital Group.

Investment Advisory Services

Simmons Capital provides investment advisory services on a discretionary basis based on the individual needs of our clients as set forth in the executed Investment Advisory Agreement (the Agreement) entered into between the parties. This discretionary authority includes both asset allocation and security selection. In large majority, client assets will be invested in readily marketable stocks, bonds, exchange-traded funds and notes, options, and mutual funds. We may also provide advice on alternative investments, REITs and BDCs, or on any other type of investment that we deem appropriate based on the client's stated goals and objectives. Client assets will be held by an independent custodian, which will employ controls to protect client assets.

We offer a tiered service model, determined by your annual fee, as calculated based on your assets that we manage. All clients receive the following base services:

- Annual meetings and performance reviews;
- Financial Plan/Cash Flow analysis updates every 2 years;
- Investment model asset rebalancing a minimum of three times a year;
- Life & Disability Insurance planning and policy review;
- Long-term Care planning and policy support;
- Annual Medicare Education, Enrollment and Servicing plan review;
- Annual Beneficiary Review and maintenance;
- Access to all webinars/videos and educational offerings;
- Client performance & reporting portal with Black Diamond; and
- Pontera platform for management of employer retirement plan assets.

Additional add-on services are also available for an hourly fee.

Clients with an annual fee of \$5,000 or more will have access to a number of premium services, to be outlined in their client agreement.

We may, upon client request, provide our clients advice on taxes, insurance, and/or estate matters, but in such matters, we suggest our clients to also consult with their accountants/tax professionals, insurance professionals, estate attorneys, or other relevant experts.

Financial Planning Services

Simmons Capital engages in broad-based financial planning services for a fee. Financial planning will typically involve providing a variety of services to clients regarding the management of their financial resources based upon an analysis of their individual needs. Financial planning services may encompass such areas as income tax planning, retirement planning, capital needs planning, asset allocation strategies, business successions transfer, estate planning, insurance/risk management and employee benefits analysis.

Each client who wishes to receive advice on financial planning will enter into a written Financial Planning Agreement with the Firm and provide us with their financial status, investment objectives, risk tolerance and tax status, among other things. This is a one-time engagement that terminates upon delivery of the Financial Plan to the client. The client may choose what, if any, advice they will implement from the Financial Plan.

Retirement Plans

Simmons Capital will provide consulting services to qualified retirement plans and their fiduciaries based upon an analysis of the needs of the plan. In general, these services may include an existing plan review, assistance in the development of a retirement plan, evaluation of retirement plan vendors, asset allocation advice, communication and education services to plan participants, investment performance monitoring, and/or ongoing consulting.

Sponsor and Manager of Wrap Program

Simmons Capital is the sponsor and manager of the Simmons Capital Group Wrap Program (the Program), a wrap fee program. In the event the client participates in the Program, the Firm shall provide its investment management services and arrange for brokerage transactions under a single annual advisory fee for both advisory services and execution of transactions. Clients in the Program do not pay brokerage commissions, markups or transaction charges for execution of transactions in addition to the advisory fee. The advisory fee is negotiable between the client and Simmons Capital and is set out in the advisory agreement. The advisory fee is a percentage based on the value of all assets in the account, including cash holdings clients should be aware that when we recommend the Program to the client, the Firm will receive compensation as a result of the client's participation in the Program. The amount of this compensation may be more or less than what Simmons Capital would receive if the client participated in other broker-dealer programs, programs of other investment advisors or paid separately for investment advice, brokerage and other client services. Therefore, Simmons Capital may have a financial incentive to recommend a Program account over other programs and services.

The investment products available to be purchased in the Program can be purchased by clients outside of a Program account, through broker-dealers or other investment firms not affiliated with Simmons Capital.

A complete description of the Program's terms and conditions (including fees) are contained in the Program's wrap fee brochure (See Form ADV Part 2A Appendix 1). There are no material differences between the Simmons Capital managed wrap accounts and other accounts. The

wrap relationship exists primarily because of the preference of some clients to not be subject to separate transaction charges.

Co-Managed Accounts

Simmons Capital has entered into a co-management agreement with Steward Advisors Group, LLC (“Steward”) for certain Steward accounts. Simmons Capital is generally responsible for the initial account onboarding, as well as day-to-day management of certain assets directed to it for management by Steward in accordance with asset allocations models developed and provided by Steward. In such co-managed engagements, Steward is responsible for overall management of the applicable Clients’ Assets consistent with one or more of its asset allocation strategy(ies). For a description of Steward’s duties and responsibilities, please see Steward’s Form ADV 2A Brochure. Also see disclosure in Item 10: Other Financial Industry Activities and Affiliations about the affiliation between Simmons Capital and Steward.

Tailoring Your Account to Your Objectives

Client accounts will be managed on the basis of the guidelines and restrictions set forth in the Agreement.

We encourage clients to provide us with their expectations and to consider their overall financial situations, future financial objectives, risk tolerances, time horizons, and investment objectives. We also discuss with our clients their financial needs in order for them to develop the appropriate guidelines and restrictions on their account and for us to ensure the suitability of each client’s investments in order to honor their investment needs. It is our practice to tailor our investment advisory services to the individual needs of our clients.

Clients may impose reasonable restrictions on the types of investments for their account and will maintain ownership of all securities in their account. In order to stay within the parameters of a client’s guidelines, we advise them to notify us of any changes in their financial situation that may require a change to their investment objectives.

Fiduciary Statement

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act, (“ERISA”) and/or the Internal Revenue Code, (“IRC”), as applicable, which are laws governing retirement accounts.

We have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. We must take into consideration each client’s objectives and act in the best interests of the client. We are prohibited from engaging in any activity that is in conflict with the interests of the client. We have the following responsibilities when working with a client:

- To render impartial advice;

- To make appropriate recommendations based on the client's needs, financial circumstances, and investment objectives;
- To exercise a high degree of care and diligence to ensure that information is presented in an accurate manner and not in a way to mislead;
- To have a reasonable basis, information, and understanding of the facts in order to provide appropriate recommendations and representations;
- Disclose any material conflict of interest in writing; and
- Treat clients fairly and equitably.

Regulations prohibit us from:

- Employing any device, scheme, or artifice to defraud a client;
- Making any untrue statement of a material fact to a client or omitting to state a material fact when communicating with a client;
- Engaging in any act, practice, or course of business which operates or would operate as fraud or deceit upon a client; or
- Engaging in any manipulative act or practice with a client.

We will act with competence, dignity, integrity, and in an ethical manner, when working with clients. We will use reasonable care and exercise independent professional judgement when conducting investment analysis, making investment recommendations, trading, promoting our services, and engaging in other professional activities.

Assets Under Management

As of January 29, 2024, Simmons Capital manages \$211,495,597 in assets under management. All assets are managed on a discretionary basis.

Item 5: Fees and Compensation

Investment Advisory Services – Fees

Our annual fees for investment advisory services are as follows:

Assets Under Management	Annual Fee
Up to \$249,999	1.50%
\$250,000 to \$499,999	1.25%
\$500,000 to \$1,499,000	1.00%
\$1,500,000 to 2,999,000	0.85%
\$3,000,000 and above	Negotiable

Clients will be invoiced in arrears at the beginning of each calendar quarter based upon average daily balance.

We have a minimum annual fee of \$2,500. Clients that do not achieve our minimum fee, as calculated based on their assets under management, will be charged a consulting fee equal to the difference between their calculated fee and our \$2,500 minimum fee, to be divided into four quarterly payments in arrears. For clients who are charged a consulting fee, their portfolios will be assessed each January to determine if the consulting fee can be eliminated.

For projects outside the scope of or in addition to the investment advisory fees defined above, a standard hourly rate of \$200 - \$300 per hour will be assessed. These consulting fees will be charged to either a defined Pershing account or ACH from a personal bank account.

Investment Advisory Services – Custody Fees

As disclosed below at Item 12 - Brokerage Practices, we recommend that clients use the brokerage services of Pershing LLC (Pershing). Therefore, if a client is not using the Simmons Capital Group Wrap Program in addition to our fees, the client will be required to pay underlying fees and charges assessed by Pershing, including brokerage and other transaction costs. Pershing may also receive an administrative fee from certain money-market mutual funds; if this is the case, it should be disclosed in Pershing's agreement with the client.

If a client is using the Simmons Capital Group Wrap Program, then custodian fees are included in the wrap program. The client bears responsibility for verifying the accuracy of Pershing fees and charges. Please refer to Item 12 - Brokerage Practices.

Investment Advisory Services – Compensation for the Purchase or Sale of Securities

The Firm is compensated solely through investment advisory and financial planning fees paid by the client. We are not compensated on any sales, service, or administrative fees for the sale of any securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds. However, one of our Investment Advisor Representatives is a Registered Representative of Purshe Kaplan Sterling Investments (PKS) and, as such, is

compensated for services provided in a brokerage capacity for securities transactions that are effected for our client's non-advisory accounts through PKS. See Item 10 - Other Financial Industry Activities and Affiliations.

Commission or Sales Charges for Recommendations of Securities

As noted above, our clients may engage a Registered Representative with PKS, who is also an Investment Adviser Representative (IAR) of Simmons Capital Group to render securities brokerage services under a commission arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with us. Brokerage commissions may be charged by PKS to affect these securities transactions and thereafter, a portion of these commissions may be paid by PKS to this Registered Representative. Prior to effecting any transactions, the client will be required to enter into a new account agreement with PKS. The brokerage commissions charged by PKS may be higher or lower than those charged by other broker-dealers. In addition, this Registered Representative may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment.

While Simmons Capital Group does not sell such securities products to our investment advisory clients, one of our Investment Advisory Representatives (IARs), in their individual capacity as a Registered Representative of PKS, is permitted to sell securities products to our investment advisory clients. A conflict of interest exists to the extent that the IAR, who is also a Registered Representative of PKS recommends the purchase of securities where they receive commissions or other additional compensation as a result of such recommendations. The Firm has procedures in place to ensure that any recommendations made by this IAR are in the best interest of clients regardless of any additional compensation earned.

Financial Planning – Fees

Financial Planning and Consulting fees will be charged as a flat fee ranging from \$1,200 - \$7,500, depending on the estimated time to develop a plan, the scope of the generated financial plan, and the nature and complexity of each client's circumstances.

An estimate of fees will be provided to the client prior to the engagement. An initial deposit equal to one-half of the agreed upon fee is payable at the time of entering into an agreement, with the remaining balance due upon presentation of a completed plan to the client. In no case will more than \$1,200 be collected from the client more than 6 months in advance.

Retirement Plans – Fees

Our annual fees for retirement plans services ranges from 0.50% to 1.00%. Clients will be invoiced in arrears at the beginning of each calendar quarter based upon average daily balance.

Agreement Terms

Either the client or the Firm may terminate an agreement at any time by notification in writing. If the client made an advance payment, the Firm would refund any unearned portion of the

advance payment. Upon termination of any account, any earned, unpaid fees will be due and payable.

Cash Balances

Some of your assets may be held as cash and remain uninvested. Holding a portion of your assets in cash and cash alternatives, i.e., money market fund shares, may be based on your desire to have an allocation to cash as an asset class, to support a phased market entrance strategy, to facilitate transaction execution, to have available funds for withdrawal needs or to pay fees or to provide for asset protection during periods of volatile market conditions. Your cash and cash equivalents will be subject to our investment advisory fees unless otherwise agreed upon. You may experience negative performance on the cash portion of your portfolio if the investment advisory fees charged are higher than the returns you receive from your cash.

Retirement Plan Rollover Recommendations

As part of our investment advisory services to our clients, we may recommend that clients roll assets from their employer's retirement plan, such as a 401(k), 457, or ERISA 403(b) account (collectively, a "Plan Account"), to an individual retirement account, such as a SIMPLE IRA, SEP IRA, Traditional IRA, or Roth IRA (collectively, an "IRA Account") that we will advise on the client's behalf. We may also recommend rollovers from IRA Accounts to Plan Accounts, from Plan Accounts to Plan Accounts, and from IRA Accounts to IRA Accounts.

If the client elects to roll the assets to an IRA that is subject to our advisement, we will charge the client an asset-based fee as set forth in the advisory agreement the client executed with our firm. This creates a conflict of interest because it creates a financial incentive for our firm to recommend the rollover to the client (i.e., receipt of additional fee-based compensation). Clients are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if clients do complete the rollover, clients are under no obligation to have the assets in an IRA advised on by our firm. Due to the foregoing conflict of interest, when we make rollover recommendations, we operate under a special rule that requires us to act in our clients' best interests and not put our interests ahead of our clients.'

Under this special rule's provisions, we must:

- meet a professional standard of care when making investment recommendations (give prudent advice);
- never put our financial interests ahead of our clients' when making recommendations (give loyal advice);
- avoid misleading statements about conflicts of interest, fees, and investments;
- follow policies and procedures designed to ensure that we give advice that is in our clients' best interests;
- charge no more than a reasonable fee for our services; and
- give clients basic information about conflicts of interest.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, clients should consider the costs and benefits of a rollover. Note that an employee will typically have four options in this situation:

1. leaving the funds in the employer's (former employer's) plan;
2. moving the funds to a new employer's retirement plan;
3. cashing out and taking a taxable distribution from the plan; or
4. rolling the funds into an IRA rollover account.

Each of these options has positives and negatives. Because of that, along with the importance of understanding the differences between these types of accounts, we will provide clients with an explanation of the advantages and disadvantages of both account types and document the basis for our belief that the rollover transaction we recommend is in your best interests.

Co-Managed Accounts

For accounts co-managed with Steward, the fee may be directly debited from the applicable account(s), either by Simmons Capital or Steward. The fee will be shared among Simmons Capital or Steward as set forth in a Co-Management Agreement between Simmons Capital and Steward. Simmons Capital will not receive any fees with respect to co-managed accounts, other than a share of the fee payable to Steward.

General Information on Compensation and Other Fees

In certain circumstances, fees, account minimums and payment terms are negotiable depending on client's unique situation – such as the size of the aggregate related party portfolio size, family holdings, low-cost basis securities, or certain passively advised investments and pre-existing relationships with clients. Certain clients may pay more or less than others depending on the amount of assets, type of portfolio, or the time involved, the degree of responsibility assumed, complexity of the engagement, special skills needed to solve problems, the application of experience and knowledge of the client's situation.

Our fees for non-wrap program accounts are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, 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. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

All fees paid to the Firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and variable annuity sub-accounts to their shareholders. These fees and expenses are described in each fund's or sub account's prospectus. These fees

will generally include a management fee, other expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge.

A client could invest in a mutual fund or sub-account directly, without the services of the Firm. In that case, the client would not receive the services provided by us which are designed, among other things, to assist the client in determining which mutual funds or sub-accounts are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds/sub-accounts and the fees charged by us to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees.

Fees and Expenses (Mutual Funds Share Class Selection)

Funds generally offer multiple share classes available for investment based upon certain eligibility and/or purchase requirements. For instance, in addition to retail share classes (typically referred to as class A, class B and class C shares), funds may also offer institutional share classes or other share classes that are specifically designed for purchase by investors who meet certain specified eligibility criteria, including, for example, whether an account meets certain minimum dollar amount thresholds or is enrolled in an eligible fee-based investment advisory program. Institutional share classes usually have a lower expense ratio than other share classes.

The Firm and its IAR who is dually licensed as a Registered Representative has a financial incentive to recommend or select share classes that have a 12b-1 fee because such share classes generally result in higher compensation. The Firm has taken steps to minimize this conflict of interest, including by providing its IARs with guidance on this issue, as well as by conducting periodic reviews of client holdings in mutual fund investments to ensure the appropriateness of mutual fund share class selections and whether alternative mutual fund share class selections are available that might be more appropriate given the client's particularized investment objectives and any other appropriate considerations relevant to mutual fund share class selection. Regardless of such considerations, clients should not assume that they will be invested in the share class with the lowest possible expense ratio.

The appropriateness of a particular fund share class selection is dependent upon a range of different considerations, including but not limited to: the asset-based advisory fee that is charged, whether transaction charges are applied to the purchase or sale of funds, operational considerations associated with accessing or offering particular share classes (including the presence of selling agreements with the fund sponsors and the Firm's ability to access particular share classes through the custodian), share class eligibility requirements; and the availability of revenue sharing, distribution fees, shareholder servicing fees or other compensation associated with offering a particular class of shares.

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

We do not charge performance-based fees and therefore have no economic incentive to manage clients' portfolios in any way other than what is in the best interests of our clients thus avoiding any potential conflict of interest. However, Simmons Capital may at times, to the extent consistent with the investment objectives of the applicable client, invest client assets into private funds and other investment products that do charge performance fees or other incentive-based compensation.

Item 7: Types of Clients

We offer our investment advisory and financial planning services to various types of clients, including individuals, high-net-worth individuals, charitable organizations, trusts and estates.

We have no minimum account size; however, we do have a minimum annual fee of \$2,500, as outlined above in Item 5: Fees and Compensation.

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

Methods of Analysis and Investment Strategies

We may utilize fundamental analysis which attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the securities.

We may also utilize asset allocation which in implementing our clients' investment strategy, we begin by attempting to identify an appropriate ratio of equities, fixed-income, and cash (i.e., "asset allocation") suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of equities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time.

Risk of Loss

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

All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends, and other distributions), and the loss of future earnings. Although we manage assets in a manner consistent with your investment objectives and risk tolerance, there can be no guarantee that our efforts will be successful. You should be prepared to bear the following risks of loss:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar next year will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.

- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into 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 (i.e., Non-traded REITs and other alternative investments) are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Cybersecurity Risk:** A breach in cyber security refers to both intentional and unintentional events that may cause an account to lose proprietary information, suffer data corruption, or lose operational capacity. This in turn could cause an account to incur regulatory penalties, reputational damage, and additional compliance costs associated with corrective measures, and/or financial loss.
- **Pandemic Risk:** Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption.
- **Custodial Risk:** This risk is the probability that a party to a transaction will be unable or unwilling to fulfill its contractual obligations either due to technological errors, control failures, malfeasance, or potential regulatory liabilities.

Additionally, our investment decisions always give consideration to both the prospects for return on investment and the risk of loss on investment. In considering the risk of loss, we contemplate both the probability of loss and the potential magnitude of such loss.

Item 9: Disciplinary Information

The Firm is required to disclose all material facts regarding legal or disciplinary events that would be material to a client's evaluation whether to engage us to provide investment advisory services. Neither the Firm nor its Investment Advisor Representatives have been involved in any legal or disciplinary events related to past or present matters.

Item 10: Other Financial Industry Activities and Affiliations

Broker-Dealer Registered Representatives

The Firm is not registered as a broker-dealer with the Securities and Exchange Commission (SEC). However, one of our Investment Advisor Representatives (IARs) is registered as a Registered Representative of PKS, an unaffiliated SEC registered broker-dealer and FINRA member. In such capacity, this IAR sells securities for non-advisory client accounts through PKS and receives normal and customary commissions and other types of compensation for services provided in a brokerage capacity, for example, mutual fund 12b-1 fees or variable annuity trails. The potential for receipt of commissions and other compensation when this IAR acts as a Registered Representative gives them an incentive to recommend investment products based on the compensation received, rather than on the client's needs and may create a conflict of interest. We address this conflict by ensuring that the client's interest is always considered ahead of our own personal gain. Clients have the right to ask us if commissions are also being paid to us.

This IAR can provide services to a client either in a brokerage or advisory capacity. In certain cases, this presents a conflict of interest. In a brokerage account, a client is charged a commission for each transaction, and there is no duty to provide ongoing advice with respect to the account. In an investment advisory account, a client is provided with ongoing investment advice, and we receive an ongoing advisory fee for that service. If a client intends to follow a buy and hold strategy for an account or does not wish to purchase ongoing investment advice or management services, clients should consider opening a brokerage account rather than an investment advisory account.

Insurance Company or Agency

Several of our Investment Advisor Representatives are also insurance agents, and sell insurance through AIFG Consultants, LTD, a related entity, but may also be appointed with other insurance companies. In such capacities, they may offer fixed life insurance, long term care, health and disability insurance and annuities, and receive normal and customary commissions, including trailing commissions, as a result of any purchases made by clients. The client is under no obligation to purchase insurance products through us on a commissionable basis. The potential for receipt of commissions and other compensation when acting as an insurance agent gives an incentive to recommend insurance products based on the compensation received, rather than on the client's needs.

Other Affiliations – Other Investment Advisor

Our Founder, Principal and Executive Director, Donald E. Simmons, is also the Chief Executive Officer and Investment Advisor Representative of Steward Advisors Group, LLC, a federally registered investment adviser. Simmons Capital acts as co-manager for certain Steward client accounts. Simmons Capital is generally responsible for the initial account onboarding, as well as day-to-day management of certain client assets directed to us by Steward for management in accordance with asset allocations models developed and provided by Steward. For Co-Managed

Assets, Simmons Capital receives no separate fees outside of a share of the Fees payable by clients to Steward. Any fees paid to Steward for services rendered are separate and distinct from the fees paid to Simmons Capital for investment advisory services.

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

Code of Ethics

Simmons Capital's employees must comply with a Code of Ethics and Statement for Insider Trading (Code). The Code describes the Firms' high standard of business conduct, and fiduciary duty to its clients. The Code's key provisions include:

- Statement of General Principles
- Policy on and reporting of Personal Securities Transactions
- Preclearance of certain Personal Securities Transactions
- A prohibition on Insider Trading
- Restrictions on the acceptance of significant gifts
- Procedures to detect and deter misconduct and violations
- Requirement to maintain confidentiality of client information

Audra K. Higgins, Partner, Chief Operating Officer and Chief Compliance Officer, reviews all employee trades each quarter. These reviews ensure that personal trading does not affect the markets, and that clients of Simmons Capital receive preferential treatment.

Our employees must acknowledge the terms of the Code at least annually. Any individual not in compliance with the Code may be subject to termination.

Clients and prospective clients can obtain a copy of our Code by contacting Audra K. Higgins at (518) 406-5624.

Participation or Interest in Client Transactions – Personal Securities Transactions

Simmons Capital and its employees may buy or sell securities identical to those recommended to clients for their personal accounts. The Code, described above, is designed to assure that the personal securities transactions, activities and interests of the employees of Simmons Capital will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities, primarily mutual funds, have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of our clients. In addition, the Code requires pre-clearance of many transactions. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code and designed to reasonably prevent conflicts of interest between the Firm and its clients.

Participation or Interest in Client Transactions – Financial Interest and Principal/Agency Cross

Simmons Capital and its employees do not recommend to clients, or buy or sell for client accounts, securities in which they have a material financial interest.

We do not affect any principal or agency cross securities transactions for client accounts. We do not cross trades between client accounts.

Item 12: Brokerage Practices

Research and Other Soft Dollar Benefits

We do not receive formal soft dollar benefits other than execution from broker/dealers in connection with client securities transactions.

Brokerage for Client Referrals

We do not direct brokerage commissions in exchange for the referral of advisory clients.

Custodian and Brokerage

Currently all assets are held at Pershing, a qualified custodian.

Best Execution

As discussed above, in Item 5, we generally recommend that clients utilize for their managed accounts the brokerage and clearing services of Pershing.

Our overriding objective in selecting broker-dealers for effecting portfolio transactions for client accounts is to obtain the best combination of price and execution. The best net price is an important factor, but we also consider the full range and quality of a broker-dealer's services, including the value of research provided; execution, clearance, and settlement capabilities; commission rates; financial responsibility; length and quality of the business relationship with us; our trust and confidence in the broker-dealer; and responsiveness to us. Certain broker-dealers who provide best execution may also furnish us with investment research, such as analyses, reports concerning issuers, industries, and the economy for use in managing portfolios. We may use these broker-dealers to effect securities transactions in return, in part, for investment research. Investment research furnished by broker-dealers is used in servicing all accounts and may not necessarily be used in connection with the accounts that paid commissions to the broker-dealers providing such research.

When we use client brokerage commissions (or markups or markdowns) to obtain research, we receive a benefit because we do not have to produce or pay for the research. Thus, we may have an incentive to select or recommend a broker-dealer based on the receipt of research, rather than the client's interest in receiving most favorable execution.

A client may direct us to use a particular broker-dealer other than Pershing. Under those circumstances, we may not be authorized to negotiate commissions and may not be able to obtain volume discounts or best execution. In addition, under those circumstances, a disparity in commission charges may exist between the commissions charged to clients who direct us to use a particular broker-dealer and those clients who do not.

In the event that we determine that a particular security is an appropriate investment for more than one client, a single "bunched" order may be placed for the total number of securities to be purchased. In a bunched order, shares are allocated among the individual accounts prior to

being placed with the broker-dealer. Individual client accounts participating in bunched trades are charged averaged brokerage commission rates and receive the average price on the execution of the trade. In the event that a bunched trade is not completed in one day, the completed amount is allocated as a percentage of each account's portion of that trade. However, if the shares remaining to be traded for an account fall below 500 shares, these smaller trades are allocated first in an attempt to avoid excess trading costs. Also, in an attempt to avoid excess trading costs, we retain the right to allocate trades that are filled at an amount of 10% or less on a trade day to our largest account.

Commissions or Sales Charges for Recommendations of Securities

As noted in Item 10, Other Financial Activities and Affiliations one of our Investment Advisor Representatives is registered as Registered Representative of PKS. As such, they are subject to FINRA Rule 3040 which restricts Registered Representatives from conducting securities transactions away from their broker-dealer unless PKS provides written consent. Therefore, clients are advised that Registered Representatives may be restricted to conducting securities transactions for non-advisory client accounts through PKS unless they first secure written consent from PKS to execute securities transactions through a different broker-dealer. Absent such written consent or separation from PKS, Registered Representatives are prohibited from executing securities transactions through any broker-dealer other than PKS under PKS's internal supervisory policies. Due to this relationship, we have put in place policies and procedures reasonably designed to ensure our clients receive best execution.

Support Provided by Financial Institutions

Simmons Capital may receive the following benefits from Pershing: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its registered investment advisor group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

Other third-party service providers may provide non-cash benefits to Simmons Capital and/or its employees from time to time. These economic benefits may include, but are not limited to, waivers or reductions of conference registration fees, meals, entertainment and promotional premium items that have nominal value. Simmons Capital believes these economic benefits do not, either individually or collectively, impair Simmons Capital's independence. Prior to the acceptance of any consideration, employees must obtain authorization and approval from Audra K. Higgins, Partner, Chief Operating Officer and Chief Compliance Officer.

Wrap Fee Programs

As disclosed in Item 4, clients may participate in the Simmons Capital Group Wrap Program. In evaluating a wrap-fee program, a client should recognize that brokerage commissions for the execution of transactions in their account are not negotiated. Transactions are effected net, i.e., without commission and a portion of the wrap fee is generally considered to be in lieu of

commissions. Trades are generally expected to be executed only with the broker dealer with which the client has entered into the wrap fee arrangement.

We may not, therefore, be free to seek best price and execution by placing transactions with other broker dealers. Our experience indicates that certain broker dealers under clients' wrap fee agreements generally offer best price for transactions in listed equity securities, but no assurance can be given that such will continue to be the case with those or other broker dealers which may offer wrap fee arrangements, nor with respect to transactions in other types of securities. The client may wish to ensure that the broker dealer offering the wrap-fee arrangement can provide adequate price and execution of most or all transactions. The client should also consider that depending on the wrap-fee charged by the broker dealer, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the arrangement, and other factors, the wrap-fee may or may not exceed the aggregate cost of such services were they to be provided separately and if the Firm were free to negotiate commissions and seek best price and execution of transactions for the client's account. A separate fee arrangement may be established depending on the independent manager selected.

Trade Aggregation

We may direct the custodian to aggregate trades for multiple accounts. Orders for the same security entered on behalf of more than one client may be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. If the order is filled at different prices during the day, the prices are averaged for the day so that all participating accounts receive the same price. If an order has not been filled completely so that there are not enough shares to allocate among all the clients equally, shares will be allocated in good faith, based on the following considerations: amount of cash in the account, existing asset allocation and industry exposure, risk profile, and type of security. If a partial execution is attained at the end of the trading day, we will generally allocate shares on a pro rata basis but may fill small orders entirely before applying the pro rata allocation. All clients participating in each aggregated order shall receive the average price and subject to minimum ticket charges, pay a pro-rata portion of commissions.

Our allocation procedure seeks to be fair and equitable to all clients with no particular group or client(s) being favored or disfavored over any other clients.

As noted above, accounts for Simmons Capital or its employees may be included in a block trade with client accounts.

Item 13: Review of Accounts

Periodic Reviews

We review client accounts on a regular basis. Reviews of guidelines and restrictions on client accounts are typically completed quarterly by Donald E. Simmons, Founder, Principal and Executive Director, and Audra K. Higgins, Partner, Chief Operating Officer and Chief Compliance Officer. Formal reviews, including client contact, typically occur at least annually. More frequent reviews may occur if there are changes in financial-market, political or economic conditions, tax laws, or when we have new information or perspective on a particular security or asset class.

For co-managed accounts, reviews of guidelines and restrictions on client accounts are completed quarterly by Donald E. Simmons.

Non-Periodic Reviews

We may perform non-periodic reviews on an as-needed basis if there have been material changes in the client's guidelines or restrictions, or a material change relating to client deposits, withdrawals, or other financial changes.

Reports

Each investment advisory client is provided with a written quarterly report of their accounts that include information regarding account holdings, market value, advisory fees, and performance.

For co-managed accounts, Steward provides clients with written quarterly report for their co-managed accounts that includes information regarding account holdings, market value, advisory fees, and performance.

The client's independent custodian also provides regular written account statements directly to the client. The custodian's statement is the official record of the client's account and supersedes any statements or reports created on behalf of the client by us.

Financial Planning – Reviews and Reporting

We will review Financial Plans as contracted at the inception of the engagement.

Item 14: Client Referrals and Other Compensation

Compensation – Client Referrals

We have been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees, and other similar sources. We do not compensate referring parties for these referrals.

Item 15: Custody

Custody – Fee Debiting

Clients may authorize us (in the client agreement) to debit fees directly from their account at the broker dealer, bank or other qualified custodian (“custodian”). The custodian is advised in writing of the limitation of our access to the account. The custodian sends a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to the Firm.

Custody – First Party Money Transfers

Clients may provide us with written ongoing authorization to wire money between the client’s accounts held with the qualified custodian directly to an outside financial institution (i.e., a client’s bank account). A copy of this authorization is provided to the qualified custodian. The authorization includes the client’s name and account number(s) at the outside financial institution(s) as required.

Custody – Third Party Money Transfers

Clients may provide us with a standing letter of authorization (or similar asset transfer authorization) which allows us to disburse funds on behalf of clients to third parties. We ensure the following conditions are in place when deemed to have custody via third party money movement:

1. The client provides a Written Authorization to the custodian that includes all appropriate information as to how the transfer should be directed;
2. The Written Authorization includes instruction to direct transfers to the third party either on a specified schedule or from time to time;
3. Appropriate verification is performed by the custodian, along with a transfer of funds notice to the client promptly after each transfer;
4. The client may terminate or change the instruction to the custodian;
5. We have no authority or ability to designate or change any information about the third party contained in the instruction;
6. We maintain records showing that the third party is not a related party of the Firm or located at the same address as the Firm; and
7. The custodian sends the client a written initial notice confirming the instruction and an annual written confirmation thereafter.

Custody – Account Statements

Clients receive at least quarterly statements from the custodian that holds and maintains client’s investment assets. Clients are urged to carefully review such statements and compare such official custodial records to the reports that we provide. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16: Investment Discretion

Based on the executed Agreement, clients grant a limited power of attorney to us with respect to trading activity in their accounts. Therefore, we will exercise full discretion as to the nature and type of securities to be purchased and sold and the amount of securities for such transactions, without preapproval by the client. Investment guidelines and restrictions may be designated by the client as outlined in the Agreement.

Item 17: Voting Client Securities

Proxy Voting

We do not have any authority to and do not vote proxies on behalf of clients, nor do we make any express or implied recommendation with respect to voting proxies. Clients retain the sole responsibility for receiving and voting proxies that they receive directly from either their custodian or transfer agents. Clients may contact us for information about proxy voting.

Item 18: Financial Information

Registered investment advisers are required to provide certain financial information or disclosures about their firms.

We do not require prepayment of fees of both more than \$1,200 per client, and more than six months in advance; and therefore, is not required to provide a balance sheet to clients.

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients and have not been the subject of a bankruptcy proceeding.