

**Magnate Advisory Services, LLC**  
**Registered Investment Advisor**  
**CRD # 283056**

400 Blankenbaker Parkway, Suite 100  
Louisville, KY 40243

(502) 855-3160  
[www.magnatewealth.com](http://www.magnatewealth.com)

**Form ADV Part 2**  
**Firm Brochure**  
**March 25, 2023**

This brochure provides information about the qualifications and business practices of Magnate Advisory Services, LLC. Please contact our Chief Compliance Officer at (502) 855-3160 if you have any questions about the content of this brochure.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities administrator. Additional information about Magnate Advisory Services, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the firm's IARD ("CRD") number, which is 283056.

While the firm and its associates may be registered and/or licensed within a particular jurisdiction, that registration and/or licensing in itself does not imply an endorsement by any regulatory authority, nor does it imply a certain level of skill or training on the part of the firm or its associated personnel.

## Item 2 - Material Changes

There are no material changes since the firm's last annual update.

The firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Clients are also able to download this brochure from the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or may contact our firm at (502) 855-3160 to request a copy at any time.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

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### Important Information

Throughout this document Magnate Advisory Services, LLC may also be referred to as “the firm,” “firm,” “our,” “we” or “us.” The client or prospective client may be also referred to as “you,” “your,” etc., and refers to a client engagement involving of a single person as well as two or more persons. In addition, the term “advisor” and “adviser” are used interchangeably where accuracy in identification is necessary (i.e., internet address, etc.).

## Item 4 - Advisory Business

### Description of the Firm

Magnate Advisory Services, LLC is a Kentucky domiciled limited liability company formed in March of 2019. Prior to that date, the entity was known as Magnate Wealth Management, LLC a Kentucky domiciled limited liability company formed in 2016. We may operate under the trade name Magnate Advisory Services, LLC or Magnate Wealth Management, LLC. Magnate Advisory Services, LLC and associates of the firm may register, become licensed or meet certain exemptions to registration and/or licensing within other jurisdictions where investment advisory business may be conducted. Our firm is not a subsidiary of nor does it control another reportable financial industry entity.

The firm's control persons are Brent A. Gorter and James C. Nicholson, Jr., CFP®.<sup>1</sup> Mr. Nicholson serves as our Chief Compliance Officer (senior supervisor). Further information about the partners' backgrounds may be found in their accompanying supplement that is included with this brochure.

### Description of Services Offered

Magnate Advisory Services, LLC provides financial planning services that focus on areas such as cash flow and budgeting, funding a college education, retirement planning, and risk management, estate or tax planning, among others. Ongoing and continuous supervision of clients' portfolios are provided through our portfolio management services. We are available to assist retirement plan sponsors, and we also provide educational workshops involving a broad range of financial planning and investing topics.

During or prior to this meeting you will be provided with our Form ADV Part 2 firm brochure that includes a statement involving our privacy policy, as well as a brochure supplement about the representative who will be assisting you. We will also ensure that any material conflicts of interest have been disclosed to you that could be reasonably expected to impair the rendering of unbiased and objective advice.

If you wish to engage Magnate Advisory Services, LLC for its services, you must first execute a written engagement agreement with our firm. Thereafter discussion and analysis will be conducted to determine your financial needs, goals, holdings, etc. Depending on the scope of the engagement, you may be asked to provide copies of the following documents early in the process:

- Wills, codicils and trusts
- Insurance policies
- Mortgage information
- Tax returns
- Student loans
- Divorce decree or separation agreement
- Current financial specifics including W-2s or 1099s
- Information on current retirement plans and benefits provided by your employer
- Statements reflecting current investments in retirement and non-retirement accounts
- Employment or other business agreements you may have in place
- Completed risk profile questionnaires or other forms provided by our firm

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<sup>1</sup> Please refer to the end of this brochure for further information about associated personnel professional designations.

It is important that you provide us with an adequate level of information and supporting documentation throughout the term of the engagement, including but not limited to: source of funds, income levels, and an account holder or their legal agent's authority to act on behalf of the account, among other information that may be necessary. This helps us determine the appropriateness of our planning strategies and/or investment recommendations. The information and/or financial statements you provide need to be accurate. Our firm may, but we are not obligated to, verify the information you have provided, which will then be used in the advisory process. It is also essential to keep us informed of significant issues that may call for an update to your plan. Events such as changes in employment or marital status, an unplanned windfall, etc., can have an impact on your circumstances and needs. We need to be aware of such events, so that we may make adjustments as necessary in order to keep you on track toward your goals.

### Financial Planning Services

The incorporation of most or all of the following planning components allows for not only a thorough analysis, but also a refined focus of your goals and objectives. Your customized plan may be as broad-based or narrowly focused as you desire. Note when our planning focuses only on certain areas of your interest or need, your overall situation or needs may not be fully addressed due to limitations you may have established.

### Cash Flow Analysis and Debt Management

A review of your income and expenses may be conducted to determine your current surplus or deficit. Based upon the results, we might recommend prioritizing how any surplus should be used, or how to reduce expenses if they exceed your income. In addition, advice on the prioritization of which debts to repay may be provided, based upon such factors as the debt's interest rate and any income tax ramifications. Recommendations may also be made regarding the appropriate level of cash reserves for emergencies and other financial goals. These recommendations are based upon a review of cash accounts (such as money market funds) for such reserves and may include strategies to save desired reserve amounts.

### Risk Management

A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture; such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance ("self-insuring").

### Employee Benefits

A review is conducted, and analysis is made as to whether you, as an employee, are taking maximum advantage of your employee benefits. We will also offer guidance on your employer-sponsored retirement plan and/or stock options, along with other benefits that may be available to you.

### Personal Retirement Planning

Retirement planning strategies typically include projections of your likelihood of achieving your financial goals, with financial independence usually the primary objective. For situations where projections show less than the desired results, a recommendation may include showing you the impact on those projections by making changes in certain variables (i.e., working longer, saving more, spending less, taking more risk with investments). If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

### College Funding

Advice involving college funding may include projecting the amount that will be needed to achieve post-secondary education funding goals, along with savings strategies and the “pros-and-cons” of various college savings vehicles that are available. We are also available to review your financial picture as it relates to eligibility for financial aid or the best way to contribute to family members, such as grandchildren, if appropriate.

### Tax Strategies

Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, recommendations may be offered as to which type of account(s) or specific investments should be owned based in part on their “tax efficiency,” with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation. Upon your request, we will assist you in preparing data collection forms for your accountant’s review but we do not provide tax or accounting advice.

### Estate Planning

Our review typically includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. We may assess ways to minimize or avoid future estate taxes by implementing appropriate estate planning strategies, such as the use of applicable trusts. We generally recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your prior approval.

### Divorce Planning

Separation or divorce can have a major impact on your goals and plans. We will work with you to help you gain an understanding of your unique situation and provide you with a realistic financial picture so that you are in a better situation to communicate with your legal counsel, mediator or soon to be ex-spouse. We can assist in the completion of cash flow and net worth projections, budget analysis, as well as help you to understand what the consequences and/or benefits are involving a settlement.

### Investment Consultation

Our investment consultation component often involves providing information on the types of investment vehicles available, employee retirement plans and/or stock options, investment analysis and strategies, asset selection and portfolio design. The strategies and types of investments that may be recommended are further discussed in Item 8 of this brochure.

### Business Consultation

We are available to assist businesses in a variety of ways to include business strategy, debt management, general financial advice, risk management, as well as assisting you with matters involving coordination with your financial institution, retirement plan advisor, and attorney or accounting firm.

### Broad-Based v. Modular Financial Planning

A broad-based plan is an endeavor that requires detail. Certain variables can affect the development of the plan, such as the quality of your own records, complexity and number of current investments, diversity of insurance products and employee benefits you currently hold, size of the potential estate, and special needs of the client or their dependents, among others. At your request, we may concentrate on reviewing only a specific area (modular or component planning), such as investment allocation at your employer’s retirement plan, funding an

education, an estate planning issue, or simply evaluating the sufficiency of your current retirement plan. Whether we have created a broad-based or modular plan, we will present you with a summary of our recommendations, guide you in the implementation of some or all of them per your decision, as well as offer you periodic reviews thereafter. We will present you with a summary of our recommendations, guide you in the implementation of some or all of them per your decisions, as well as encourage ongoing reviews thereafter. You retain discretion over all implementation decisions and have the right to accept or reject any recommendation that we make.

### Educational Workshops

We provide periodic complimentary educational seminar sessions for those desiring information on personal finance and investing. Topics may include issues related to general financial planning, educational funding, estate planning, retirement strategies, implications involving changes in marital status, and various other current economic or investment topics. Our workshops are educational in nature and do not involve the sale of insurance or investment products.

### Portfolio Management Services

You may engage our firm to implement the investment strategies we have recommended to you. We typically prepare investment guidelines reflecting your objectives, time horizon, tolerance for risk, as well as any reasonable account constraints you may have for the portfolio. For example, you have the right to exclude certain securities (e.g., options, stocks, etc.) at your discretion. Portfolio guidelines will be designed to be specific enough to provide future guidance while allowing flexibility to work with changing market conditions. Since this effort is the product of information and data you have given to us, you may be asked to review it and provide your final approval. We will then develop a customized portfolio for you based on your unique situation which will include the employment of a broad range or more narrowly focused choice of investment vehicles that are discussed in further detail in Item 8 of this brochure. We manage portfolios on a discretionary or nondiscretionary basis (defined in Item 16).

### Retirement Plan Services

Our firm is available to assist retirement plan sponsors by informing them of the scope of their duties and responsibilities, assisting them with making a determination involving their investment options, and providing general advice and support during retirement plan group enrollment. We provide these services on a nondiscretionary basis as defined in § 3(21) of the Employee Retirement Income Security Act of 1974 (ERISA), and serve in a “limited scope” fiduciary capacity. We do not serve as investment manager, plan administrator or in an ERISA § 3(38) discretionary role. Portfolio management will be accomplished by plan participants on a self-directed basis.

### Wrap Fee Program

Our firm does not sponsor or serve as a portfolio manager in an investment program involving wrapped (bundled) fees.

### Client Assets Under Management

Our firm manages \$200,614,637 on a discretionary basis, and \$9,318,601 on a non-discretionary basis for a total of \$209,933,238 regulatory assets under management as of December 31, 2023.

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<sup>2</sup> The term “assets under management” and rounding per the SEC’s General Instructions for Part 2 of Form ADV.

## General Information

Our advisory firm does not provide legal or accounting services. With your consent, we will work with a professional of your choice to assist with the coordination and implementation of various strategies. You should be aware these other professionals will charge you separately for their services and these fees will be in addition to our own advisory fee.

Our firm will use its best judgment and good faith in accordance with its fiduciary duty in rendering its services. We cannot warrant or guarantee the achievement of a particular goal or level of account performance, or that a client account will be profitable over time. Past performance is not necessarily indicative of future results.

Except as may otherwise be provided by law, our firm will not be liable to the client, heirs, or assignees for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by our firm with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from our adherence to your direction or that of your legal agent; any act or failure to act by a service provider maintaining an account. Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith and, therefore, nothing contained in this document or our client engagement agreement shall constitute a waiver of any rights that a client may have under federal and state securities laws.

## Item 5 - Fees and Compensation

Forms of payment are based on the types of services being provided, term of service, etc., and will be stated in your engagement agreement with our firm. The services to be provided by our firm and their specific fees will be detailed in the engagement agreement. Our advisory fee may be discounted with the final determination to be made by our firm.

Fees are to be paid by check, credit card or draft from US-based financial institutions. With your prior authorization payment may also be made through a qualified, unaffiliated PCI compliant<sup>3</sup> third-party processor, or withdrawal from your investment account held at your custodian of record. Advisory fees paid to our firm will be noted in your account statement you will receive from your custodian. Our firm does not accept cash, money orders or similar forms of payment for its engagements. Our fees are negotiable, with the final determination to be made by the firm.

## Method of Compensation and Fee Schedule

### Financial Planning Services

A broad-based planning engagements (consisting of multiple components) are assessed a fixed fee that ranges from \$1,500 to \$5,000. Our fee will take into consideration factors such as the complexity of your financial profile, the depth of services to be provided through the engagement, assets that comprise the portfolio, number of accounts comprising the portfolio, time involved in the engagement, among others. A deposit of one-half of fee will be due upon execution of the engagement agreement and the remaining portion upon plan delivery.

Clients interested in a limited planning component engagement are assessed an hourly fee. Our rate is \$250 per hour; billed in six minute increments, and a partial increment (e.g., three minutes) will be treated as a whole increment. Prior to entering into an agreement with our firm you will receive an estimate of the overall cost based on your requirements and the time involved.

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<sup>3</sup> For an explanation of the term "PCI," who the PCI Security Standards Council is, as well as its comprehensive standards to enhance payment card data security, please go to [https://www.pcisecuritystandards.org/security\\_standards/index.php](https://www.pcisecuritystandards.org/security_standards/index.php)



No deposit is required. Payment is due in full upon delivery of your plan. An hourly engagement lasting more than one month may be billed at the end of each month for time incurred.

#### Educational Workshops

Workshops sessions are complimentary; no fee is assessed by our firm.

#### Portfolio Management Services

When we provide our portfolio management services, the account will be assessed an annualized asset-based fee that will be determined by the reporting period ending value of your account (e.g., the last market day of each billing period). Our fee is based on a straight tier; all accounts are charged a single percentage rate that declines as asset levels increase. For the benefit of discounting your asset-based fee, we will attempt to aggregate accounts for the same individual or two or more accounts within the same family, or accounts where a family member has power of attorney over another family member's account. Our advisory fee will be billed in arrears monthly or quarterly, per your preference, in accordance with the fee table below. The fee will be calculated at month or quarter-end by multiplying the quotient by the applicable number of basis points set forth in the fee table (one basis point equals 1/100 of one percent). Our firms' fees are billed on a pro-rata annualized basis quarterly or monthly in arrears based on the value of your account on the last day of the previous quarter or month. Fees are calculated based on actual number of days in a month or quarter, and actual number of days per year.

Assets Under Management	Annualized Asset-Based Fee
\$0-\$249,999	2.00% (200 basis points)
\$250,000-\$499,999	1.75% (175 basis points)
\$500,000-\$999,999	1.50% (150 basis points)
\$1,000,000-\$4,999,999	1.25% (125 basis points)
\$5,000,000-\$9,999,999	1.00% (100 basis points)
\$10,000,000-Above	0.75% (75 basis points)

Accounts will be assessed in accordance with asset values disclosed on the statement the client will receive from the custodian of record for the purpose of verifying the computation of the advisory fee. In the rare absence of a reportable market value, our firm may seek a third-party opinion from a recognized industry source (e.g., unaffiliated public accounting firm), and the client may choose to separately seek such an opinion at their own expense as to the valuation of "hard-to-price" securities, if necessary.

For accounts held direct at certain mutual fund companies, specifically American Funds (AFS), fees shall be calculated by AFS for each quarterly period ending the last business day of February, May, August, and November and shall be product of (i) the average daily net asset value of client assets invested in shares of the funds through the program during the quarter, (ii) the number of days in the quarter, and (iii) the rate agreed to by the parties divided by the number of days in the year.

Your first billing cycle will begin once your agreement is executed with our firm and assets have settled into your account held by the custodian of record. Advisory fees for partial periods as well as mid-cycle additions or withdrawals of \$50,000 or more will be prorated based on the remaining days in the reporting period in which our firm services the account. Fee payments will generally be assessed within the first 10 calendar days of each billing cycle.

We will send your custodian of record billing notices each period that describes the advisory fees to be deducted from your account. We encourage you to verify the accuracy of fee calculations in your account statement; the custodian may not verify the accuracy of advisory fee assessments for you on a consistent basis. By signing our firm's engagement agreement, as well as the selected custodian account opening documents, you will be

authorizing the withdrawal of our advisory fees from your account. The withdrawal will be accomplished by the custodian of record at the request of our firm, and the custodian will remit our fee directly to our firm.

Alternatively, you may request to directly pay our advisory firm its portfolio management fee in lieu of having the advisory fee withdrawn from your investment account. Your payment must be received by our firm within 10 calendar days of our invoice.

#### Retirement Plan Fees

Our firm is compensated via an annualized asset-based fee that is based on the last market day of the previous calendar quarter. Our fee is based on a straight tier; all accounts are charged a single percentage rate that declines as asset levels increase. The fee is assessed on a quarterly basis, in arrears, per the following table. The fee is calculated at quarter-end by multiplying the quotient by the applicable number of basis points set forth in the fee table (one basis point equals 1/100 of one percent). Fees are calculated based on actual number of days in a month or quarter, and actual number of days per year.

Assets Under Management	Annualized Asset-Based Fee
\$0 - \$999,999	1.00% (100 basis points)
\$1,000,00 - \$4,999,999	0.85% (85 basis points)
\$5,000,000 - \$9,999,999	0.65% (65 basis points)
\$10,000,000 - \$14,999,999	0.50% (50 basis points)
\$15,000,000 - \$24,999,999	0.35% (35 basis points)
\$25,000,000 - \$49,999,999	0.25% (25 basis points)
\$50,000,000 - Above	0.20% (20 basis points)

Accounts will be assessed in accordance with asset values disclosed on the statement the plan sponsor and plan participant receives from the custodian of record and/or third-party administrator for the purpose of verifying the computation of the advisory fee. In the rare absence of a reportable market value, our firm may seek a third-party opinion from a recognized industry source (e.g., unaffiliated public accounting firm), and the client or plan participant may choose to separately seek such an opinion at their own expense as to the valuation of “hard-to-price” securities if necessary.

The first billing cycle will begin once the agreement is executed and plan assets have settled into the account held by the custodian of record. Please note that we encourage all account holders to verify the accuracy of fee calculations; the custodian may not verify the accuracy of advisory fee assessments for an account.

Written authorization is required in order for the custodian of record to deduct advisory fees from an account. By signing our firm’s client agreement, as well as the selected custodian account opening documents, the plan/plan participant will be authorizing the withdrawal of both advisory and transactional fees from an account. The withdrawal of these fees will be accomplished by the selected custodian at the request of the plan’s third-party administrator. Alternatively, the plan sponsor may request to directly pay our firm its fee in lieu of having fees withdrawn from an account, and our fee will be due within 10 calendar days of our invoice. Fees deducted from plan accounts will be noted on account statements that plan participants receive on a quarterly basis.

#### Additional Client Fees

Any transactional or service fees (sometimes termed brokerage fees), individual retirement account fees, qualified retirement plan fees, account termination fees, or wire transfer fees will be borne by the account holder and per the separate fee schedule of the custodian of record. We will ensure you receive a copy of our

custodian's fee schedule at the beginning of the engagement, and you will be notified of any future changes to these fees by the custodian of record and/or third party administrator for certain tax-qualified plans. Some clients may incur a technology fee depending on the scope of our engagement. Fees paid by our clients to our firm for our services are separate from any internal fees or other charges involving mutual funds, exchange-traded funds (ETFs), exchange-traded notes (ETNs), or other similar investments.

Per annum interest at the current maximum statutory rate may be assessed on fee balances due more than 30 days; we may refer past due accounts to collections or legal counsel for processing. We reserve the right to suspend some or all services once an account is deemed past due.

Additional information about our fees in relationship to our brokerage and operational practices are referenced in Items 12 and 14 of this document.

#### External Compensation for the Sale of Securities to Clients

If you have engaged our firm for our financial planning services and you prefer to open or maintain a brokerage account at Silver Oak Securities, Inc. so we may assist you in executing a securities transaction or purchase a variable insurance contract, an associate of our firm may be paid a commission on your securities transaction while serving in the capacity as a registered representative/licensed insurance agent. In addition, an associate (as a Silver Oak Securities, Inc. registered representative) may receive trailer or 12b-1 fees from an investment company security that you have purchased through your account at Silver Oak Securities, Inc. Fees charged by issuers are detailed in prospectuses or product descriptions and you are encouraged to read these documents before investing.

Magnate Advisory Services, LLC does not charge or receive a commission or mark-up on your securities transactions, nor do we receive "trailer" or SEC Rule 12b-1 fees from an investment company. You retain the right to purchase recommended or similar investments through your own selected service provider. Please refer to Items 10, 11 and 14 of this brochure for further information.

#### Termination of Services

Either party may terminate the agreement at any time by communicating the intent to terminate in writing. If you verbally notify our firm of the termination and, if in two business days following this notification we have not received your notice in writing, we will make a written notice of the termination in our records and send you our own termination notice as a substitute. Our firm will not be responsible for investment allocation, advice or transactional services (except for limited closing transactions) upon receipt of a termination notice. It will also be necessary we inform the custodian of record and/or third-party administrator the relationship between parties has been terminated.

If a client did not receive our Form ADV Part 2 firm brochure at least 48 hours prior to entering into the firm's agreement, then that client will have the right to terminate the engagement without fee or penalty within five business days after entering into the agreement. If a client terminates an hourly or project-based financial planning service after this five-day time period, the client will be assessed fees at the firm's current hourly rate for any time incurred in the preparation of the client's analysis or plan. When a portfolio management or retirement plan client terminates their agreement after the five-day period, they will be assessed fees on a per-day prorated basis for services incurred from either (i) as a new client, the date of the engagement to the date of the firm's receipt of the written notice of termination, or (ii) all other accounts, the last billing period to the date of the firm's physical or constructive receipt of written termination notice.

You will be entitled to a refund if you were required to provide an initial deposit for a financial planning engagement, you provided all requested information, and your plan was not delivered to you within six months' time from the date of the engagement.

The firm will return any prepaid, unearned fees within 30 days of the firm's receipt of termination notice. Earned fees in excess of any prepaid deposit will be billed at the time of termination and will be due upon receipt of our invoice.

Our return of payment to a client for our financial planning services will only be completed via check from our firm's US-based financial institution. We will only coordinate remuneration of prepaid asset-based fees to an investment account via the account custodian. Return of prepaid fees will never involve a personal check, cash or money order from our firm or from an associate of our firm.

#### Item 6 - Performance-Based Fees and Side-By-Side Management

Our firm's advisory fees will not be based on a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as performance-based fees. Our fees will also not be based on side-by-side management, which refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not.

#### Item 7 - Types of Clients

We provide our advisory services to individuals and high net worth individuals of all investment experience, as well as businesses, charitable organizations and foundations, as well as their retirement plans. We do not require minimum income, minimum asset levels or other similar preconditions. We reserve the right to waive or reduce certain fees based on unique individual circumstances, special arrangements or preexisting relationships. The firm reserves the right to decline services to any prospective client for any nondiscriminatory reason.

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

##### Methods of Analysis

We employ what we believe to be an appropriate blend of fundamental, charting, technical, and cyclical analyses. For example, fundamental analysis may involve evaluating economic factors including interest rates, the current state of the economy, or the future growth of an industry sector. Technical and cyclical analysis may involve studying the historical patterns and trends of securities, markets, or economies as a whole in an effort to determine potential future behaviors and the estimation of price movement. The resulting data may then be applied to graphing charts which are used to assist in the prediction of future price movements based on price patterns and trends, as well as an evaluation of a transaction before entry into the market in terms of risk and profit potential. Our research may be drawn from a range of sources that include:

- financial periodicals and reference materials
- economists and other industry professionals
- inspections of corporate activities
- corporate rating services
- company press releases
- annual reports, prospectuses and regulatory filings

##### Investment Strategies

Our primary investment strategy is based on Modern Portfolio Theory. We believe that proper diversification and risk management will provide an investor with a more stable and consistent return over time. We do not employ market timing or stock selection methods of investing but rather a long term buy-and-hold strategy with periodic rebalancing of the account to maintain desired risk levels.

We will strive to create portfolios that contain investment vehicles that are diversified, tax-efficient, and low-cost investments whenever practical. Although it is common to find a broad range of mutual funds or ETFs within a portfolio, we may also recommend holdings that include individual equity (stock) and fixed income positions, fixed and variable annuities, real estate investment trusts, master limited partnerships, as well as certificates of deposit (CDs) and money markets<sup>4</sup> to create as broad a diversification as necessary to meet demands of the portfolio or to effectively employ pre-existing holdings within your account.

#### Risk of Loss

Our firm believes its strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, there is no guarantee an investment objective or planning goal will be achieved. Investing in securities involves risk of loss clients should be prepared to bear. We have offered examples of such risk in the following paragraphs, and we believe it is important our clients review and consider each of them prior to investing.

#### Charting and Technical Analyses

The risk of investing based on technical analyses and their supporting charts is they may not consistently predict a future price movement; the current price of a security may reflect all known information. Further, a particular change in the market price of a security may follow a random pattern and may not be as predictable as desired. This may occur due to analyst bias or misinterpretation, a sector analysis error, late recognition of a trend, etc.

#### Company Risk

When investing in securities, such as stocks, there is always a certain level of company or industry-specific risk inherent in each company or issuer. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. This is also referred to as unsystematic risk and can be reduced or mitigated through diversification.

#### Cyclical Analysis

An economic cycle may not be as predictable as preferred; many fluctuations may occur between long term expansions and contractions. The length of an economic cycle may be difficult to predict with accuracy and therefore the risk of cyclical analyses is the difficulty in predicting economic trends. Consequently, the changing value of securities is affected.

#### Failure to Implement

As a financial planning client, you are free to accept or reject any or all of the recommendations made to you. While no advisory firm can guarantee future performance, no plan can succeed if it is not implemented. Clients who choose not to take the steps recommended in their financial plan may face an increased risk their stated goals and objectives will not be achieved.

#### Financial Risk

Excessive borrowing to finance a business operation increases profitability risk 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.

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<sup>4</sup>Magnate Advisory Services, LLC may recommend but does not underwrite or issue certificates of deposits, money market accounts or similar savings vehicles for client accounts. The firm is not a financial institution, is not a member of the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Association (NCUA), nor is required to be an FDIC or NCUA member. You may learn more about the FDIC or NCUA and how they serve financial institution depositors/members by going to their website at [www.fdic.gov](http://www.fdic.gov) or [www.ncua.gov](http://www.ncua.gov). Securities recommended through our advisory firm are not FDIC or NCUA/NCUSIF-insured.

## Fundamental Analysis

The challenge involving fundamental analyses is information obtained may be incorrect; the analysis may not provide an accurate estimate of earnings, which may be the basis for a security's value. If a security's price adjusts rapidly to new information, a fundamental analysis may result in unfavorable performance.

## Inflation

When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.

## Market Risk

When the stock market as a whole or an industry as a whole fall, it can cause the prices of individual stocks to fall indiscriminately. This is also called systemic or systematic risk.

## Passive Investing

A portfolio that employs a passive, efficient markets approach has the potential risk at times to generate lower-than-expected returns for the broader allocation than might be the case for a more narrowly focused asset class, and the return on each type of asset may be a deviation from the average return for the asset class. We believe this variance from the expected return is generally low under normal market conditions when a portfolio is made up of diverse, low or non-correlated assets.

## Political Risk

The risk of financial and market loss because of political decisions or disruptions in a particular country or region, and may also be known as "geopolitical risk."

## Research Data

When research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, a firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. While our firm makes every effort to determine the accuracy of the information received, we cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice on or investment management of an account.

## Security-Specific Material Risks

### Annuities

Annuities are an insurance contract sold by licensed agents, and variable annuities are typically offered through broker/dealers. The features, benefits, and various guarantees associated with an annuity are determined by the quality and solvency of its issuer -- the insurance company. Insurance guaranty associations provide limited protection to insurance policyholders and beneficiaries of policies issued by an insurance company that has become insolvent and is no longer able to meet its obligations. All states, as well as the District of Columbia, and Puerto Rico have insurance guaranty associations. Insurance companies are required by law to be members of the guaranty association in states in which they are licensed to do business. The amount of coverage provided by the guaranty association is set by statute and differs from state to state. For example, the typical coverage for a fixed annuity is \$250,000 in present value of annuity benefits, including cash surrender and withdrawal values. Benefits in excess of the noted limits may be eligible to be submitted as a priority claim against the failed insurer, through which the policyholder may receive additional payments as the insurer's assets are liquidated.

### Equities (Stocks)

Common stocks are susceptible to general stock market fluctuations and to volatile increases or decreases in value as market confidence in and perceptions of their issuers change. If an investor held common stock or common stock equivalents of any given issuer, they may be exposed to greater risk than if they held preferred stocks and debt obligations of the issuer.

### ETFs and Mutual Funds

The risk of owning ETFs and mutual funds reflect their underlying securities (e.g., stocks, bonds, etc.). They may also carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. Leveraged and/or inverse ETFs attempt to achieve multiples of the performance of an index or benchmark through the opposite (inverse) of the performance of the tracked index or benchmark. This strategy attempts to profit from, or hedge exposures to, downward drifting markets. There is risk involving this strategy and part of the concern is based on the fact that leveraged and inverse exchange traded funds "reset" daily, which means they are designed to achieve their stated objectives on a daily basis. It is due to the compounding effect of daily adjustments that ETF performance over longer periods of time can differ significantly from the performance (or inverse of the performance) of an underlying index or benchmark during the same period. This effect is potentially magnified during volatile markets. If effects contrary to the ETF strategy occur, losses may be significant; therefore, leveraged and/or inverse ETFs will be considered for portfolios either properly hedged or for clients able to sustain potentially higher risks. Leveraged and inverse ETFs will not be used in portfolios where a "buy-and-hold" philosophy is important.

The firm utilizes execution and custody services for directly held mutual funds. Mutual funds generally offer multiple share classes available for investment based upon certain eligibility and/or purchase requirements. For instance, in addition to the more commonly offered retail share classes (typically, Class A, B and C shares), mutual funds may also offer institutional shares classes and other share classes that are specifically designed for purchase in an account enrolled in fee-based investment advisory programs. Institutional share classes or classes of shares designed for purchase in an investment advisory program usually have a lower expense ratio than other shares classes. The Firm and its Advisory Representatives have a financial incentive to recommend or select share classes that have higher expense ratios because such share classes generally result in higher compensation. The Firm has taken steps to minimize this conflict of interest by implementing additional training for Advisory Representatives, increasing the proportion of institutional share classes that are available on the platform and rebating any Rule 12b-1 fees on both qualified and non-qualified client accounts. Regardless, however, clients should not assume that they will be invested in the share class with the lowest possible expense ratio. In an advisory program, the appropriateness of a particular mutual fund share class should be determined based on the presence and nature of selling agreements with the mutual fund sponsors.

### Index Investing

Certain ETFs and indexed funds have the potential to be affected by "active risk" or "tracking error risk;" a deviation from a stated benchmark.

### Master Limited Partnerships

Investing in MLPs involve certain risks related to investing in their underlying assets, as well as the

risks associated with pooled investment vehicles (certain pooled investments may be less regulated than others). In addition, MLPs that concentrate in a particular industry or a particular geographic region are subject to risks associated with the specific industry or region. A potential benefit derived from a MLP is also dependent on the holding being treated as a partnership for federal income tax purposes; if part or all of the MLP is not, it may have adverse tax effects on a portfolio.

#### QDI Ratios

While various investment holdings may be known for their potential tax-efficiency and higher “qualified dividend income” (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit. Shorter holding periods, as well as commodities and currencies that may be part of mutual fund or ETF, may be considered “non-qualified” under certain tax code provisions. A holding’s QDI will be considered when tax-efficiency is an important aspect of the client’s portfolio.

#### Real Estate Investment Trusts

Risks involved in REIT investing may include (i) following the sale or distribution of assets an investor may receive less than their principal invested, (ii) a lack of a public market in certain issues, (iii) limited liquidity and transferability, (iv) fluctuations involving the value of the assets within the REIT, (v) a reliance on the investment manager to select and manage assets, (vi) changes in interest rates, laws, operating expenses, and insurance costs, (vii) tenant turnover, and (viii) the impact of current market conditions.

#### Item 9 – Disciplinary Information

Neither the firm nor its management has been involved in a material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our offering advisory business or its integrity.

#### Item 10 - Other Financial Industry Activities and Affiliations

Firm policies require associated persons to conduct business activities in a manner that avoids conflicts of interest between the firm and its clients, or that may be contrary to law. Our firm will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest involving its business relationships that might reasonably compromise its impartiality or independence.

Magnate Advisory Services, LLC is not registered, nor does it have an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) member firm, nor are we required to be registered with such entities. As noted in Item 5, members of our management have material relationships due to their roles as registered representatives of Silver Oak Securities, Inc., a FINRA member introducing broker/dealer.<sup>5</sup> In an effort to provide as wide a range of advisory services to clients, associates of our firm are also dually registered as investment advisor representatives of Silver Oak Securities, Inc.’s SEC-registered investment advisor. Our advisory firm management and our associates are also licensed insurance agents appointed with unaffiliated insurance carriers via Capital Wealth Management, LLC; an insurance agency under common control with our firm. Further information with regard to all of these activities may be found in each associates’ Form ADV Part 2B brochure supplement.



Whether they are serving a client in one or more capacities, each associate will disclose in advance how they are being compensated and if there is a conflict of interest involving any advice or service they may provide. At no time will there be tying between business practices and/or services; a condition where a client or prospective client would be required to accept one product or service which is conditional upon the selection of a second, distinctive tied product or service.

Neither our firm nor its management is or has a material relationship with any of the following:

- accounting firm or accountant
- bank, credit union or thrift institution, or their separately identifiable departments or divisions
- lawyer or law firm
- pension consultant, outside of our own services
- real estate broker/dealer or real estate advisor
- sponsor or syndicator of limited partnerships
- trust company
- issuer of a security, to include investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)

As earlier referenced, an associate may recommend a client engage Silver Oak Securities, Inc. to gain access to advisory services unavailable through our firm, and that associate may be compensated for those services via a portion of the advisory fee that is assessed. An associate has an incentive to recommend one advisory firm over another if less favorable compensation arrangements are in place. In light of this conflict of interest, our firm will review its recommendations and “mix of business” based on our client’s needs, goals and objectives with respect to all potential offerings. Clients are also encouraged to review all services/offerings and their stated fees prior to the engagement, and each client has the right to purchase recommended or similar investments through their own provider.

Upon your request, you may be provided a referral to various other professionals, such as an attorney. While these referrals are based on the best information made available, the firm does not guarantee the quality or adequacy of the work provided by these referred professionals. There is not an agreement with these entities nor are referral fees received from these professionals for such informal referrals. Any fees charged by these other entities for their services are completely separate from our advisory fee.

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<sup>5</sup> Associates of our advisory firm who are also registered representatives and investment advisor representatives of Silver Oak Securities,

<sup>6</sup> Inc. have been authorized by their broker/dealer to operate under the trade name “Magnate Wealth Management, LLC”, “Capital Wealth Management, LLC”, “Mike Brooks & Associates Inc.” or “Retirement Planning Solutions, LLC”. Silver Oak Securities, Inc., Magnate Wealth Management, LLC, Mike Brooks & Associates, Inc. and Retirement Planning Solutions, LLC are not legally affiliated, and clients must enter into brokerage agreements with Silver Oak Securities, Inc.

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

Our firm holds itself to a fiduciary standard, which means the firm and its associates will act in the utmost good faith, performing in a manner believed to be in the best interests of its clients. Our firm believes that business methodologies, ethics rules, and adopted policies are designed to eliminate or at least minimize material conflicts of interest and to appropriately manage any material conflicts of interest that may remain. You should be aware that no set of rules can anticipate or relieve all material conflicts of interest. We will disclose to our clients any material conflict of interest relating to the firm, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

#### Code of Ethics Description

We have adopted a Code of Ethics that establishes policies for ethical conduct for our personnel. Our firm accepts the obligation not only to comply with all applicable laws and regulations but also to act in an ethical and professionally responsible manner in all professional services and activities. Our firm policies include prohibitions against insider trading, the circulation of industry rumors, and certain political contributions, among others. We periodically review and amend our Code of Ethics to ensure that it remains current, and we require firm personnel to annually attest to their understanding of and adherence to the firm's Code of Ethics. A copy of the firm's Code of Ethics is made available to any client or prospective client upon request.

Firm associates that are CERTIFIED FINANCIAL PLANNER™ Professionals adhere to the Certified Financial Planner Board of Standards, Inc.'s Code of Ethics & Professional Responsibility which you may find at [www.cfp.net](http://www.cfp.net).

#### Privacy Policy Statement

We respect the privacy of all clients and prospective clients (collectively termed "customers"), both past and present. It is recognized that you have entrusted our firm with non-public personal information, and it is important both access persons and customers are aware of firm policy concerning what may be done with that information.

The firm collects personal information about customers from the following sources:

- Information customers provide to complete their financial plan or investment recommendation;
- Information customers provide in engagement agreements and other documents completed in connection with the opening and maintenance of an account;
- Information customers provide verbally; and
- Information received from service providers, such as custodians, about customers' transactions.

The firm does not disclose non-public personal information about our customers to anyone, except in the following circumstances:

- When required to provide services our customers have requested;
- When our customers have specifically authorized us to do so;
- When required during the course of a firm assessment (i.e., independent audit); or
- When permitted or required by law (i.e., periodic regulatory examination).

Within the firm, access to customer information is restricted to personnel that need to know that information. All access persons and service providers understand that everything handled in firm offices is confidential and they are instructed not to discuss customer information with someone else that may request information about an account unless they are specifically authorized in writing by the customer to do so. This includes, for example, providing information to one spouse about another spouse's IRA or to adult children about parents' accounts.

To ensure security and confidentiality, the firm maintains physical, electronic, and procedural safeguards to protect the privacy of customer information.

Our firm will provide its customers with its privacy policy on an annual basis and at any time, in advance, if firm privacy policies are expected to change.

#### Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Neither the firm nor an associate is authorized to recommend to a client, or effect a transaction for a client, involving any security in which the firm or a "related person" (e.g., associate, an immediate family member, etc.) has a material financial interest, such as in the capacity as a board member, underwriter, or advisor to an issuer of securities, etc.

An associate is prohibited from borrowing from or lending to a client unless the client is an institutional lender. As previously noted, our associates may also serve as a registered representative of a broker/dealer, an investment advisor representative of another investment advisor, or as a licensed insurance agent; certain clients may have multiple business relationships with the associate. Each of our associates will describe how they are to be compensated for their role, the conflict of interest the role or service to be provided may involve (such as the prospect for dual compensation and whether there is an incentive on their part to do so), and if there may be other providers available for this service/product. The firm remains focused on ensuring that its offerings are based upon the needs of its clients, not resultant fees or commissions received for such services. We want to note that you are under no obligation to act on a recommendation from our firm and, if you elect to do so, you are under no obligation to complete them through our firm or a service provider whom we may recommend.

#### Firm/Personnel Purchases of Same Securities Recommended to Clients and Conflicts of Interest

We do not trade for our own account (e.g., proprietary trading). The firm's related persons may buy or sell securities that are the same as, similar to, or different from, those recommended to clients for their accounts, and this poses a conflict of interest. We mitigate this conflict by ensuring that we have policies and procedures in place to ensure that the firm or a related person will not receive preferential treatment over a client. In an effort to reduce or eliminate certain conflicts of interest involving personal trading (i.e., trading ahead of client recommendations, etc.), firm policy may require that we periodically restrict or prohibit related parties' transactions. Any exceptions must be approved in writing by our Chief Compliance Officer, and personal trading accounts are reviewed on a quarterly or more frequent basis.

#### Item 12 - Brokerage Practices

### Factors Used to Select Broker/Dealers for Client Transactions

Magnate Advisory Services, LLC does not maintain physical custody of your assets. Your account must be maintained by a qualified custodian (generally a broker/dealer, bank or trust company) that is frequently reviewed for its capabilities to serve in that capacity by their respective industry regulatory authority. Our firm is not a custodian nor is there an affiliate that is a custodian.

When we are engaged to provide an investment consultation via a planning service component, we may recommend the service provider with whom your assets are currently maintained. Should you prefer a new service provider, a recommendation may be made to you by our firm based on your needs, overall cost, ease of use, and following our review of the recommended provider.

We generally recommend accounts be custodied with the institutional services divisions of National Financial Services LLC and Fidelity Brokerage Services LLC (collectively “Fidelity”). Member FINRA/SIPC. Our advisory firm is not, nor required to be, a Securities Investor Protection Corporation (SIPC) member. Clients may learn more about SIPC and how it serves member firms and the investing public by going to website at <http://www.sipc.org>.

Our firm is independently owned and operated, and is not legally affiliated with Fidelity. While we recommend clients use a particular as custodian, the account holder must decide whether to do so, and will open their account by entering into an agreement directly with the custodian. We do not technically open the account for a client, although we will assist them in doing so. If you do not wish to place your assets with one of our recommended custodians, we may serve as portfolio manager for your account maintained at your custodian of choice, if that custodian’s policies allow us to do so and following your written authorization via limited power of attorney.

We seek to use a custodian who will hold account assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear and settle trades (buy and sell securities for an account)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, ETFs, etc.)
- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below.

Fidelity provides other services intended to help the firm manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, third party research, publications, access to educational conferences, roundtables and webinars, practice management

resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom we may contract directly. These support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to our firm as long as our clients collectively maintain a total of these account asset minimums with that custodian. They generally do not charge our firm separately for custody services but will be compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades executed through them or settle into accounts maintained at their firm (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). They may also provide our firm with access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

Fidelity provides our firm with certain brokerage and research products and services that may qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934. The availability of these services benefits us because we do not have to produce or purchase them. We do not pay for these services so long as our clients maintain assets in accounts at their firm. Beyond that, these services are not contingent upon us committing any specific amount of business to them in trading commissions or assets in custody. There is an incentive for our firm to select or recommend a custodian based on our firm's interest in receiving research or other products or services, rather than on our clients' interest in receiving most favorable execution (see next section). Our firm believes the selection of our custodian is in the best interests of our clients since our selection is primarily supported by the scope, quality, and pricing of their services and not just the services that benefit our firm. Our firm periodically conducts an assessment of any service provider we may recommend which may include a review of their range of services, reasonableness of fees, among other items, and in comparison to their industry peers.

#### Best Execution

"Best execution" means the most favorable terms for a transaction based on all relevant factors, including those listed in the earlier paragraph titled Factors Used to Select Broker/Dealers for Client Transactions. We recognize our obligation in seeking best execution for our clients; however, it is our belief that the determinative factor is not always the lowest possible cost but whether the selected custodian's transactions represent the best "qualitative execution" while taking into consideration the full range of services provided. Our firm will seek services involving competitive rates but it may not necessarily correlate into the lowest possible rate for each transaction. We have determined having our portfolio management clients' accounts trades completed through our recommended custodian is consistent with our obligation to seek best execution of client trades. A review is regularly conducted with regard to recommending a custodian to our clients in light of our duty to seek best execution.

#### Directed Brokerage

Our internal policy and operational relationship with our custodian requires client accounts custodied with them to have trades executed per their order routing requirements. We do not direct which executing broker should be selected for client account trades; whether that is an affiliate of our preferred custodian or another executing broker of our custodian's choice. As a result, you may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices on transactions than might otherwise be the case. In addition, since we routinely recommend a custodian for our advisory clients, and that custodian may choose to use the execution services of its broker affiliate for some or all of our client account transactions, there is an inherent

conflict of interest involving our recommendation since our advisory firm receives various products or services described in this section from that custodian. Note that we are not compensated for trade routing/order flow, nor are we paid commissions on such trades. We do not receive interest on our client accounts' cash balances.

Client accounts maintained at our preferred custodians are unable to direct brokerage. As a result, they may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case if they had the opportunity to direct brokerage.

For accounts maintained at a custodian of the client's choice (e.g., held-away accounts), the client may choose to request that a particular broker is used to execute some or all account transactions. Under these circumstances, the client will be responsible for negotiating, in advance of each trade, the terms and/or arrangements involving their account with that broker, and whether the selected broker is affiliated with their custodian of record or not. We will not be obligated to seek better execution services or prices from these other brokers, and we will be unable to aggregate transactions for execution via our custodian with other orders for accounts managed by our firm. As a result, the client may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case.

#### Aggregating Securities Transactions for Client Accounts

Trade aggregation involves the purchase or sale of the same security for several clients/accounts at approximately the same time. This may also be termed "blocked," "bunched" or "batched" orders. Aggregated orders are effected in an attempt to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among multiple client accounts should there be differences in prices, brokerage commissions or other transactional costs that might otherwise be unobtainable through separately placed orders. Our firm may, but is not obligated to, aggregate orders and we do not receive additional compensation or remuneration as a result of aggregated transactions.

Transaction charges and/or prices may vary due to account size and/or method of receipt. To the extent that the firm determines to aggregate client orders for the purchase or sale of securities, including securities in which a related person may invest, the firm will generally do so in accordance with the parameters set forth in SEC No- Action Letter, SMC Capital, Inc., or similar guidance if the jurisdiction in which the client resides provides such direction.

Please note that when trade aggregation is not allowed or infeasible and necessitates individual transactions (e.g., withdrawal or liquidation requests, odd-lot trades, non-discretionary accounts, etc.), an account may potentially be assessed higher costs or less favorable prices than those where aggregation has occurred.

We review firm trading processes on a periodic basis to ensure they remain within stated policies and regulation. You will be informed, in advance, should trading practices change at any point in the future.

### Trade Errors

Our firm corrects trade errors through an account maintained by our custodian, and we may be responsible for certain trading error losses that occur within a client account. Trading gains are swept out daily to a designated account and donated to a 501(c)(3) charity of our custodian's choice, and the custodian will be obligated to disclose in their own literature to account holders whether such recipients' receipt of such donations presents a material conflict of interest.

### Client Referrals from Custodians

We do not receive referrals from our preferred custodian, nor are client referrals a factor in our selection of a custodian.

### Item 13 - Review of Accounts

#### Schedule for Periodic Review of Client Accounts

##### Financial Planning Services

Periodic financial check-ups or reviews are recommended if you are receiving our financial planning services. We recommend they occur on an annual basis. Reviews will be conducted by your investment advisor representative and typically involve analysis and possible revision of your previous financial plan or investment allocation. A copy of revised plans or asset allocation reports will be provided to the client upon request. Unless provided for in your engagement agreement, reviews are generally conducted under a new or amended agreement and will be assessed at our current fee rate.

##### Portfolio Management Services

Investment accounts are reviewed on a quarterly or more frequent basis by our investment committee. Client-level reviews are also completed by your investment advisor representative, and we recommend they occur on an annual basis. A copy of a revised investment guideline or asset allocation reports will be provided to the client upon request.

##### Retirement Plan Services

Periodic plan sponsor reviews are encouraged, and we believe they should occur on an annual basis if practical. Reviews will be conducted by your investment advisor representative, and it typically involves an analysis and possible revision of previous recommendations. A copy of revised plans or other requested reports will be provided upon request. We will conduct annual plan participant group review sessions upon request.

#### Review of Client Accounts on Non-Periodic Basis

##### Financial Planning Services

You should contact our firm for additional reviews when you anticipate or have experienced changes in your financial situation (i.e., changes in employment, an inheritance, the birth of a new child, etc.), or if you prefer to change requirements involving your investment account. Non-periodic reviews are conducted by your investment advisor representative, and a copy of revised plans or asset allocation reports will be provided to the client upon request.

##### Portfolio Management Services

Additional reviews by your portfolio manager and your investment advisor representative may be triggered by news or research related to a specific holding, a change in our view of the investment merits of a holding, or news related to the macroeconomic climate affecting a sector or holding within that sector. A portfolio may be reviewed for an additional holding or when an increase in a current position is under consideration. Account cash levels above or below what we deem appropriate for the investment environment, given the client's stated tolerance for risk and investment objectives, may also trigger a review.

#### Retirement Plans

Plan sponsors should contact our firm for additional reviews when there are material changes to the plan requirements or financial situation. The review is conducted by your investment advisor representative and typically involves an analysis and possible revision of previous plan recommendations. A copy of revised reports will be provided upon request. We do not conduct unscheduled participant-level reviews.

#### Content of Client Provided Reports and Frequency

Whether you have opened and maintained an investment account on your own or with our assistance, you will receive account statements sent directly from mutual fund companies, transfer agents, custodians or brokerage companies where your investments are held. We urge you to carefully review these account statements for accuracy and clarity, and to ask questions when something is not clear.

Our firm produces its own written performance reports which are calculated using a time-weighted methodology that are reviewed for accuracy by compliance personnel prior to delivery. The reports are intended to inform clients about their investment performance over the current period, as well as over the longer term since the account's inception; both on an absolute basis and as compared to a known benchmark. These reports are periodically back-tested by compliance staff. We do not back-test nor certify reports from an external party.

Clients are urged to carefully review and compare account statements that they have received directly from their custodian of record with any report they may receive from our firm or any other source that contains investment performance information.

#### Item 14 - Client Referrals and Other Compensation

Upon your request, you may be provided a referral to various professionals, such as an accountant or an attorney. While these referrals are based on the best information made available, the firm does not guarantee the quality or adequacy of the work provided by these referred professionals. Any fees charged by these other entities for their services are completely separate from fees charged by our firm. If we receive or offer an introduction to a client involving these other professionals, we do not pay or earn referral fees, nor are there established quid pro quo arrangements. Each client retains the right to accept or deny such referral or their subsequent services.

If a client is introduced to our firm by an unaffiliated solicitor, we may pay the solicitor a fee in accordance with the requirements set forth in securities statutes that will be determined by the state in which the client and solicitor reside. Any such referral fee shall be paid by the firm and shall not result in additional advisory fees assessed to the account holder. The solicitor will disclose the nature



of their relationship with the firm to prospective client at the time of solicitation. The solicitor will provide the prospective client with our firm's Form ADV Part 2A brochure as well as a disclosure document that contains the terms and conditions of the solicitation arrangement, including compensation that may be received.

An associate of the firm may hold individual membership or serve on boards or committees of professional industry associations. Generally, participation in any of these entities require membership fees to be paid, adherence to ethical guidelines, as well as in meeting experiential and educational requirements. A benefit these entities may provide to the investing public is the availability of online search tools that allow interested parties (prospective clients) to search for individual participants within a selected state or region. These passive websites may provide means for interested persons to contact a participant via electronic mail, telephone number, or other contact information, in order to interview the participating member. The public may also choose to telephone association staff to inquire about an individual within their area, and would receive the same or similar information. A portion of these participant's membership fees may be used so that their name will be listed in some or all of these entities' websites (or other listings). Prospective clients locating our advisory firm or an associate via these methods are not actively marketed by the noted associations. Clients who find our firm in this way do not pay more for their services than clients referred in any other fashion. The firm does not pay these entities for prospective client referrals, nor is there a fee-sharing arrangement reflective of a solicitor engagement.

#### Item 15 - Custody

Your assets will be maintained by an unaffiliated, qualified custodian, such as a bank, broker/dealer, mutual fund companies or transfer agent. Your assets are not held by our firm or any associate of our firm. In keeping with this policy involving our client funds or securities, Magnate Advisory Services, LLC:

- Restricts the firm or an associate from serving as trustee or having general power of attorney over a client account;
- Does not accept and forward client securities (i.e., stock certificates) erroneously delivered to our firm;
- Will not collect advance fees of \$500 or more for services that are to be performed six months or more into the future; and
- Will not authorize an associate to have knowledge of a client's account access information (i.e., online 401(k), brokerage or bank accounts) if such access would allow physical control over account assets.

It is important to note that our firm does require certain safeguards, to include:

- We must have our clients' prior written authorization to deduct advisory fees from their account;
- Prior to our advisory fee being deducted from a client's account, we will send the custodian an electronic notice of the amount of the fee to be deducted for each billing period;
- At least quarterly, the custodian is required to send our clients an account statement that identifies the amount of funds and each security in their account at the end of each period, setting forth all transactions in the account for that period; and
- Our advisory firm will not create an account statement for a client nor serve as the sole recipient of a client account statement.

Clients are urged to carefully review and compare their account statements they have received directly from their custodian of record with any performance report they may receive from any source.

#### Item 16 - Investment Discretion

##### Portfolio Management Services

We generally provide our portfolio management services on a discretionary basis. Similar to a limited power of attorney, discretionary authority allows our firm to implement investment decisions, such as the purchase or sale of a security on behalf of your account, without requiring your prior authorization for each transaction in order to meet your stated investment objectives. This authority will be granted through your execution of both our engagement agreement and the selected custodian's account opening documents. Note that your custodian will specifically limit our firm's authority within your account to the placement of trade orders and the request for the deduction of our advisory fees.

Our firm prefers not to manage client accounts on a non-discretionary basis but we may accommodate such requests on a case-by-case basis. Such account authority requires your ongoing prior approval involving the investment and reinvestment of account assets, portfolio rebalancing, or for our firm to give instructions to the custodian maintaining your account (i.e., wire instructions, etc.). Should you find it necessary to require such restrictions, we may not offer a reduced fee due to the additional operational costs involved managing your account. You will be required to execute our firm's client services agreement that describes our limited account authority, as well as the custodian of record's account opening document that includes their limited power of attorney form or clause. Please note, in light of the requirement for your pre-approval you must make yourself available and keep our firm updated on your contact information so that instructions can be efficiently effected on your behalf.

You may amend our account authority by providing our firm revised written instructions. As noted in Item 4, we will allow for reasonable restrictions involving the management of your account. It remains your responsibility to notify us if there is any change in your situation and/or investment objective so we may reevaluate previous investment recommendations or portfolio holdings.

##### Financial Planning Services

If you ask us to assist you in any trade execution (including account rebalancing) under an investment consultation component of our financial planning engagement, such as assisting you with your held-away assets, it will typically be accomplished on a nondiscretionary basis.

##### Retirement Plans

Our firm does not serve plans/plan sponsors as an ERISA §3(38), to include making the final decision of the selection and termination of a mutual fund or ETF, nor do we serve as the investment manager, or have any trading authority within a plan participant (self-directed) account.

#### Item 17 - Voting Client Securities

Accountholders may periodically receive proxies or other similar solicitations sent directly from their custodian or transfer agent. Should we receive a duplicate copy, note we do not forward these or

any correspondence relating to the voting of your securities, class action litigation, or other corporate actions.

Our firm does not vote proxies on behalf of an account holder, including those accounts we serve on a discretionary basis. We do not offer guidance on how to vote proxies, nor will we offer guidance involving any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets. We will answer limited questions with respect to what a proxy voting request or other corporate matter may be and how to reach the issuer or their legal representative.

Each account holder will maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned by you shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other legal matters or events pertaining to your holdings. Clients should consider contacting the issuer or their legal counsel involving specific questions they may have with respect to a particular proxy solicitation or corporate action.

#### Item 18 - Financial Information

Our advisory firm will not take physical custody of client assets, nor do we have the type of account authority to have such control. Fee withdrawals must be done through a qualified intermediary (e.g., custodian of record), per prior written agreement with the client.

We do not require, nor do we solicit prepayment of more than \$1,200 in fees per client or per discretionary client, six months or more in advance, therefore, we have not included a balance sheet for our most recent fiscal year.

Neither our firm, nor its management, serve as general partner for a partnership or trustee for a trust in which the firm's advisory clients are either partners of the partnership or beneficiaries of the trust.

The firm and its management do not have a financial condition likely to impair its ability to meet commitments to clients, nor has the firm and its management been the subject of a bankruptcy petition.

Due to the nature of our firm's advisory services and operational practices, an audited balance sheet is not required nor included in this brochure.

#### Item 19 - Business Continuity Plan

Our firm maintains a business continuity plan that is integrated within the organization to ensure it appropriately responds to events that pose a significant disruption to its operations. A statement concerning the current plan is available under separate cover.

#### Item 20 - Electronic Document Delivery

Whenever practical, documents and information will be electronically delivered to the Client. Such documents and information include, but are not limited to, service agreements, account information, forms, revised advisory firm disclosures and various types of general Client communications. Delivery mechanisms may include electronic mail (e-mail), firm web site, portal, and secure data transmission services. The sending of electronic messages and/or information shall constitute delivery of the information, regardless of whether the Client chooses to read it. The Client may opt-out of or revoke this consent to electronic delivery at any time by providing written notice to Firm at its main office.