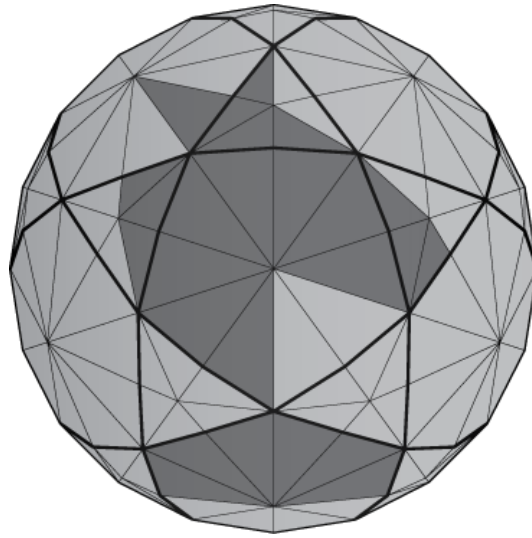


## Item 1 Cover Page



# STRATEGIC INTERNATIONAL INVESTMENT ADVISER BROCHURE

**Full Legal Name:** Strategic International Limited

**Alternative Names:** "Strategic International"

**Firm Address:** 2925 N Park Blvd, Cleveland Heights, OH 44118

**Website Address:** <http://www.strategic.international>

**Date of This Brochure:** 2024.03.29

**Contact Information:**

**Person:** Mr. Taylor Lovell Shockey

**Title:** Managing Principal, Chief Investment Officer and Chief Compliance Officer

**Phone:** (216) 513 6120

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Strategic International ("**the Firm**") is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

*This brochure provides information about the qualifications and business practices of Strategic International. If you have any questions about the contents of this brochure, please contact us at (216) 513 6120 or [taylor.shockey@strategic.international](mailto:taylor.shockey@strategic.international). 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.*

*Additional information about Strategic International also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## Item 2 Material Changes

**A. Last Update of This Brochure:** 2023.03.27

**B. Material Changes Disclaimer Statement:**

The following discussion only addresses material changes since the last update of this brochure. The last update occurred on 2023.03.27.

**C. Discussion:**

The following changes may be considered material:

- N/A

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## Item 4 Advisory Business

### A. Description of the Firm:

Strategic International provides automated, discretionary portfolio management services to individual and institutional investors through its interactive website. A small number of investors receive traditional, face-to-face advisory services.

#### 1. Length of Time the Firm Has Been in Business:

Strategic International has been in business since 2017.03.22.

#### 2. Principal Owners:

Strategic International is wholly owned by Mr. Taylor Lovell Shockey. As such, the Firm is not owned by a parent company nor any publicly-held intermediate subsidiaries.

### B. Description of Advisory Services Offered:

#### 1. Specialization in Particular Types of Advisory Services:

Strategic International specializes in quantitative analysis. It uses quantitative analysis to construct and maintain efficient portfolios in accordance with the basic tenets of Modern Portfolio Theory. Tolerance for risk is initially quantified using methods derived from Prospect Theory and Behavioral Economics. The following paragraphs from Investopedia.com describe quantitative analysis, Modern Portfolio Theory, Prospect Theory and behavioral economics in greater detail:

##### a. Description of Quantitative Analysis:

In general terms, quantitative analysis can best be understood as simply a way of measuring or evaluating things through the examination of mathematical values of variables. The primary advantage of quantitative analysis is that it involves studying precise, definitive values that can easily be compared with each other, such as a company's year-over-year revenues or earnings. In the financial world, analysts who rely strictly on quantitative analysis are frequently referred to as "quants" or "quant jockeys."

Governments rely on quantitative analysis to make monetary and other economic policy decisions. Governments and central banks commonly track and evaluate statistical data such as GDP and employment figures.

Common uses of quantitative analysis in investing include the calculation and evaluation of key financial ratios such as the price-earnings ratio (P/E) or earnings per share (EPS). Quantitative

analysis ranges from examination of simple statistical data such as revenue, to complex calculations such as discounted cash flow or option pricing. (<http://www.investopedia.com/terms/q/quantitativeanalysis.asp>)

**b. Description of Modern Portfolio Theory:**

Modern Portfolio Theory (MPT), a hypothesis put forth by Harry Markowitz in his paper "Portfolio Selection," (published in 1952 by the Journal of Finance) is an investment theory based on the idea that risk-averse investors can construct portfolios to optimize or maximize expected return based on a given level of market risk, emphasizing that risk is an inherent part of higher reward. It is one of the most important and influential economic theories dealing with finance and investment.

Also called "portfolio theory" or "portfolio management theory," MPT suggests that it is possible to construct an "efficient frontier" of optimal portfolios, offering the maximum possible expected return for a given level of risk. It suggests that it is not enough to look at the expected risk and return of one particular stock. By investing in more than one stock, an investor can reap the benefits of diversification, particularly a reduction in the riskiness of the portfolio. MPT quantifies the benefits of diversification, also known as not putting all of your eggs in one basket.

(<http://www.investopedia.com/walkthrough/fund-guide/introduction/1/modern-portfolio-theory-mpt.aspx>)

**c. Description of Prospect Theory:**

Prospect theory assumes that losses and gains are valued differently, and thus individuals make decisions based on perceived gains instead of perceived losses. Also known as "loss-aversion" theory, the general concept is that if two choices are put before an individual, both equal, with one presented in terms of potential gains and the other in terms of possible losses, the former option will be chosen.

For example, an investor is given a pitch for the same mutual fund by two separate financial advisors. One advisor presents the fund to the investor, highlighting that it has an average return of 12% over the past three years. The other advisor tells the investor that the fund has had above-average returns in the past 10 years, but in recent years it has been declining. Prospect theory assumes that though the investor was presented with the exact same mutual fund, he is likely to buy the fund from the first advisor, who expressed the fund's rate of return as an overall gain instead of the advisor presenting the fund as having high returns and losses.

(<http://www.investopedia.com/terms/p/prospecttheory.asp>)

**d. Description of Behavioral Economics:**

Behavioral economics explores why people sometimes make irrational decisions, and why and how their behavior does not follow the predictions of economic models. Notable individuals in the study of behavioral economics are Nobel laureates Gary Becker (motives, consumer mistakes; 1992), Herbert Simon (bounded rationality; 1978), Daniel Kahneman (illusion of validity, anchoring bias; 2002) and George Akerlof (procrastination; 2001).  
<http://www.investopedia.com/terms/b/behavioraleconomics.asp>

## **2. Financial Advice Limited to Particular Types of Investments:**

Strategic International does not limit its advice to particular types of investments in its face-to-face service. It does, however, currently limit itself to stocks in its online service.

## **C. Tailoring Advisory Services to the Individual Needs of Clients:**

The automated advisory service is tailored to the individual needs of clients in the sense that it is selecting and rebalancing securities in clients' accounts based on the unique risk tolerance level of each client. That being said, however, as of the date of this brochure, important portfolio considerations like time horizon, liquidity needs and tax situation are not programmed into the automated service and are therefore not weighed when making automated portfolio management decisions. Traditional, face-to-face clients receive these additional portfolio considerations.

### **1. Client Imposed Restrictions on Securities Selection:**

Clients using the online, automated advisory service are unable to impose restrictions on investing in certain securities or types of securities. Traditional, face-to-face clients may impose such restrictions.

## **D. Wrap fee programs and portfolio management services:**

Strategic International does not engage in any wrap fee programs.

## **E. Managed Client Assets Amounts Disclosure - Discretionary and Non-Discretionary:**

**1. Date of Calculations:** The following amounts were calculated as of 2024.03.29.

**2. Method of Calculations:**

The method Strategic International uses for calculating client assets under management is the same it uses for calculating regulatory assets under management as required for Item 5.F in Form ADV Part 1A.

**3. Discretionary Assets Under Management:** \$7,126,219.00

**4. Non-Discretionary Assets Under Management:** \$0.00

## Item 5 Fees and Compensation

### A. Description of Compensation, Fee Schedule and Negotiable Fees:

#### 1. Description of Compensation:

Strategic International is compensated based on a percentage of assets under management. Advisory fees are calculated based on the account's market value, including cash holdings, on the last business day of the prior quarter as valued by the account's custodian.

#### 2. Fee Schedule:

The fee for automated, discretionary portfolio management services is 0.50% of the value of the account, regardless of its size.

The fee schedule for traditional, face-to-face advisory service is as follows:

Billing Rate	Billing Assets	Portfolio Totals
1.25%	For the first \$500,000 of assets	\$100,000 - \$500,000
1.00%	On the next \$500,000 of assets	\$500,001 - \$1,000,000
0.75%	On the next \$1,000,000 of assets	\$1,000,001 - \$2,000,000
0.65%	On the next \$3,000,000 of assets	\$2,000,001 - \$5,000,000
0.55%	On the next \$5,000,000 of assets	\$5,000,000 and above

#### 3. Negotiable Fees Disclosure:

Fees for accounts managed through Strategic International's automated advisory service are not negotiable. Fees for accounts managed the traditional way (e.g. face-to-face) are negotiable.

### B. Frequency and Method of Billing:

Accounts are billed quarterly in arrears. Billed amounts are deducted automatically from client accounts.

### C. Additional Fees and Expenses:

Strategic International's fees 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. Such charges, fees and commissions are exclusive of and in addition to the Firm's management fee, and the Firm shall not receive any portion of these commissions, fees, and costs. See section 12 of this brochure for more information on the Firm's brokerage practices.

**D. Prepayment of Fees:**

Clients may not pay advisory fees in advance.

**E. Additional Compensation:**

Strategic International does not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.



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

### A. Performance-Based Fees and Side-By-Side Management Disclosure:

As of the date of publication of this brochure, the Firm does not engage in any arrangement in which performance-based fees or side-by-side management are employed.

## Item 7 Types of Clients

### A. Types of Clients and Requirements for Opening and Maintaining Accounts:

#### 1. Types of Clients:

Strategic International offers advisory services to the following types of clients:

- Individuals
- Qualified investors
- Charitable organizations
- Foundations
- Endowments
- Trusts
- Corporations
- Nonprofits
- Other investment advisors

#### 2. Disclosure of The Requirements for Opening and Maintaining Accounts:

As of the date of this brochure, there are no minimum requirements Strategic International imposes for opening and maintaining accounts. That being said, Strategic International reserves the right to decline, refuse or end advisory services for accounts at its discretion. Depending on the type of account, third-party custodians may impose varying levels of minimum amounts.

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

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

Strategic International uses the following methods of analysis and investment strategies in its automated, discretionary portfolio management service. Similar methods and strategies are used for the creation and rebalancing of traditional, face-to-face advisory client accounts. The main difference being, the portfolios of traditional accounts receive additional considerations that are currently not programmed into the automated service, such as tax consequences, time horizon, etc.

#### 1. Quantify Tolerance for Risk:

A client's tolerance for risk is quantified using a written examination based on the principles of Prospect Theory and Behavioral Economics.

#### 2. Gather Lists of Securities:

Web scraping programs gather lists of exchange symbols, CUSIP numbers and company names from various sources online. Web scraping programs are programs that automatically navigate websites, downloading and parsing information as they go.

#### 3. Colloquialize Company Names:

Full legal names of companies are automatically adjusted so that they more closely resemble how they are referenced in casual conversation. For instance, "Microsoft Corporation" would be adjusted to "Microsoft".

#### 4. Gather Trends Data:

Web scraping programs automatically search for colloquialized company names on Google Trends. Trends data is downloaded, parsed and analyzed. Spikes exceeding a rolling threshold are considered significant and are used later in calculations. Not all colloquialized company names have Trends data. In these instances, a date in the past is used.

#### 5. Gather Securities Data:

Web scraping programs automatically gather securities data. For stocks, these data are end-of-day adjusted close prices.

#### 6. Calculate Individual Securities Statistics:

Variance, standard deviation and expected return are calculated for each individual security from the date identified in Step 4. In probability theory

and statistics, variance measures how far a set of numbers are spread out. The standard deviation is the square root of the variance.

#### **7. Calculate Correlation Coefficients:**

Correlation coefficients are calculated for a selection of securities pairs. The correlation coefficient is a normalized measurement of how two securities move in relation to each other over time.

#### **8. Calculate Portfolios Statistics:**

For clients with preexisting portfolios, expected return, variance and standard deviation are calculated. For clients without portfolios, portfolios are automatically generated to be consistent with risk tolerance as measured in step 1. Below is the equation that describes the variance of a portfolio.

$$\sigma_p^2 = \sum_{i=1}^n x_i^2 \sigma_i^2 + \sum_{i=1}^n \sum_{j \neq i}^n x_i x_j \sigma_{ij}$$

#### **9. Evaluate Portfolios:**

Portfolios are evaluated on their expected return and standard deviation. Portfolios that maximize expected return and minimize standard deviation are desirable. Portfolios that exceed a client's risk tolerance are discarded.

#### **10. Rebalance Portfolios:**

Portfolios are automatically rebalanced on a regular basis. Portfolios are rebalanced as to move their compositions closer to the ideal of maximum expected return and minimum standard deviation. When rebalancing, standard deviation is kept at or below the risk tolerance threshold measured in step 1.

### **B. Material Risks:**

Strategic International cannot guarantee any level of performance or that any client will avoid a loss of account assets. Any investment in securities involves the possibility of financial loss that clients should be prepared to bear.

The following risks may not apply to all clients. Regardless, they should be considered carefully by all prospective clients prior to retaining Strategic International's services. These risks should be considered as possibilities, with additional regard to their actual probability of occurring and their subsequent consequences.

#### **1. Market Risk:**

The price of any security or the value of an entire asset class can decline for a variety of reasons outside of Strategic International's control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, demographic, or social events. If a client has a high allocation in a particular asset class it may negatively affect overall performance to the extent that the asset class underperforms relative to other market assets. Conversely, a low allocation to a particular asset class that outperforms other asset classes in a particular period will cause that client's account to underperform relative to the overall market.

## **2. Advisory Risk:**

There is no guarantee that Strategic International's judgment or investment decisions about particular securities or asset classes will necessarily produce intended results. Strategic International's judgment may prove to be incorrect, and clients might not achieve their investment objectives. Strategic International may also make future changes to its investing algorithms and advisory services that may materially affect clients. It is possible that clients or Strategic International itself may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to Strategic International's software-based financial advisory service. Strategic International and its representatives are not responsible to any client for losses, unless those losses are caused by Strategic International breaching of its fiduciary duty.

## **3. Volatility and Correlation Risk:**

Clients should be aware that Strategic International's asset selection process is based on a careful evaluation of past price performance and volatility in order to evaluate future probabilities. It is possible that different or unrelated asset classes may exhibit similar price changes in similar directions which may adversely affect clients. These changes may become more acute in times of market upheaval or high volatility. Past performance is no guarantee of future results, and any historical returns, expected returns or probability projections may not reflect actual future performance.

## **4. Liquidity and Valuation Risk:**

High volatility and/or the lack of deep and active liquid markets for securities may prevent clients from selling their securities at an advantageous time or price because it is difficult to find a buyer. In these instances, Strategic International or the client's broker may be forced to sell securities at a significant discount to market value. Some securities (including ETFs) that hold or trade financial instruments may be adversely affected by liquidity issues as they manage their portfolios. While Strategic International values the securities held in clients' accounts based on reasonably available exchange-traded security data, Strategic International may - from time to time

- receive or use inaccurate data, which could adversely affect security valuations, transaction size and/or the resulting advisory fees charged to clients.

#### **5. Credit Risk:**

Financial intermediaries or securities issuers may experience adverse economic consequences that may include impaired credit rating, default, bankruptcy or insolvency - any of which may affect portfolio values or management. This risk applies to assets on deposit with any broker utilized by clients. In addition, exchange trading venues or trade settlement and clearing intermediaries could experience adverse events that may temporarily or permanently limit trading or adversely affect the value of client securities. Finally, any issuer of securities may experience a credit event that could impair or erase the value of issuer securities held by clients.

#### **6. Legislative and Tax Risk:**

Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment adviser or securities trading regulation; changes in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations (particularly for ETF securities dealing in natural resources). Strategic International does not engage in financial or tax planning, and in certain circumstances clients may incur taxable income on their investments without a cash distribution to pay the tax due.

#### **7. Foreign Investing and Emerging Markets Risks:**

Foreign investing has many risks including, adverse fluctuations in foreign currency values, adverse foreign political, social or economic developments or adverse foreign legislation. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be inadequate or irregular.

#### **8. Inflation, Currency and Interest Rate Risks:**

Securities prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars

to be worth less and may reduce the purchasing power of investors' future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline.

The relative value of the U.S. dollar may be affected by currency devaluations and therefore decreases in the purchasing power of clients or the value of clients' securities.

Interest rates may increase, causing the market value for fixed-income securities held by clients to decrease.

#### **9. Frequent Trading of Securities:**

Frequent trading can affect investment performance, particularly through increased brokerage fees and other transaction costs and taxes.

### **C. Material Risks Associated with Particular Types of Securities:**

#### **1. ETF Risks, Net Asset Valuations and Tracking Error:**

ETF (exchange traded fund) performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate. Clients should be aware that, to the extent they invest in ETF securities, they will pay two levels of advisory compensation - advisory fees charged by Strategic International plus any management fees charged by the issuer of the ETF. This scenario may cause a higher advisory cost (and potentially lower investment returns) than if clients purchased the ETF directly.

ETFs typically include embedded expenses that may reduce a fund's net asset value. Funds affected in this way may stunt a fund's performance and may indirectly affect the values of clients' portfolios. Expenses of funds may include investment advisor management fees, custodial fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. ETF tracking error and expenses may vary between online data providers.

## Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to client evaluation of the Firm or the integrity of the Firm's management. Strategic International has no information applicable to this item.



## Item 10 Other Financial Industry Activities and Affiliations

Registered investment advisers are required to disclose any relationships or arrangements with certain related persons that are material to its advisory business or clients. Strategic International does not have any required disclosures to this item.

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

### A. Description:

Strategic International has adopted a Code of Ethics ("the Code") to ensure that all securities transactions, recommendations and interests by the Firm and its related persons are consistent with the Firm's fiduciary duty to its clients. Among other things, the Code includes prohibitions against insider trading, restrictions on the acceptance of significant gifts and procedures regarding personal securities trading. All supervised persons at the Firm must acknowledge and accept the terms of the Code of Ethics annually, or as amended.

The Firm's clients, or prospective clients, may request a copy of the Firm's Code of Ethics at any time by contacting the Firm's Chief Compliance Officer, Mr. Shockey.

### B. Conflicts of Interest Arising From Material Financial Interest:

If Strategic International or a related person recommends to clients, or buys or sells for client accounts, securities in which the Firm or a related person has a material financial interest, such actions may conflict with the Firm's fiduciary obligation to those clients. Because the Firm is in a position of power, where it directs and advises transactions, it could potentially abuse this position to benefit itself, or a related person, over the well-being of its clients. The following examples describe such situations:

1. An employee recommending a client purchase securities directly from his personal account would be a conflict of interest because the recommendation may have been influenced by the benefit it provides to the employee rather than it being the best recommendation that most benefits the client.
2. An employee recommending a client invest in a general partnership in which he acts as a solicitor would be considered a conflict of interest because the employee making the recommendation may be doing so because he receives a commission as a solicitor rather than because it is in the best interest of the client.
3. An employee recommending a client invest in an investment firm of which he is the adviser would be a conflict of interest because the employee presumably receives remuneration based upon the success of the firm, and whether the recommendation was based on a desire to benefit himself or his client is ambiguous.

To prevent situations like those described in the examples above, employees are required to abide by the Code of Ethics and to avoid all conflicts of interest whether perceived or otherwise. Should an employee encounter a situation in which he is unsure, he has been instructed to seek the guidance of the Chief Compliance Officer.

**C. Conflicts of Interest Arising From Beneficial Ownership:**

If Strategic International or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that the Firm or a related person recommends to clients, it may create a conflict of interest. As an investment adviser, Strategic International is in a position to direct and influence securities transactions. As such, it could potentially use its position to recommend the purchase or sale of securities in such a way as to manipulate the price and thereby benefit itself or a related person. To attempt to prevent this from occurring, Strategic International's Code of Ethics strictly prohibits such market manipulation tactics and requires all Access Persons (persons with access to non-public information or who make advisory recommendations) to periodically report their securities holdings and transactions to the Chief Compliance Officer.

**D. Conflicts of Interest Arising From Transaction Timing:**

If Strategic International or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that the Firm or a related person buys or sells the same securities for the Firm's own (or the related person's own) account, it may create a conflict of interest. The conflict of interest arises out of the fact that the Firm, or a related person, could potentially buy or sell the same securities prior to, or immediately following, the recommendation, purchase or sale as a way of benefiting from any resultant price movement. To attempt to prevent this from happening, Strategic International has forbidden such "front running" in its Code of Ethics, which it requires all Firm employees to sign as a condition of their employment.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with the Firm's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. The Firm will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order itself.

## Item 12 Brokerage Practices

### A. Broker-Dealer Selection and Reasonableness of Compensation:

Strategic International directs the purchase and sale of Securities through the facilities of Interactive Brokers (“IB”), a division of Interactive Brokers, Inc. Member NYSE/FINRA/SIPC. The following bullets describe two important factors that affected Strategic International’s choice of Interactive Brokers as its broker-dealer:

#### ✓ API:

The Firm’s automated, discretionary advisory service uses an API (“Application Program Interface”) to communicate trades to the broker-dealer and sync account data. The Firm considers it a vital component to the running of its business. IB provides this service in a variety of computer languages along with ample documentation.

#### ✓ Global Mindset:

Strategic International considers itself a global-minded financial advisory firm. As such, it has selected a broker-dealer that it believes operates along the same mindset. IB conducts its broker-dealer and proprietary trading businesses on over 100 market destinations in 23 countries. In its broker dealer agency business, IB provides direct access (“online”) trade execution and clearing services to institutional and professional traders for a wide variety of electronically traded products including stocks, options, futures, forex, bonds, CFDs and funds worldwide. Interactive Brokers Group and its affiliates execute nearly 1,000,000 trades per day.

IB’s headquarters is in Greenwich Connecticut. It has approximately 880 employees in its offices in the US, Switzerland, Canada, UK, Australia, Hungary, Russia, Japan, India, China and Estonia. IB is regulated by the SEC, FINRA, NYSE, FSA and other regulatory agencies around the world.

Best execution has been defined by the SEC as the “execution of securities transactions for clients in such a manner that the client’s total cost or proceeds in each transaction is the most favorable under the circumstances.” In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a financial institution’s services, including among others, execution capability, commission rates, and responsiveness.

The commissions paid by Strategic International’s clients comply with its duty to obtain “best execution.” When placing portfolio transactions for client accounts, the Firm’s primary objective is to obtain the best price and best execution, taking into account the costs, promptness of execution and other qualitative considerations.

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

As of the date of this brochure, the Firm does not receive any proprietary or third-party research and services with soft dollars. In the event that the Firm does enter into any “soft dollar” arrangements, all such arrangements will comply with the requirements of Section 28(e) of the Securities and Exchange Act of 1934 and will be disclosed in an update of this brochure.

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

Neither Strategic International nor its related persons receives client referrals from broker-dealers or third parties in exchange for using their services. As such, whether or not a broker-dealer refers clients to Strategic International does not factor into the Firm’s decision when selecting a broker-dealer.

## **3. Directed Brokerage:**

Due to the fact that Strategic International’s automated, discretionary portfolio management service uses Interactive Brokers’ API, the Firm requires that clients direct transactions through Interactive Brokers. Clients should be aware that not all advisers require clients to direct brokerage in this way. As such, the Firm may be unable to achieve the most favorable execution of client transactions, and this practice may cost clients more money overall.

Strategic International is not affiliated with Interactive Brokers, nor does it have any economic relationship with IB that it believes would create a conflict of interest in regards to this policy.

## **B. Trade Aggregation:**

Strategic International’s automated, discretionary portfolio management service does not aggregate client purchases or sales with those of other clients. As such, clients may be paying more in commissions than otherwise would be achieved had their orders been aggregated. This policy is only currently in effect due to the limitations of the automated portfolio management software. Later editions of the software may include this feature and therefore alter this policy.

Traditional, face-to-face clients may have their orders aggregated if they are made around the same time as other client orders. In such an event, the average price of the securities purchased or sold in these transactions may be determined and clients may be charged or credited - as the case may be - the average transaction price. The resulting price of such aggregated transactions may be less favorable to clients than it would have been if the orders had not been aggregated.

## Item 13 Review of Accounts

### A. Periodic Reviews:

#### 1. Nature:

Strategic International's automated, discretionary portfolio management service periodically reviews client accounts to rebalance them. The review procedure is outlined in steps 8-10 of the section of this brochure entitled, *Item 8 Methods of Analysis, Investment Strategies and Risk of Loss: A. Methods of Analysis and Investment Strategies*. Traditional, face-to-face client accounts are reviewed in a similar way, with additional considerations being made to things like tax effects, time horizon, etc.

#### 2. Frequency:

Reviews recur monthly by default.

#### 3. Title of Supervised Person:

As periodic reviews of automated, discretionary client service portfolios are done by a computer program, the official title of the "supervised person" responsible for such reviews can be inferred to be that of the program's author. That being the case, the supervised person would be Mr. Taylor Lovell Shockey - Managing Principal, Chief Investment Officer and Chief Compliance Officer. Periodic reviews of traditional, face-to-face client portfolios are also done by this individual.

### B. Triggered Reviews:

Triggered reviews (reviews that are not periodic reviews) occur when clients initially establish their accounts with Strategic International. For traditional, face-to-face clients, these reviews are generally done prior to, or immediately following, any meeting with the client.

### C. Reports:

Third party custodian(s) provide written reports directly to clients at least quarterly. Such reports show positions held, valuation, and account activity, including payment of investment management fees, if applicable. Clients may access reports online that describe asset positions, valuations, performance and asset allocation. Tax-related reports (including information on capital gains and losses, investment income and management expenses) may also be accessed by clients online.

## Item 14 Client Referrals and Other Compensation

Neither Strategic International nor any of its related persons receives or provides economic benefits (sales awards or other prizes) or compensation, directly or indirectly, to persons that are not clients nor supervised persons of the Firm for client referrals, other advisory services, or marketing. Advertisements, testimonials, and third-party ratings, fall under the umbrella of “marketing” as defined by [17 CFR 275.206\(4\) 1\(e\)](#).

## Item 15 Custody

As paying agent for Strategic International, and with client approval, a client's independent custodian will directly debit a client's account(s) for the payment of Firm advisory fees. In no way does Strategic International have the ability to do this itself.

Strategic International does not have physical custody of any client funds and/or securities. A client's funds and securities are held with a bank, broker-dealer, or other independent, qualified custodian. Clients do not receive account statements directly from Strategic International. Rather, they receive account statements at least quarterly from the independent, qualified custodian(s) holding their funds and securities. Account statements indicate the amount Strategic International deducts as its advisory fee each billing period. Clients should carefully review these statements to verify their accuracy.



## Item 16 Investment Discretion

### A. Procedure:

Strategic International requires that all advisory clients complete an Account Agreement. Under the terms of the agreement, Strategic International assumes full discretionary trading and investment authority over the client's assets held with the broker. This means that Strategic International is given full authority to select the timing, size, and identity of securities to buy and sell for the client.

### B. Limitations:

1. Discretion is limited to the purchase and sale of securities and investment of cash, and not to distributions of cash or securities.
2. Investments will not intentionally exceed the client's funds in the account, unless the client has established a custodial margin account.

## Item 17 Voting Client Securities

Strategic International does not accept authority to vote client securities. Clients that own shares of common stock or mutual funds are responsible for exercising their right to vote as shareholders. Clients will receive proxy materials directly from their custodians. In the event the Firm were to receive any written or electronic proxy materials, it would forward them directly to clients by mail - unless it is authorized to contact clients by electronic mail, in which case, the Firm would forward any electronic solicitation to vote proxies. Clients should not contact Strategic International with questions regarding particular solicitations.

## Item 18 Financial Information

Registered investment advisers are required to provide clients with certain financial information or disclosures about the Firm's financial condition. The Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. The Firm does not require prepayment of fees more than six months in advance, and therefore is not required to provide a balance sheet for its most recent fiscal year.

## Item 19 Requirements for State-Registered Advisers

Strategic International is registered with the SEC. As such, it is not considered a state-registered adviser.

## Item 20 Additional Information

### FORM ADV PART 2B CLIENT BROCHURE SUPPLEMENT

*This brochure supplement provides information about Mr. Taylor Lovell Shockey that supplements the Strategic International brochure. You should have received a copy of that brochure. Please contact Mr. Taylor Lovell Shockey if you did not receive Strategic International's brochure or if you have any questions about the contents of this supplement.*

*Additional information about Mr. Taylor Lovell Shockey is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

**1. Supervised Person's Basic Information:**

- a. **Supervised Person's Name:** Mr. Taylor Lovell Shockey
- b. **Firm's Full Legal Name:** Strategic International Limited
- c. **Firm's Alternative Names:** "Strategic International"
- d. **Date of Supplement:** 2024.03.29

**2. Educational Background and Business Experience:**

- a. **Name:** Mr. Taylor Lovell Shockey
- b. **Born:** 1986
- c. **Formal Education After High School:**
  - i. University of Colorado at Boulder
  - ii. John Carroll University
- d. **Business Background:**
  - i. Vice President of Operations: Technologies for Indigenous Empowerment
  - ii. Registered Stockbroker: Financial America Securities, Inc.
  - iii. Investment Adviser Representative: Oppenheimer & Co. Inc.
  - iv. Teacher: Progress with Chess

**3. Disciplinary Information:** None

**4. Other Business Activities:**

Mr. Shockey is a Member of the Board of Directors for Progress with Chess, a nonprofit dedicated to teaching chess to children.

**5. Additional Compensation:** None

**6. Supervision:** N/A

**7. Requirements for State-Registered Advisers:** N/A

