

# **Symphony Financial Services, Inc.**

## **Part 2A Appendix 1 Wrap Fee Program Brochure**

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Date of Disclosure Brochure: March, 29 2018

This Wrap Fee Program Brochure provides information about the qualifications and business practices of Symphony Financial Services, Inc. (also referred to as we, us and Symphony Financial Services throughout this disclosure brochure). If you have any questions about the contents of this brochure, please contact John Y. Kim at 330-434-2000 or [john@symphony-financial.com](mailto:john@symphony-financial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Symphony Financial Services is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for Symphony Financial Services or our firm's CRD number 125058.

\*Registration as an investment adviser does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

At this time, there are no material changes we deemed necessary to include.

We will ensure that you receive a summary of any material changes to this and subsequent Wrap Fee Program Disclosure Brochures within 120 days after our firm's fiscal year ends should they arise. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time, we will also offer or provide a copy of the most current Wrap Fee Program Disclosure Brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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#### Item 4 – Services, Fees and Compensation

Symphony Financial Services, LLC is an investment adviser registered with the United States Securities and Exchange Commission ("SEC") and is a limited liability corporation formed under the laws of the State of Ohio.

##### **Symphony Financial Services Advisory Management Program(AMP)**

We are the sponsor of the Symphony Financial Services **Advisory Management Program** ("Symphony Financial Services AMP"), a wrap fee or non-wrap fee asset management program developed through an arrangement using LPL Financial Corporation's ("LPL") Strategic Wealth Management platform. Through the Symphony Financial Services AMP, we provide investment management services, including continuous investment advice and making investments for you based on your individual needs. Through this service, we offer a customized and individualized investment program. A specific asset allocation strategy and suitability profile is crafted to focus on your specific goals and objectives. Your information should be updated regularly, but at a minimum every 2 years.

Symphony Financial Services AMP accounts are at LPL Financial in its capacity as a registered broker/dealer, custodian. LPL is a member FINRA/SIPC. LPL is also an investment adviser registered with the SEC, but does not serve as an investment adviser for you through the Symphony Financial Services AMP. LPL provides clearing, custody, and other brokerage services for accounts established through the Symphony Financial Services AMP. Therefore, you are required to establish a brokerage account(s) through LPL's Strategic Wealth Management platform. Separate accounts are maintained for you, and you retain all rights of ownership of your accounts (e. g., the right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

Symphony Financial Services AMP accounts allow you to authorize us to purchase and sell, on either a discretionary basis or non-discretionary basis, portfolios consisting of securities and investments. We may limit our discretion with respect to your specific account and the securities eligible to be purchased for your account.

During any month that there is activity in the Symphony Financial Services AMP account, you receive a monthly account statement from LPL showing account activity as well as positions held in the account at month end. Additionally, you receive a confirmation of each transaction that occurs within the Symphony Financial Services AMP account unless the transaction is the result of a systematic purchase, redemption, or exchange. All account data and statements are also available online on the account view portal through LPL.

The maximum annual fee for asset management services will be 2.50% of the assets held in the account and is negotiable depending on the market value of the account, asset types, complexity of your portfolio and your financial situation. The annual fee is divided and paid quarterly in advance through a direct debit to your account. LPL is responsible for calculating and debiting all fees from your accounts. You must provide LPL with written authorization to debit advisory fees from your accounts and pay the fees to Symphony Financial Services. Fees are based on the account's asset value as of the last business day of the prior calendar quarter. Fees for accounts opened at any time other than the beginning of a quarter is prorated based on the number of days remaining in the initial quarter.

Prior to engaging Symphony Financial Services to provide investment management services, you are required to enter into a formal investment advisory agreement with us setting forth the terms and conditions, including the amount of investment advisory fees, under which we manage your assets and a

also separate custodial/clearing agreement with LPL.

You can open a Symphony Financial Services AMP I or Symphony Financial Services AMP II account. A Symphony Financial Services AMP I account is a non-wrap or traditional account. This means in addition to our investment advisory fee, you also certain pay transaction charges to defray the costs associated with trade execution. These costs are set out in the LPL Strategic Wealth Management platform brokerage account and application agreement. The Symphony Financial Services AMP Program II account is a wrap fee account, meaning you do not pay transaction charges associated with trade execution.

You may incur certain charges imposed by third parties other than Symphony Financial Services in connection with investments made through the account including, but not limited to, 12b-1 fees and surrender charges, and IRA and qualified retirement plan fees. Our management fees (which include transaction and execution fees charged by LPL for Symphony Financial Services AMP Program II accounts) are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus. Our representatives, in their separate capacity as registered representatives of LPL, may retain a portion of the commissions that are charged to you.

The Symphony Financial Services AMP I and Symphony Financial Services AMP II may cost you more or less than if the assets were held in a traditional brokerage account. In a brokerage account, you are charged commissions for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If you plan to follow a buy and hold investment strategy for the account or do not wish to purchase ongoing investment advice or management services, you should consider opening a brokerage account rather than a Symphony Financial Services AMP Program I or Symphony Financial Services AMP Program II account.

We do not always charge a lower advisory fee for Symphony Financial Services AMP Program I accounts versus Symphony Financial Services AMP Program II accounts. The cost for a Symphony Financial Services AMP Program II account is typically higher than a Symphony Financial Services AMP I Program. This is because transaction costs are passed along to you in Symphony Financial Services AMP Program I accounts while the transaction costs are covered under the overall fee charged for Symphony Financial Services AMP Program II accounts.

When making the determination of whether one of the advisory programs available through Symphony Financial Services is appropriate for your needs, you should keep in mind that fee-based accounts, when compared with commission-based accounts, often result in lower costs during periods when trading activity is heavier, such as the year an account is established. However, during periods when trading activity is lower, the fee-based account arrangements may result in a higher annual cost for transactions. Thus, depending on a number of factors, the total cost for transactions under a fee account versus a commission account can vary significantly. Factors which affect the total cost include account size, amount of turnover, type and quantities of securities purchased or sold, commission rates and your tax situation. It should also be noted that lower fees for comparable service may be available from other sources. You should discuss the advantages and disadvantages of fee-based and commission-based accounts with your adviser.

Either party has the right to terminate the agreement for services at any time. If services are terminated within five business days of executing the agreement, services are terminated without penalty and a full refund of all fees paid in advance is provided. If services are terminated after the initial five day period,

we provide you with a prorated refund of fees paid in advance. The refund is based on the number of days service is actually provided during the final billing period. Termination is effective from the time the other party receives written notification or such other time as may be mutually agreed upon, subject to the settlement of transactions in progress and the final refund of advisory fees. There is no penalty charge on termination.

#### **WRAP Fee Program Disclosure**

As representative of LPL Financial, LLC, the investment advisor representatives of Symphony Financial Services, Inc. have the ability to offer the WRAP account services conducted under the Symphony Financial Services, Inc. AMP Program through the SWM II program. Although clients do not pay a transaction charge for transactions in a SWM II account, clients should be aware that Symphony Financial Services, Inc. pays LPL transaction charges for those transactions. The transaction charges paid by Symphony Financial Services, Inc. vary based on the type of transaction (e.g., mutual fund, equity, or ETF) and for mutual funds based on whether or not the mutual fund pays 12b-1 fees and/or recordkeeping fees to LPL. Transaction charges paid by the Advisor for equities and ETFs are \$9. For mutual funds, the transaction charges range from \$0 to \$26.50. Because Symphony Financial Services, Inc. pays the transaction charges in SWM II accounts, there is a conflict of interest in cases where the mutual fund is offered at both \$0 and \$26.50. Clients should understand that the cost to Advisor of transaction charges may be a factor that Symphony Financial Services, Inc. considers when deciding which securities to select and how frequently to place transactions in a SWM II account.

In many instances, LPL makes available mutual funds in a SWM II account that offer various classes of shares, including shares designated as Class A Shares and shares designed for advisory programs, which can be titled, for example, as "Class I," "institutional," "investor," "retail," "service," "administrative" or "platform" share classes ("Platform Shares"). The Platform Share class offered for a particular mutual fund in SWM II in many cases will not be the least expensive share class that the mutual fund makes available, and was selected by LPL in certain cases because the share class pays LPL compensation for the administrative and recordkeeping services LPL provides to the mutual fund. Client should understand that another financial services firm may offer the same mutual fund at a lower overall cost to the investor than is available through SWM II. In other instances, a mutual fund may offer only Class A Shares, but another similar mutual fund may be available that offers Platform Shares. Class A Shares typically pay LPL a 12b-1 fee for providing brokerage-related services to the mutual funds. Platform Shares generally are not subject to 12b-1 fees. As a result of the different expenses of the mutual fund share classes, it is generally more expensive for a client to own Class A Shares than Platform Shares. An investor in Platform Shares will pay lower fees over time and keep more of his or her investment returns than an investor who holds Class A Shares of the same fund.

Symphony Financial Services, Inc. has a financial incentive to recommend Class A Shares in cases where both Class A and Platform Shares are available. Although the client will not be charged a transaction charge for each transaction, Advisor pays LPL a per transaction charge for mutual fund purchases and sales in the account. Symphony Financial Services, Inc. generally does not pay transaction charges for Class A Share mutual fund transactions accounts, but generally do pay transaction charges for Platform Share mutual fund transactions. The cost to Symphony Financial Services, Inc. of transaction charges generally may be a factor Advisor considers when deciding which securities to select and whether or not to place transactions in the account.

The lack of transaction charges to Symphony Financial Services, Inc. for Class A Share purchases and

sales, together with the fact that Platform Shares generally are less expensive for a client to own, present a significant conflict of interest between Symphony Financial Services, Inc. and the client. Clients should understand this conflict and consider the additional indirect expenses that come as a result of the mutual fund fees when negotiating and discussing with your Advisor the advisory fee for management of an account.

#### **Additional Compensation, Economic and Non-Economic Benefits**

Our representatives are also registered representatives of LPL, a securities broker-dealer. You may work with your investment adviser representative in his or her separate capacity as a registered representative of LPL. When acting in this separate capacity as a registered representative, your investment adviser representative may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to you. As such, your investment adviser representative may suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as a registered representative of a securities broker-dealer. Consequently, the objectivity of the advice rendered to you could be biased.

You are under no obligation to use the services of our representatives in this separate capacity or to use LPL and can select any broker/dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use LPL.

### **Item 5 – Account Requirements and Types of Clients**

#### **Minimum Account Size**

There are no minimum investment amounts or conditions required to open any Symphony Financial Services AMP Program account. However, all clients are required to execute an agreement for services in order to establish a client arrangement with Symphony Financial Services and/or the third-party money manager or the sponsor of third-party money manager platforms.

#### **Types of Accounts**

Symphony Financial Services generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals
- Pension and profit sharing plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

You are required to execute a written agreement with Symphony Financial Services specifying the particular advisory services in order to establish a client arrangement with Symphony Financial Services.

### **Item 6 – Portfolio Manager Selection and Evaluation**

We select and review portfolio managers based on many criteria including, but not limited to, performance, holdings, track record, turnover, manager tenure, expense ratio, peer group rating and historical consistency

of all of the above.

We rely on third party performance calculations. These third party services utilize standard performance calculation methods. We as a firm cannot confirm or deny the accuracy of these performance measures but rely on them based on their national reputation and standard methods of calculation. We believe them to be fair and accurate representations but do not verify or confirm their accuracy.

Our related persons may act as a portfolio manager for our wrap fee program. However, our related persons may choose managers with respect to the following: asset class, percentage of portfolio, when to add/subtract them from the portfolio, etc. Managers are chosen based on your best interests.

### **Other Advisory Services**

In addition to the management services described above, we provide the following services:

- Financial Planning & Consulting Services
- Referral of Third-Party Money Managers

A description of all fee-based investment advisory services that we provide is available in our Form ADV Part 2A Disclosure Brochure.

### **Limits Advice to Certain Types of Investments**

Symphony Financial Services provides investment advice on the following types of investments:

- Mutual Funds
- Structured Notes
- Exchange-listed Securities
- Securities Traded Over-the-Counter
- Foreign Issues
- Certificates of Deposit
- Municipal Securities
- Variable Annuities
- Variable Life Insurance
- U.S. Government Securities
- Options Contracts on Securities
- Interests in Partnerships Investing in Real Estate
- Interests in Partnerships Investing in Oil and Gas Interests

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may also modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

### **Tailored Advisory Services to Individual Needs of Clients**



Symphony Financial Services's advisory services are always provided based on your individual needs. This means, for example, that when we provide asset management services, you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

### **Performance-Based Fees and Side-By-Side Management**

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. Symphony Financial Services does **not charge or accept performance-based fees**.

### **Methods of Analysis**

Symphony Financial Services uses the following methods of analysis in formulating investment advice:

Charting -This is a set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Charting is likely the most subjective analysis of all investment methods since it relies on proper interpretation of chart patterns. The risk of reliance upon chart patterns is that the next day's data can always negate the conclusions reached from prior days' patterns. Also, reliance upon chart patterns bears the risk of a certain pattern being negated by a larger, more encompassing pattern that has not shown itself yet.

Cyclical – This method analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are lower in demand during downturns in the economy and in higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins, and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors

(like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.

Technical – This is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

There are risks involved in using any analysis method.

To conduct analysis, Symphony Financial Services gathers information from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the SEC, and company press releases.

### **Investment Strategies**

Symphony Financial Services uses the following investment strategies when managing client assets and/or providing investment advice:

Long term purchases. Investments held at least a year.

Short term purchases. Investments sold within a year.

Frequent trading. This strategy refers to the practice of selling investments within 30 days of purchase.

Short sales. A short sale is generally the sale of a stock not owned by the investor. Investors who sell short believe the price of the stock will fall. If the price drops, the investor can buy the stock at the lower price and make a profit. If the price of the stock rises and the investor buys it back later at the higher price, the investor will incur a loss. Short sales require a margin account.

Margin transactions. When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest of the purchase price from a brokerage firm. For example, an investor may buy \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock from Symphony Financial Services.

Option writing including cover options, uncovered options or spreading strategies. Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

## **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk - When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. 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. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk - When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk - Options on securities may be subject to greater fluctuations in value than an investment in

the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.

- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- Margin Risk - When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you intended to borrow funds in connection with your Account, you will be required to open a margin account, which will be carried by the clearing firm. The securities purchased in such an account are the clearing firm's collateral for its loan to you.

If those securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and as a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account.

The brokerage firm may issue a margin call and/or sell other assets in your account. It is important to fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin account that may be established as part of the Asset Management Agreement established between you and Symphony Financial Services and held by the account custodian or clearing firm.

These risks include the following:

- You can lose more funds than you deposit in your margin account.
- The account custodian or clearing firm can force the sale of securities or other assets in your account.
- The account custodian or clearing firm can sell your securities or other assets without contacting you.
- You are not entitled to choose which securities or other assets in your margin account may be liquidated or sold to meet a margin call.
- The account custodian or clearing firm may move securities held in your cash account to your margin account and pledge the transferred securities.
- The account custodian or clearing firm can increase its "house" maintenance margin requirements at any time and they are not required to provide you advance written notice.
- You are not entitled to an extension of time on a margin call.

#### **Voting Client Securities**

Symphony Financial Services, Inc. does not vote proxies on behalf of clients. The proxies are sent from the custodian or Investment Company directly to the client's address of record. The client is welcome to

vote proxies as they see fit. Symphony Financial Services, Inc. does not make recommendations as to how or for whom to vote.

#### **Item 7 – Client Information Provided to Portfolio Managers**

We are required to describe the information about you that we communicate to your portfolio manager(s), and how often or under what circumstances we provide updated information. Our firm communicates with your portfolio manager(s) on a regular basis as needed (daily, weekly, monthly, as deemed necessary) to ensure your most current investment goals and objectives are understood by your portfolio manager(s). In most cases, we will communicate such information as part of our regular investment management duties. Nevertheless, we will also communicate information to your portfolio manager(s) when you ask us to, when market or economic conditions make it prudent to do so, etc.

#### **Item 8 - Client Contact with Portfolio Managers**

Our Symphony Financial Services AMP Program primarily utilizes pooled investment vehicles which have investment/portfolio managers. These managers are not typically available to our clients to contact directly. We have relationships with those managers' companies and each provides us with points of contact so that we can obtain important information, updates and analysis necessary and relevant for our portfolio decision making process. Periodically we may be in direct contact with an investment manager to obtain their view on certain market events. This meeting usually does not include clients.

#### **Item 9 - Additional Information**

##### **Disciplinary Information**

We have no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or the integrity of our management.

##### **Other Financial Industry Activities and Affiliations**

Symphony Financial Services, Inc. does not have other industry activities or affiliations, but some of the Investment Advisor Representatives who are registered with Symphony Financial Services, Inc. are also registered representatives of LPL Financial, a registered broker/dealer, member FINRA/SIPC. As such, members who are dually registered must adhere to both the FINRA rules and guidelines as implemented and enforced by the broker/dealer in addition to the State or Federal investment advisory rules and guidelines. The economic benefit that these dually licensed representatives can achieve is the ability to gain a commission in addition to or in lieu of the potential investment advisory fees. This can create a conflict of interest that should be disclosed to the client prior to the sale of any security.

As such, Symphony Financial Services, Inc. tries to segregate its investment advisory business from its commission business. This is often achieved by utilizing custodial platforms such as the Strategic Wealth Management Program (SWM) offered by LPL Financial. When accounts are opened on the SWM platform they are handled strictly on a fee basis. All mutual fund securities trades at LPL are conducted at net-asset-value (NAV), which means no commissions can be generated or received by the Advisor. Additionally, commissions called trail commissions or 12b-1 fees are not paid to the Advisor under the LPL custodial platform. However, if ETFs or other securities transactions are placed at LPL ticket charges or

transaction costs are issued. Those charges are levied by LPL and IARs do not share in any portion of the ticket charges to execute transactions through LPL.

Depending of the client's needs, annuities might be appropriate for the living benefit riders or the deferred nature of the investment vehicle. The companies that offer annuity products are numerous and the features of each product are often complex. Additionally, the methods of compensation vary per Annuity Company, but they often involve a commission payment to compensate the registered representative for learning and marketing the product. These commissions can be sizable and may induce a conflict of interest. When clients are found to have a need that may be best served with an annuity, the compensation of any such commission is evaluated and is considered when charging investment advisory fees.

You may work with your investment adviser representative in his or her separate capacity as a registered representative of LPL Financial, LLC. When acting in his or her separate capacity as a registered representative, your investment adviser representative may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to you. As such, your investment adviser representative may suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as a registered representative of a securities broker-dealer. Consequently, the objectivity of the advice rendered to you could be biased.

### **Third-Party Money Managers**

Symphony Financial Services will develop programs, previously described in *Item 5* of this disclosure brochure, designed to allow us to recommend and select third-party money managers for you. Once you select the third-party money manager to manage all or a portion of your assets, the third-party money manager will pay us a portion of the fees you are charged. Please refer to *Items 4 and 5* for full details regarding the programs, fees, conflicts of interest and materials arrangements when Symphony Financial Services selects other investment advisers.

### **Dually Registered as an Investment Adviser Representative**

Certain representatives of Symphony Financial Services are also licensed as investment adviser representatives with LPL Financial, LLC. for the sole purpose of offering LPL's Retirement Consulting Program. Symphony Financial Services and LPL Financial, LLC are not affiliated. Through LPL Financial, LLC, those dually licensed representatives may provide asset management services as well as referrals to sub-advisors. They may earn advisory fees when providing these services through LPL Financial, LLC. Therefore, you could receive advisory services from one individual acting as an investment adviser representative on behalf of two separate registered investment advisors. If the representatives of Symphony Financial Services provide asset management or referral services to you, you will be given the disclosure brochure of LPL Financial, LLC describing the services provided, fees charged and other information. You are encouraged to read and review the disclosure brochures for both Symphony Financial Services and LPL Financial, LLC and direct questions to your representative.

### **Insurance Agent**

You may work with your investment adviser representative in his or her separate capacity as an insurance agent. When acting in his or her separate capacity as an insurance agent, the investment adviser representative may sell, for commissions, general disability insurance, life insurance, annuities, and other

insurance products to you. As such, your investment adviser representative in his or her separate capacity as an insurance agent may suggest that you implement recommendations of Symphony Financial Services by purchasing disability insurance, life insurance, annuities, or other insurance products. This receipt of commissions creates an incentive for the representative to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as an insurance agent. Consequently, the advice rendered to you could be biased. You are not obligated to implement any insurance or annuity transaction through your investment adviser representative.

### **Interest in Client Transactions and Code of Ethics**

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Symphony Financial Services has established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. The Code of Ethics covers all individuals that are classified as “supervised persons”. All employees, officers, directors and investment adviser representatives are classified as supervised persons. Symphony Financial Services requires its supervised persons to consistently act in your best interest in all advisory activities. Symphony Financial Services imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm’s fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of Symphony Financial Services. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

Symphony Financial Services or associated persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of Symphony Financial Services that all persons associated in any manner with our firm must place clients’ interests ahead of their own when implementing personal investments. Symphony Financial Services and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.

- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an “insider”.
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of Symphony Financial Services, Inc..

- Any associated person not observing our policies is subject to sanctions up to and including termination.

### **Account Reviews**

Symphony Financial Services AMP Program accounts are reviewed at least annually but generally on a quarterly basis.

Our representatives are responsible for reviewing their own accounts. While the calendar is the main triggering factor, reviews may also be performed due to your specific request, a change in your circumstances and unusual market activity or economic conditions. Absent your specific instructions, accounts are reviewed for accuracy of holdings and to ensure that the portfolios continue to work toward your goals and objectives.

Accounts established and maintained with other third-party money managers are reviewed at least quarterly, usually when statements and/or reports are received from the money manager.

### **Account Statements and Reports**

Generally, you will receive account statements at least quarterly directly from LPL, the money manager or the qualified account custodian. We may also provide an account summary during review meetings with you.

You are encouraged to always compare any reports or statements provided by us, a sub-adviser or third-party money manager against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

### **Client Referrals**

Symphony Financial Services, Inc. does not often enter into referral/solicitor agreements. At current, there are no relationships where SFS compensates another individual for client referrals.

*Please see Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations and Item 12, Brokerage Practices of our ADV Part 2A Disclosure Brochure for additional discussion concerning other compensation.*

From time to time, we may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as client appreciation events, advertising, publishing, and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of our clients. We attempt to control for this conflict by always basing



investment decisions on the individual needs of our clients.

#### **Financial Information**

Symphony Financial Services does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. Symphony Financial Services, Inc. has no financial commitment that impairs its ability to meet its financial obligations and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

#### **Item 10 - Customer Privacy Policy Notice**

In order to facilitate the servicing of your account, the Advisor may receive nonpublic personal information about you from the following sources:

- Information we receive from you on questionnaires, applications, account opening documents or other forms;
- Information about your transactions with us or others;
- Information we receive from a consumer reporting agency; and
- Information we received from other sources with your consent.

We do not disclose any nonpublic personal information about you to anyone, except as permitted by law. Such disclosure may include the following:

- Disclosures to affiliates, including affiliated service providers (for example, insurance agencies for processing of variable insurance applications on your behalf);
- Disclosures to your chosen broker-dealer firm (for example, to establish a brokerage account on your behalf);
- Disclosures to government agencies, securities regulators and law enforcement officials (for example, for tax reporting, under a court order or to protect our legal rights);
- Disclosures to other organizations, with your consent (for example, other investment advisor firms in order to open a managed account with their firm or the brokerage firm they utilize); and
- Disclosures to other persons you authorize to obtain such information (for example, a CPA who will be preparing your tax return).

The Advisor restricts access to your personal and account information to those of its employees who need to know that information to provide products or services to you. The Advisor maintains physical, electronic, and procedural safeguards to guard your nonpublic personal information.

We will continue to adhere to the privacy policies and practices as described in this notice if you decide to close your account(s) or become an inactive customer.

If you have any questions concerning the Advisor's privacy policies and procedures, please feel free to contact us. Thank you.