

**Item 1 – Cover Page**

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Registered as Strauss Wealth Advising, Inc. | Doing Business as: Strauss Financial Group

# **Strauss Financial Group**

**A Registered Investment Advisor | CRD No. 310512**

**2201 Cahaba Valley Drive, Suite 200  
Birmingham, AL 35242  
(205) 967-9595  
[www.straussfinancial.com](http://www.straussfinancial.com)**

**August 18, 2020**

This brochure provides information about the qualifications and business practices of Strauss Financial Group (hereinafter “SFG” or “the Firm” or “Advisor”). If you have any questions about the contents of this brochure, please contact us at (205) 967-9595 or [astrauss@straussfinancial.com](mailto:astrauss@straussfinancial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about Strauss Financial Group is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Strauss Financial Group is a Registered Investment Advisor (RIA). “Registered Investment Advisor” does not imply a certain level of skill or training.

## **Item 2. Material Changes**

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Strauss Financial Group is a newly formed registered investment advisor. This is the initial filing of the Disclosure Brochure. Annually, a complete Disclosure Brochure will be offered to clients along with a summary of material changes, if any, within 120 days from the firm's fiscal year-end.

At any time, the current Disclosure Brochure is available on the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching the firm name or CRD number. A copy of this Disclosure Brochure may be requested at any time, by contacting (205) 967-9595 or by email at [astrauss@straussfinancial.com](mailto:astrauss@straussfinancial.com).

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#### **Item 4. Advisory Business**

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Strauss Wealth Advising, Inc., doing business as Strauss Financial Group, is an independent, fee-based, Registered Investment Advisor (RIA). As such, we have a fiduciary obligation to act solely for the benefit of our Clients – with care, diligence and objectivity. Arthur Strauss is the sole owner. The company was formed in 2020 as the successor to Strauss Financial Group, Inc. that was formed in 1988 and owned by John, Heidi and Arthur Strauss. The firm is not publicly traded.

Our mission is to create and preserve wealth for our Clients by offering independent, personalized financial advice. Our wealth management services include strategic financial, retirement, and estate planning, investment portfolio management, small business and succession consulting, family services, and insurance and long-term care.

Our firm strives to provide our Clients with a foundation of expertise, integrity and superior Client service.

#### **Advisory Services Provided**

Strauss Financial Group (“SFG”, “the Firm”, “Advisor”) is a Registered Investment Advisor providing financial planning, consulting, wealth management, and investment management services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and business entities. The Firm, depending upon the engagement, offers its services on a fee basis which may include hourly fees, and/or fixed fees, as well as fees based upon assets under management. SFG believes that their fees are reasonable for the services that they offer, but these fees may be higher or lower than those charged by other Advisory firms.

Prior to engaging the Advisor to provide any of the foregoing investment advisory services, the Client will be required to enter into one or more written agreements with the Firm setting forth the terms, fees, scope, and conditions under which the Advisor shall render its services (collectively, the “Agreement”), and this disclosure document will be given to Client at that time or prior. Advisor may not increase the fees payable by client unless a thirty-day prior written notice is given to Client at which time they may terminate the agreement by written notice without penalty. If the written termination is not received by SFG within forty-five days from date of Advisor’s notice, the new fees will become effective. The Client has a 5 day right to terminate agreement without penalty, and with a full refund, if they do not receive a copy of the Disclosure Document at least 48 hours prior to entering the agreement. Either party may terminate the contract by written notice to the address of record.

SFG may be engaged to provide investment management services in addition to or separate from the financial and consulting services. SFG does not offer wrap-fee accounts. Client is advised that certain assumptions are made regarding market and economic trends and performance, and past performance is no way an indicator of future performance. SFG *cannot offer any guarantee or promise* that a Clients’ financial goals and objectives will be met. Client hereby agrees to furnish Advisor with all pertinent, current and accurate information with respect to Client’s financial and investment situation, so that Advisor may study and analyze the situation and make recommendations within that context. Upon completion of said review and analysis, Advisor shall meet with Client and suggest a plan of action and make recommendations using a custom

consultative process designed to fit each individual Client's needs. In all cases, it is the responsibility of the Client to keep Advisor informed of significant life events such as changes in their health, financial situation, or investment objectives for reviewing, evaluating, or revising the Advisor's previous recommendations and/or investment services. It is strongly encouraged by SFG that there is ongoing communication between Client and Advisor on a regular basis and as circumstances dictate.

Neither the Firm nor the Client may assign the investment advisory services without the consent of the other party. Transactions that do not result in a change of actual control or management at SFG shall not be considered an assignment.

### **Financial Planning, Coaching and Consulting**

SFG may provide its Clients with broad based and comprehensive financial planning, risk management, pension, estate and trust consulting services (which may include tax-related and other non-investment related matters.) In a comprehensive plan, certain variables can affect the cost involved in the development of the plan such as the size of the estate, the information that the Client provides, portfolio complexity, the sophistication of the corporate benefit plan, the number of insurance policies for review, and the specific needs of the Client. Alternately, Client may request only one or two specific areas to be analyzed (modular planning) such as college funding, debt reduction, social security or divorce planning. These services are narrowly focused and limited based on the Client's needs. If the Client engages SFG for additional investment advisory services, the Advisor may at its discretion, offset all or a portion of its fees for the financial planning and/or consulting services based upon the amount paid for the investment advisory services. The services listed above are often not provided on a continual, ongoing basis. The client may need to seek the services of other professionals such as an attorney, CPA, or insurance agent.

If a Client terminates a contract prior to completion, they will be charged only for the actual hours worked.

In performing its services, SFG shall not be required to verify any information received from the Client or from the Client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. SFG may recommend the services of itself and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if the Firm recommends its own services. The Client is under no obligation to act upon any of the recommendations made by the Advisor under a financial planning/consulting engagement and/or engage the services of any such recommended professional, including the Advisor itself. The Client retains absolute discretion over all such implementation decisions and is free to accept or reject any of the Firm's recommendations.

### **Wealth & Family Services**

For select Clients, we offer personalized and comprehensive financial management called "wealth advisory and family services". These services may include review, maintenance and retention of documents including wills, trusts, contracts, corporate documents and family records; recommendations and actions pertaining to estate and retirement planning, generation planning issues, corporate analysis, taxes, asset protection, and real estate; and coordination efforts with the

Client's other advisors and professionals such as their attorney, accountant, insurance professional and banker.

Upon completion of said review and analysis, Advisor shall meet with Client and suggest a plan of action and make recommendations using a custom consultative process designed to fit each individual Client's needs. Solutions will be explored in close consultation with Client's network of professionals if so desired and requested; Advisor may also offer to bring in their own network of professionals to ensure a well-rounded advisory team. It is understood that Advisor is not acting as an attorney, accountant, or expert in many of the areas contemplated by this agreement and does not provide such services. The role of Advisor is to act as a catalyst and as Client's agent in dealing with the matters contemplated in this agreement. Advisor is not responsible for the actions of Client's other advisors or for the advice given by them.

Client understands that the services contemplated by this agreement may not be delivered proportionally throughout the year. Client has authorized Advisor to enter into such agreements and make such representations as may be necessary or proper regarding the performance of its duties under this agreement.

It is expressly agreed by and between parties that the Client is free to follow or disregard in whole or in part, any recommendations, suggestions, or advice made by the Advisor to the Client. The Client shall make and be fully responsible for all decisions relating to any advice given by the Advisor.

#### **Investment Advisory/ Asset Management Services**

SFG provides investment advisory services on a *discretionary* basis and the services are tailored to the individual needs of the Client. Such services are provided within guidelines formulated with each Client, based upon mutually agreed upon investment objectives. Investment selection/elimination is made by the Firm's Investment Committee. These services may include the recommendation of cash, money market instruments, mutual funds, exchange traded funds, debt instruments, equity securities and other securities that are deemed appropriate for the Client based upon a review by SFG of that Client's investment circumstances, risk parameters, and financial data.

SFG offers investment services through a fee-based advisory program listed below:

*Custom Asset Management Program* – This portfolio is a custom-designed investment portfolio using a specific asset allocation of either Capital Preservation, Balanced or Capital Appreciation and utilizing a variety of investments including stocks, bonds, mutual funds, exchange traded funds, REIT's, and other alternative investments. It is recommended for accounts over \$150,000.

Prior to engaging SFG to provide investment management services, the Client will be required to enter into a formal Investment Advisory Agreement with the Firm setting forth the terms and conditions under which the Advisor shall manage the Client's assets and a separate Custodial agreement with a designated Custodian.

SFG may recommend on a non-discretionary basis that certain clients invest in alternative investments (including private equity funds, venture funds, hedge funds, and direct private equity

investments) based on its appropriateness for the individual client, and applicability to the client's investment strategy parameters.

Both SFG's Investment Advisory Agreement and the Custodial agreement may authorize the Custodian to debit the account for SFG's investment advisory fees and to directly remit that management fee to the Firm in compliance with regulatory procedures. Billing will be sent to the Custodian and to the client. In the limited event that the firm bills the Client directly, payment is due upon receipt of SFG's invoice. The Investment Advisory Agreement between SFG and the Client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement.

### **Corporate Retirement Advisory Services**

SFG provides Corporate Retirement Advisory services (Plan Partner) on a discretionary basis and the services are tailored to the individual needs of the Client. Such services are provided within guidelines formulated with each Client, based upon mutually agreed upon investment objectives. Investment selection/elimination is made by the Firm's Investment Committee and the investment options offered by the plan. These services may include the recommendation of cash, money market instruments, mutual funds, exchange traded funds, debt instruments, equity securities and other securities that are deemed appropriate for a Client based upon a review by SFG of that Client's investment circumstances, risk parameters, and financial data.

If a client is a current SFG Investment Advisory client, Advisor will use the Client Profile and Investment Policy on file.

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

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### **Financial Planning and Consulting-Hourly Fee**

SFG may provide its clients with a broad range of financial analysis and consulting services and will charge a fee (fixed and/or hourly) for these services. Fixed consulting services can range from \$1,200-\$9,000 depending on the level and scope of the services provided. In some cases, a monthly fee between \$100-\$750 can be assessed in lieu of paying the fixed fee and will be paid in advance each month via auto debit. The first month's fee will be paid upon engagement. Once most of services have been provided, Client has the option to opt for a monthly "maintenance fee" of \$100 until termination of agreement. Hourly consulting services can range between \$150-\$350/hour with a minimum of 3 hours depending on the level and scope of the service provided. All planning and consulting fees can be negotiated based on the size, complexity and scope of the work provided, and whether the financial plan is broad-based or restricted to a specific area (modular planning). SFG will charge 50% of the minimum amount up front, not to exceed \$1500, with the balance due upon completion and does not accept payment six or more months in advance. Payments are accepted via check or draft from a U.S Financial Institution as well as through Client's Custodian, which will require prior authorization.

### **Wealth Advisory Fees-Percentage of Assets**

The Client will pay a wealth advisory fee based upon a percentage of the market value of the assets being managed. The value of the account assets (securities, cash and cash equivalents) under management shall be valued as of the valuation date, set forth by an independent pricing service,

where available, or otherwise in good faith. SFG will send Client a description of all advisory fees billed to Client's account on a quarterly basis. It is the responsibility of the Client to verify the fees and immediately notify SFG of any billing errors. Billing information will be sent to the Custodian for withdrawal and to the client. The Firm, at its sole discretion, may charge a lesser advisory fee based upon certain criteria that is applied objectively (i.e., anticipated future earning capacity, anticipated future assets, dollar amount of assets to be managed, related accounts, pre-existing Client, account retention, pro bono activities, etc.) SFG does not charge higher fees to other clients to offset the lower management fees that are charged in select cases.

The annualized advisory fees as a percentage of assets are as follows:

<b>Asset under Management</b>	<b>Annual Fee</b>
\$1,000,000 - \$2,000,000	.45%
\$2,000,001 - \$3,000,000	.40%
\$3,000,001 - \$4,000,000	.35%
\$4,000,001 - \$6,000,000	.25%
Above \$6,000,000	.20%

#### **Investment Advisory Fees – Percentage of Assets**

The Client will pay an advisory fee based upon a percentage of the market value of the assets being managed. Fees may be negotiated depending on individual circumstances and may vary from client to client. Advisory fees are based upon many factors including but not limited to the type of account, the size, the projected nature of trading, and the range and number of supplemental advisory and client-related services to be provided by Advisor. The Firm, at its sole discretion, may charge a lesser management fee based upon certain criteria that is applied objectively (i.e., anticipated future earning capacity, anticipated future assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing Client, account retention, pro bono activities, etc.) SFG does not charge higher fees to other clients to offset the lower management fees that are charged in select cases.

#### *Custom Asset Management Program:*

The annualized advisory fees as a percentage of assets are as follows:

<b>Asset under Management</b>	<b>Annual Fee</b>
Up to \$500,000	1.50%
\$500,001 - \$1,000,000	1.25%
\$1,000,001 - \$5,000,000	1.00%
Above \$5,000,000	Negotiable

The annual investment advisory fee shall be paid quarterly in advance pursuant to the Investment Advisory Agreement with the Client. The fee will be payable when the account is established, prorated for the first partial quarter, if any. Thereafter, fees will be payable on the 1st day of each calendar quarter based on the asset value of the account as of the last business day of the prior quarter. Additional deposits to the account are subject to the same fee procedures and are prorated.



Client understands that their fee may be reduced or increased on a quarterly basis based on the fluctuation in the value of their portfolio and/or withdrawals from the account.

Additions may be in cash or securities provided that SFG reserves the right to liquidate any transferred securities or decline to accept certain securities into a Client's account. The Firm may consult with its Clients about the options and ramifications of transferring securities. However, Clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and/or tax ramifications. When securities transfer into the account, SFG will make best efforts to determine cost basis, but ultimately it is the responsibility of the client to provide accurate cost basis and date of purchase.

SFG procedures prohibit the opening of a fee account by deposit of securities and the depositing of additional securities which were purchased by the Client on a commission basis in the prior six months, unless the Client is made aware of such charges. The purpose of this prohibition is to prevent the Client from paying arguably duplicative or extra charges.

The value of the account assets (securities, cash and cash equivalents) under management shall be valued as of the valuation date, set forth by an independent pricing service, where available, or otherwise in good faith. SFG will send Client a description of all advisory fees billed to Client's account on a quarterly basis. It is the responsibility of the Client to verify the fees and immediately notify SFG of any billing errors.

SFG may terminate the account upon written notice to the Client. The Client may terminate their account upon written notice to SFG. Such termination notice must be received at their address of record. In the event of termination, the client will receive a pro-rata refund of any unearned or unapplied fees. If the Client does not remove their assets 90 days after SFG receives termination notice from Client, SFG may resume billing for fees.

In addition to the advisory fee, the Client will be charged transaction charges pursuant to a fixed schedule for trade execution. These are paid to the Client's designated Custodian. These charges may be higher or lower than those charged by other Custodians and are subject to change.

### **Transaction Charge Schedule**

	<b>TD Ameritrade</b>	<b>Fidelity</b>
Stock/ETF Trade/Options	None	None
Mutual Funds **	\$15.00	\$18.00
Bond Trade*	\$ 0.00	\$ 0.00
* If purchased outside the TD Ameritrade Bond desk or Fidelity Bond Desk, charges may be \$25.00 per trade.		
** TD Ameritrade and Fidelity offers many mutual funds and ETF's without a transaction charge.		

In addition, for select one-time direct private equity investments, SFG may receive additional compensation, which will be determined on a per investment basis upon full disclosure and agreement by the Client.

**Corporate Retirement Advisory Fees – Percentage of Assets**

The Client will pay an advisory fee based upon a percentage of market value of the assets being managed. The Firm, at its sole discretion, may charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing Client, account retention, pro bono activities, etc.)

**The annualized advisory fees as a percentage of assets are as follows:**

<u>Investments</u>	<u>Maximum Advisory Fee</u>
Multiple Investment Options	1.00%
Mutual Funds Only	0.45%

The annual corporate retirement advisory fee shall be pro-rated and shall be paid quarterly in advance pursuant to the Corporate Retirement Advisory Agreement with the Client. The fee will be payable when the account is established, pro-rated for the first partial quarter, if any. Thereafter, fees will be payable on the 1st day of each calendar quarter based on the asset value of the account as of the last business day of the prior quarter.

The value of the account assets (securities, cash and cash equivalents) under management shall be valued as of the valuation date, set forth by an independent pricing service, where available, or otherwise in good faith. SFG will send Client a description of all advisory fees billed to Client's account on a quarterly basis. It is the responsibility of the Client to verify the fees and immediately notify SFG of any billing errors. SFG or client may terminate the account upon written notice.

**Assets under Management**

The firm is a newly established advisor. Assets under management shall be amended following the firm's December 31, 2020 fiscal year. Clients may request more current information at any time by contacting the firm.

<b>Assets under Management</b>	
Discretionary	\$0.00
Non-Discretionary	\$0.00
<b>Total</b>	<b>\$0.00</b>

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

SFG does not provide any services for performance-based fees and therefore does not engage in side-by-side management. (Performance-based fees are those based on a share of capital gains or capital appreciation of the assets of a Client.)

### **Item 7. Types of Client**

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SFG offers its services to individuals, high net worth individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and business entities. For individually managed accounts, SFG requires a name, date of birth, physical address, principal place of business (if applicable), social security number or tax identification number, net worth and annual income to process new accounts.

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

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The Advisor uses multiple sources of information to obtain analysis and research. They include financial newspapers and magazines, research prepared by others, corporate rating services, timing services, seminars, prospectuses, company press releases, and annual reports and filings with the SEC. SFG relies on the research capabilities of its investment committee to identify various strategies and investments for each client.

#### **Investment Strategy**

SFG relies on both fundamental and quantitative methods of analysis. SFG is style agnostic and will try to capitalize on the best opportunities and markets while making strategic decisions based on long-term business, economic, political, and demographic trends. The Firm begins the investment analysis with a macro-economic approach looking out over the next one to three years.

The strategy is to identify specific market sectors and asset classes that they feel will have the potential to outperform. Once these areas have been identified; the Advisor will then look for the best investments within these sectors.

#### **Investments - Primary**

Both domestic and international stocks that are diversified among market caps and industry sectors. SFG's research efforts focus on a variety of factors such as companies that experience a competitive advantage, show market leadership, tenured management, have a strong or improving balance sheet, significant share ownership by management, pricing power, and/or low valuations compared to other companies in that sector. Return on equity, dividend yields, and price to earnings ratios are also factors that are considered.

No-load, non-proprietary mutual funds from leading fund managers and the criteria includes but is not limited to fee structure, an established track record, fund sponsor, tenured management, and a consistent investment approach. The criteria are very strict and approximately 50 funds are selected by our firm from more than 20,000 funds that are available to the public. Select index and exchange-traded funds (ETFs) are used for an inexpensive "basket" approach. In addition to the above-mentioned criteria, ETFs are chosen based on their daily trading volume and trading strategy and can also be used to gain exposure to hard assets such as gold, agriculture, and energy.

Fixed income investments (bonds) that can include government, corporate and municipal issued securities that can enhance income, capture market inefficiencies, and often reduce risk. A "laddered approach" is often implemented and bonds are purchased that mature at different time

intervals to create additional liquidity and potentially reduce interest rate risk. SFG reviews the bond duration, credit quality, yield, and liquidity of all individual bonds.

### **International Investments**

SFG may invest in international ETFs, stocks and bonds and while these investments are important for diversification purposes, they may carry additional risks that may be different than U.S. investments. International investments may not be subject to financial reporting or disclosure standards or uniform audit practices comparable to those found in the U.S. In addition, they may be subject to foreign taxes, currency risk, and adverse changes to investment or exchange control regulations.

### **Investments - Secondary**

Real assets (timber, oil, gold, etc.) and currencies allow for additional diversification and may act as an inflation hedge. Alternative investment strategies such as managed futures and long/short hedge funds are also incorporated in specific Client portfolios.

Options allow investors to buy or sell a security at a contracted “strike” price (not necessarily the current market price) at or within a specific period. Clients may pay or collect a premium for buying or selling an option. The Advisor may use options to either hedge (limit) losses to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain many inherent risks, including the partial or total loss of principal if the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer. Additional paperwork and disclosure are required by SFG for select Clients to trade options.

Advisor recommends broad diversification within asset classes when appropriate. The Advisor also maintains flexibility and periodically readjusts the allocation as deemed necessary. These allocations may change at any time without Client notification, and the portfolios are proactively rebalanced based on evolving Client objectives, investment markets, and global economies. SFG uses long term (over one year), short term (within one year), and option strategies.

### **Risk of Loss**

All investments include risk of loss. These risks may include market, issuer, interest rate, political, currency, credit and economic risk. The risk of financial loss includes the loss of principal, a reduction in earnings and the loss of future earnings. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. Though SFG uses diligence and expertise to manage Client assets, SFG cannot guarantee any level of performance, and Client must be prepared to bear potential loss.

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

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There have been no material legal or disciplinary actions against SFG or related persons that would be material to Client’s evaluation of our business or the integrity of our management.

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

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Advisor is not registered as a broker-dealer and SFG does not have any management persons that are registered representatives of any broker-dealer. SFG shall generally recommend that Clients utilize the custodial services of TD Ameritrade Institutional or Fidelity Clearing and Custody Solutions. More information in Item 12.

Prime Broker Services – Through our relationship with TD Ameritrade Institutional and Fidelity Investments, we use the Prime Broker service. This allows us to place trades with other broker/dealers without the need to have individual accounts with the other broker/dealers. The use of Prime Broker allows greater flexibility to access more fixed income products, ability to access Initial Public Offerings (IPOs), and the ability to access new issue bonds. All assets will be kept in a TD Ameritrade or Fidelity account with all confirmations and statements generated by TD Ameritrade or Fidelity.

We select other broker/dealers based on the quality of research, services, products offered, execution, and commission structures. Both discount and full-service broker/dealers may be used, but the lowest cost broker/dealer may not always be utilized. We have not entered into any formal soft-dollar arrangements nor do we receive any referrals from broker/dealers available through the Prime Broker Program.

SFG may recommend Plantech, a third-party pension administrator to their Clients if requested. The Firm will receive an ongoing advisory fee from Client.

SFG has relationships with several insurance companies that provide both a no-load, non-commission and commission platform of insurance products for Clients. SFG receives fees/commissions from the sale of these products for the advisory services provided by Advisor.

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

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It is the policy of SFG to act with total integrity and confidentiality and place the interest of the Clients ahead of the company. Therefore, SFG has implemented a written Code of Ethics that all related persons are expected to adhere to. Each year all related persons must also certify that they have followed and will continue to follow the Code of Ethics, and sanctions will be taken if this Code of Ethics is violated. Some of the areas included, but not limited to, are placing the interests of the Client first, maintaining confidentiality, avoiding the inappropriate potential trading advantage of their position, acceptance of extravagant gifts, and maintaining the reporting requirements of all personal transactions. SFG does not allow any compensation arrangements that could incentivize advisors to make recommendations that favor the advisors over the interests of clients. The firm does not allow sales quotas, bonuses or contests.

To avoid any possible conflicts of interest, and comply with Section 204A of the Advisors Act which requires that the accounts of related persons and their families must adhere to certain standards:

- Settlement of transactions in personal accounts must be made on or before settlement date. - Extensions and late payments will not be tolerated.

- Under no circumstances will participation in “hot issues” be permitted in a related person or family account, and there is a prohibition on insider trading (if we are in possession of material, non-public information).
- A related person of the Firm must have the permission of the CCO to open and maintain a margin account and to trade uncovered options in their account.
- At all times, the Clients’ orders have priority over those of the related person’s or his/her own family. If a related person wishes to purchase or sell a security for his/her own or a related account, and recommend the same transactions to other Clients, he/she must first enter all orders received from customers prior to effecting any transactions in his/her own or related accounts, unless it is in an aggregated order.
- A related person may only have a joint or partnership account with his/her spouse, children (Custodian), mother or father. Participation in any other account must have the prior approval of the CCO.

SFG maintains a Code of Ethics, a Privacy Policy, a Social Media Policy, Identity Theft Guidelines, and a Business Continuity Plan. A copy of the Privacy Policy is mailed to the Client annually and all other Policies and Plans will be provided to Client upon written request other than the Business Continuity Plan, which contains confidential information that is not given out. A Chief Compliance Officer (CCO) has been designated, Heidi Strauss, and it is her duty to verify that all rules, regulations and codes are strictly adhered to and followed.

SFG will also disclose to Client any financial condition that is reasonably likely to impair the firm’s ability to meet its contractual commitments to Clients.

## **Item 12. Brokerage Practices**

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Client assets must be maintained in accounts by an unaffiliated “qualified Custodian”, which is generally a broker-dealer, bank, or trust company. Advisor recommends that our Clients establish accounts with TD Ameritrade Institutional (“Qualified Custodian”) or Fidelity Clearing & Custody Services, (“Qualified Custodian”).

SFG participates in the institutional advisor program (the “Program”) offered by TD AMERITRADE Institutional which is a division of TD AMERITRADE, Inc. (“TD AMERITRADE”) member FINRA/SIPC, an unaffiliated SEC-registered broker-dealer and FINRA member. TD AMERITRADE offers SFG and other independent investment Advisors, services which include custody of securities, trade execution, clearance and settlement of transactions. SFG is an independent company and is not owned by, affiliated or supervised by TD Ameritrade.

SFG participates in the institutional advisor program (the “Program”) offered by Fidelity Clearing and Custody Solutions through Fidelity Brokerage Services, LLC(Fidelity) and National Financial Services, LLC., member FINRA/SIPC, an unaffiliated SEC-registered broker-dealer and FINRA member. Fidelity offers SFG and other independent investment Advisors, services which include custody of securities, trade execution, clearance and settlement of transactions. SFG is an independent company and is not owned by, affiliated or supervised by Fidelity.

Advisor receives some benefits from TD Ameritrade and Fidelity through participation in their Programs.

The Firm also uses the services of Cadence Bank to clients in need of Trust or other custody services. SFG is named as investment manager to manage the trusts and Cadence Bank is charged with the administration, distribution and custodial responsibilities of the trust accounts.

### **Best Execution**

It is our policy to try to obtain “best execution” for our Clients’ transactions. SFG has diligently reviewed the services by their recommended Custodians and feel that the transaction costs are competitive. In addition, the Custodians previously mentioned have an extensive trading desk, a computer driven trading system which allows timely executions via electronic trading, strong financials, research, a service desk capable of handling Client requests in a timely manner, and additional insurance. In most cases, the related person uses a web-based program, which allows for immediate trading execution and verification of all pertinent data including:

- Time of purchase/sale
- Pricing
- Transaction charges and fees
- Solicited/non-solicited orders
- Discretionary orders

This automated downloading system reduces the amount of manual intervention leaving less potential for error. If the trade is not handled in a timely and immediate fashion for the type of order entered, SFG will immediately contact the trading desk and request a “time of sale.” In selecting clearing firms and evaluating the reasonableness of their fees, SFG considers the following factors: the range and quality of the products offered, the technical support provided, the execution capability, the fees to be paid, the financial strength, the quality of the research, and the responsiveness of the clearing firm to the Firm. The COO of SFG will conduct a review of all brokerage arrangements at least every two years.

### **Aggregation of Client Orders**

Each Client account is custom-designed and managed, and trades and recommendations are made based on the individual needs and analysis of each account. However, in some cases, SFG may aggregate (batch) transactions in the same security on behalf of more than one Client to facilitate best execution, enhance the timeliness of the transaction, and to possibly reduce the price per share and/or other costs. For those accounts that incur ticket charges for orders placed, aggregated orders will not reduce those costs. SFG effects the aggregated transactions in a manner designed to ensure that no participating Client is favored over any other Client. In placing a block allocation trade, Advisor utilizes an alphabetical rotation of clients to ensure no favoritism. With respect to the aggregated order, each Client will participate at the average share price for all SFG’s transactions in that security on that business day.

When possible, securities bought or sold in an aggregated transaction are allocated pro-rata to the participating Client accounts in proportion to the size of the orders placed for each account. Under certain circumstances, SFG may increase or decrease the amount of securities allocated to each account if needed to avoid holding odd-lot or small numbers of shares for Clients. When SFG is unable to fully execute an aggregated order, SFG will allocate such transactions on a pro-rata basis or in a manner SFG determines in good faith to be a fair and equitable allocation. SFG may include accounts in which the related persons have an interest.

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

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For those Clients to whom SFG provides investment and advisory management services (fee account), the Advisor reviews those portfolios as part of an ongoing process, monitoring the holdings, weighting, price target objectives, and any changes that would require action to maintain the Client's investment guidelines. All transactions are reviewed daily by the COO or another principal as designated by policy in the COO's absence, and each account is coded for its investment objective and risk parameters.

All investment advisory Clients are encouraged to discuss their needs, goals, and objectives with the Advisor and to keep the Advisor informed of any changes thereto. SFG encourages Client to meet with Advisor and review their portfolio on an annual basis at a minimum, and Advisor emphasizes the importance of regular communication between Advisor and the Client.

Unless otherwise agreed upon, Client is provided with transaction confirmation notices after each transaction and monthly account statements (in which there is activity) directly from the designated Custodian.

Monthly, Client will receive a report from the Custodian covering:

- All transactions made in the account during the month
- All contributions and withdrawals made to or from the account
- All fees and expenses charged to the account
- The value of the account at both the beginning and end of the month

Those Clients to whom SFG provides investment advisory services will also receive a quarterly billing report and a semi-annual report from the Firm that may include such relevant account and/or market-related information such as market value, an inventory of account holdings and account performance. This information is posted to the Client's portal in a timely manner. If Client requests an additional hard copy of said information, it will be mailed within a two- week period. If Client leaves the firm, SFG is no longer obligated to provide realized gains/loss information since this is an additional service offered, and Client had access to same information.

Those Clients to whom the Advisor provides financial planning and/or consulting services will receive reports from SFG summarizing their analysis and conclusions as requested by the Client or otherwise agreed to in writing by the Firm. Client reviews are conducted on an "as needed" basis, and it will be the responsibility of the Client to initiate a review if the Agreement does not involve continuous financial planning support. Unless provided in the Client's initial Agreement, financial



planning reviews will be conducted under a new Agreement and will be charged at SFG's current fee schedule.

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

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The firms listed in Item 12 may supply SFG (without cost or at a discount) with products and services that assist the firm in managing and administering Clients' accounts. Clients should be aware that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Advisor's choice of firms.

SFG participates in TD Ameritrade's Institutional program, and Fidelity Clearing and Custody Solutions, ("Qualified Custodian"); therefore, the Firm may recommend either or both firms to Clients for custody and brokerage services. There is no direct link between SFG's participation in the programs and the investment advice it gives to its Clients, although SFG receives economic benefits through its participation in the programs.

These benefits include the following products and services: the receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to the firm by third party vendors. Custodian may also have paid for business consulting and professional services received by Advisor. Some of the products and services made available by Custodian through the program may benefit SFG but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at Custodian. Other services made available by Custodian are intended to help Advisor manage and further develop its business enterprise.

The benefits received by Advisor or its related persons through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade or Fidelity. As part of its fiduciary duties to Clients, SFG endeavors to put the interests of their Clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

SFG will occasionally make contributions, donations, or gifts in honor or in memory of a Client or a Client's charity. It is the Firm's policy that such contribution cannot exceed \$200 per year, and Advisor cannot accept client gifts over \$200, without prior approval of the CCO.

#### **Advisor-Direct**

Because of past participation in TD Ameritrade's AdvisorDirect program ("the referral program"); Advisor received client referrals from TD Ameritrade. TD Ameritrade established the referral program as a means of referring its brokerage customers and other investors seeking fee-based

personal investment management services of financial planning services to independent investment advisors. Advisor is no longer participating in the referral program but is obligated to pay TD Ameritrade an on-going fee for each successful client relationship established as a result of past referrals if client continues to hold an account at TD Ameritrade. This fee is usually a percentage of the advisory fee that the client pays to Advisor (“Solicitation Fee”). TD Ameritrade does not supervise Advisor and has no responsibility for Advisor’s management of Client portfolios or Advisor’s other advice or services.

#### **Item 15. Custody**

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Clients’ accounts are held by an independent qualified Custodian. Advisor does not have physical custody of the assets in the account and shall have no liability to the Client for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the Custodian or any acts of the agents or employees of the Custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation (SIPC) or any other insurance which may be carried by the Custodian. The Client understands that SIPC provides only limited protection for the loss of property held by Custodian.

SFG’s Agreement and/or the separate agreement with their Custodian authorizes the Firm through such Custodian to debit the Client’s account for Advisor’s fee and to directly remit that management fee to the Firm in accordance with applicable custody rules. This causes our firm to have limited custody, however we do not have physical custody as our Client’s funds and securities will always be held with an independent qualified Custodian.

On a limited basis, a Client may grant Advisor the limited power in a SLOA to disburse funds to one or more third parties as specifically designated by the Client. This authorization to direct the Custodian may be deemed to cause our Firm to exercise limited custody over Client funds or securities, and for regulatory reporting purposes, SFG is required to keep track of the number of Client’s for which we may have this ability. After granting Advisor this limited authorization, the Client then instructs the Custodian for the Client’s account to accept the advisor’s direction on the Client’s behalf to move money to the third party designated by the Client on the SLOA. The Custodian takes that instruction in writing directly from the account holder (the Advisor’s Client), and the Advisor’s authority is limited by the terms of that instruction.

Advisor is authorized to act merely as an agent for the Client. The Client retains full power to change or revoke the arrangement. SFG and the Custodian must follow the guidelines below to be able to disburse funds via SLOA:

1. The Client provides an instruction to the Custodian, in writing, that includes the Client’s signature, the third party’s name, and either the third party’s address or the third party’s account number at a Custodian to which the transfer should be directed.
2. The Client authorizes Advisor, in writing, either on the Custodian’s form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The Client’s Custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the Client’s authorization and provides a transfer of funds notice to the Client promptly after each transfer.

4. The Client may terminate or change the instructions to the Client's Custodian.
5. SFG has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the Client's instruction.
6. Advisor maintains records showing that the third party is not a related party of the Advisor or located at the same address as Advisor.
7. The Client's Custodian sends the Client, in writing, an initial notice confirming the instruction or a phone call, and an annual notice reconfirming the instruction.

SFG urges Clients to carefully review the statements received by their Custodian and to compare such official custodial records to the account statements that SFG may provide to them. The Firm's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **Item 16. Investment Discretion**

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SFG has *discretionary* authority for fee based advisory Clients which allow SFG to make decisions regarding the purchase and/or sale of securities in a Client's account without prior Client approval of each transaction. Discretionary authority requires signed permission and paperwork from the Client including but not limited to: The Disclosure Brochure, an Investment Policy Statement, a Client Profile/Investment Advisory Account Agreement, and Appointment of Discretionary Power. Only the related persons of the Firm can hold discretionary authority.

All securities actions will be in accordance with the Client's objectives, risk tolerance, suitability, and information on the questionnaire. In making the decision as to which securities are to be purchased or sold and the amounts thereof, SFG is guided by the general guidelines that are set up at the inception of the Advisor-Client relationship in co-operation with the Client. These general guidelines cover such matters as the relative proportion of debt and equity securities to be held in the portfolio, the degree of risk which the Client wishes to assume, and the types and amounts of securities to be held in the portfolio. The Firm's authority may be further limited by specific instructions from the Client which may restrict or prohibit transactions in certain securities. Discretionary authority will continue in effect until revoked or terminated. SFG does not participate in Initial Public Offerings (IPO's) and will not accept Client trade or money requests via electronic correspondence (email).

Client hereby grants Related Persons of Advisor complete trading authorization with respect to the purchase and sale of securities in Client's Account, and a related person will be able to exercise discretion regarding the selection, the price and timing of specific investment transactions. SFG strongly encourages a continuous dialogue between Client and a related person regarding investment philosophy, risk parameters, and specific investment vehicles.

Client understands that the Firm may perform advisory and/or asset management services for other Clients, and that a related person may give advice or take actions for those Clients that differ from the advice given or the timing or the nature of any action taken for the Account. In addition, a related person may, but is not obligated to purchase, sell or recommend the purchase or sale of any security which the Firm may purchase or sell for their own accounts or the account of any other

Client. Client also understands that cash awaiting investment or reinvestment may be invested in cash balances or money market funds at the Custodian.

In no event shall SFG be obligated to handle any transaction for Client in which Advisor believes would violate any applicable federal or state law, rule or regulation, or the rules or regulations of any regulatory or self-regulatory body. SFG and its related persons will not be held liable for losses caused, directly or indirectly by government restriction, exchange or market rulings, suspension of trading, computer or telephone failure, internet fraud or cyber-attack, war, strikes, or any other condition beyond SFG's control.

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**Item 17. Voting Client Securities (i.e., Proxy Voting)**

The Advisor will not vote proxies on behalf of the Client.

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**Item 18. Financial Information**

SFG has no financial issues that could impair their ability to carry out their fiduciary duty to the Client. In addition, we do not require or solicit the prepayment of more than \$1,500 per client, six or more months in advance. Advisor has not been the subject of a bankruptcy petition in the last ten years (or since inception).