



STRATEGAS

Strategas Securities, LLC

Brochure

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This brochure (the "Brochure") provides information about the qualifications and business practices of Strategas Securities, LLC (herein, the "Firm" or "Strategas"). If you have any questions about the contents of this Brochure, please contact us at 212-906-0130 or info@strategasrp.com. The information in this Brochure has not been approved by the United States Securities and Exchange Commission or by any state securities authority. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

Additional information about Strategas Securities, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

Strategas Securities, LLC updated its Form ADV Part 2A Brochure (the “Brochure”) on March 9, 2020 to fulfill the annual amendment requirement. The following summary discusses the material changes that Strategas has made to the Brochure since May 30, 2019, the date of the initial filing.

- Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading was updated to revise the personal trading black out period to 3 days following (i) securities traded on the Strategas trading desk, (ii) model portfolio release and (iii) the dissemination of research reports containing references to specific securities.

A client should note the foregoing summary only discusses material changes made to the Brochure since May 30, 2019. The updated Brochure may contain other non-material changes not listed above.

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Item 4. Advisory Business

Background and Principal Ownership.

This Brochure describes the investment advisory services that Strategas Securities, LLC ("Strategas") offers to clients. Strategas is an investment advisory firm that filed for registration with the Securities and Exchange Commission ("SEC") in April 2019, and is a broker-dealer registered with the SEC and a FINRA member. As described below, the investment advisory services that Strategas provides are limited to the delivery of Research Services to institutional clients in exchange for a hard dollar fee. Strategas also provides brokerage services, such as execution of securities transactions and incidental advice to clients in its capacity as a broker-dealer.

Strategas is a wholly-owned subsidiary of Baird Financial Corporation. Baird Financial Corporation is 100% owned by Baird Holding Company, and Baird Holding Company is 100% owned by Baird Financial Group, Inc., the ultimate parent. Baird Financial Group, Inc. is a privately held holding company owned by the employees of Robert W. Baird & Co. Incorporated ("Baird"), a FINRA member broker-dealer and SEC-registered investment adviser. Through common ownership, Strategas is affiliated with Baird and Strategas Asset Management ("SAM"), an SEC-registered investment adviser.

Strategas' principal place of business is at 52 Vanderbilt Avenue, Eighth Floor, New York, NY 10017, with an additional office at 1775 Eye Street, Suite 420, Washington, D.C. 20006.

Services Provided

Strategas provides Research Services, including but not limited to written published reports and commentaries, data updates, conference calls, presentations, conferences, survey analysis and customized projects, to institutional clients. The Research Services offered cover the following areas:

- Investment Strategy
- Economics
- Policy Research
- Quantitative Research

- Technical Analysis
- Fixed Income Research
- Industry Surveys
- Bespoke Research

Generally, the Research Services will not provide analyses on individual companies or securities. The Research Services provided constitute impersonal advice and are not customized to meet the specific investment objectives, goals, strategies, financial needs or risk profile of any client who receives the Research Services (nor any customers of such clients) nor are they intended to form the primary basis on which a client (or any customer of such client) would make an investment decision.

The terms and conditions of the Research Services are provided to clients in the Research Services Agreement.

Limitations on Our Role as Investment Adviser

Strategas is dually registered as an investment adviser and a broker-dealer, and offers both investment advisory and brokerage services. Although we act as an investment adviser when we provide Research Services in exchange for cash fees, our investment advisory relationship with clients does not extend to other services we or our affiliates provide or arrangements we or our affiliates have with clients. These non-advisory services include, but are not limited to trading, execution, brokerage and the provision of solely incidental investment advice, such as market color, analysis, perspectives, opinions, commentaries or ideas by Strategas sales or trading personnel. Please note that Strategas does not act as an investment adviser in connection with any trade, transaction or order that a Research Services client may place with us or our affiliates, even if the issuer is one discussed in the Research Services.

Likewise, where Strategas provides the Research Services in consideration of commissions or other trading-related compensation, Strategas is acting in its capacity as a broker-dealer and not as an investment adviser. The provision of Research Services in such cases is solely incidental to the brokerage services Strategas provides. Brokerage

services are regulated under different standards than those that apply to advisory services, including the types of investment assistance provided, the fees charged and the rights and obligations of the parties.

Assets Managed

Services provided by Strategas are exclusively limited to Research Services and Strategas does not manage or advise client accounts or assets on either a discretionary or non-discretionary basis. There are no assets under management in connection with the provision of Research Services.

Item 5. Fees and Compensation

Fees for the provision and delivery of Research Services are separately negotiated with each client. Fees are payable as agreed upon by the parties and, if applicable, as described in a Research Services Agreement between you and Strategas. Fees are generally paid as invoiced, either in advance or in arrears. If the relationship is terminated, the client may request a pro-rata refund of an advanced payment based on the cancellation date.

Should a client use Strategas or an affiliated broker-dealer to execute trades, the client will incur transaction costs such as commissions, mark ups and spreads. Such costs are exclusive to and in addition to the Strategas hard dollar fee for the Research Services.

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

Strategas does not charge any performance-based fees that are based on a share of capital gains or capital appreciation of the assets of a client.

Item 7. Types of Clients

Strategas offers Research Services to institutional clients including but not limited to pension and retirement plans, corporations, mutual funds, insurance companies, hedge funds, private equity funds, trusts and banks and/or their consultants, and investment advisers. Clients are not required to open or maintain a brokerage account with Strategas or an affiliated broker-dealer in order to receive Research Services.

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

Investment Philosophy and Methods of Analysis and Risk of Loss

Research Services are impersonal investment advisory services that cover a range of macro and other broad investment themes. Research Services, including research reports and commentaries, are prepared by research personnel who identify and analyze both financial information and strategic issues that may affect companies, industries and markets. Research analysts perform analysis based on publicly available economic, market, industry and company data.

Research reports and commentaries may be modified from time to time without notice and may express opinions or provide investment perspectives that are inconsistent with prior opinions and perspectives. Clients must make their own independent investigation of the merits of their investment decisions. Strategas expressly disclaims any responsibility for the completeness, accuracy or timeliness of the Research Services provided to clients, and Strategas is under no duty to update or revise the Research Services, the contents thereof or analyses or opinions expressed therein. Notwithstanding the foregoing, nothing contained in this paragraph or elsewhere in this document shall constitute a waiver by clients of any of their legal rights under applicable U.S. federal securities laws or any other laws whose applicability is not permitted to be contractually waived.

Strategas may rely on third-party sources for information that it believes to be reliable in providing the Research Services, but it does not guarantee the quality, accuracy, or completeness of such third-party information or any other information or data related thereto. The Research Department makes no express or implied warranties with respect to Research Services or any other information or data related thereto.

Clients should be aware of the following risks associated with the Research Services offered by Strategas:

Research Services Risk – The analyses, perspectives, opinions, investment strategies and commentaries included in the Research Services reflect the good faith, personal views of the Strategas analysts who provided the Research Services, using current information available to them. It is possible that such analyses, perspectives, opinions and commentaries, to the extent they offer suggestions, recommendations, predictions or beliefs about future outcomes, may prove to be incorrect.

Investment Risk – Investing in securities involves risk of loss that clients should be prepared to bear. Past performance of a particular security or investment does not guarantee future results. Various risks, including without limitation market, economic, social, political, sector and company specific risks, exist that may adversely affect a client's investment performance and result in depreciation and losses.

Equity Risk – The prices of equity securities rise and fall. These price movements may result from factors affecting individual companies, industries, or the securities market as a whole. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. In addition, the equity market tends to move in cycles, which may cause stock prices to fall over short or extended periods of time. Large cap equities tend to go in and out of favor based on market and economic conditions. Companies with smaller market capitalizations tend to experience more stock price volatility than larger companies. In addition, at times certain investment styles, such as a growth style or value style, and the equity securities of companies that fall within those styles, may perform differently than other styles or companies in other styles. The equity securities of foreign companies may present increased risk than those of domestic companies.

Short Sale Risk – Short selling runs the risk of loss if the price of the securities sold short does not decline below the price at which they were originally sold. This risk of loss is theoretically unlimited, as there is no cap on the amount that the price of a security may appreciate. In addition, a lender may request, or market conditions may dictate, that securities sold short be returned to the lender on short notice, which

may result having to buy the securities sold short at an unfavorable price.

Geopolitical Risk – Some areas of research are exposed to complex geopolitical risk. Some geopolitical risks are normal, while others are in a heightened state. For instance, anti-globalization sentiment is growing in parts of the world, causing the renegotiation of trade and other deals between major superpowers, including the United States. It is unclear at this time what impact the renegotiation of certain trade deals will have on the US economy and companies.

Fixed Income Risk – Fixed income securities are subject to certain risks, including interest rate risk, credit risk and liquidity risk. In addition, they are subject to maturity risk. The prices or values of fixed income securities typically move in the opposite direction of changes in prevailing interest rates. In addition, generally the longer a bond's maturity, the greater the interest rate risk and the higher its yield. Conversely, the shorter a bond's maturity the lower the interest rate risk and the lower its yield. Fixed income securities with lower credit ratings or ratings below investment grade are subject to greater risk of default and loss of principal than higher rated bonds.

Political Risk – Investments can be affected by political, legislative and regulatory developments. Predictions and analyses of such potential developments and their consequences on industries, companies and securities are inherently uncertain, and are dependent on information that may be unreliable. Investors are cautioned not to place undue reliance on the perspectives expressed by Strategas on the likelihood of potential political, legislative and regulatory developments or the consequences of such developments.

Industry Risk – Investments could be concentrated within one industry or group of industries. Any factors detrimental to the performance of such industries will disproportionately impact investment returns. Investments focused in a particular industry are subject to greater risk and are more impacted by market volatility than less concentrated investments.

The foregoing list of risks does not purport to be a complete enumeration or explanation of all the risks involved in Strategas's Research Services.

Item 9. Disciplinary Information

Strategas is required to disclose all material facts regarding any legal or disciplinary events that would be material to a client or a prospective client's evaluation of Strategas or the integrity of its management. As of the date of this Brochure, Strategas has no information applicable to this Item.

Item 10. Other Financial Industry Activities and Affiliations

Material Relationships

As discussed in Item 4 above, Strategas is dually-registered as a broker-dealer and an investment adviser. In addition to providing the Research Services for a hard dollar fee to its advisory clients, Strategas provides the Research Services as a service incidental to its brokerage services to brokerage clients who pay commissions for the execution of trades by Strategas. In its capacity as a broker-dealer Strategas may execute trades for clients that involve the companies or securities described in the Research Services, and Strategas will receive additional compensation for such trading services such as a commission, markup or markdown or, in the case of an offering or issuance of securities, an underwriting discount, fee or selling concession. Strategas does not undertake or commit to offer clients who receive the Research Services equal treatment in the allocation of investment opportunities, including public offering allocations, to such clients.

When providing the Research Services to institutional clients in exchange for a hard dollar fee, Strategas acts as an investment adviser. However, when providing brokerage services to such clients, including advice incidental to such brokerage services, Strategas acts as a broker-dealer. For instance, if a Strategas sales or trading person offers a client market color or information, or perspectives on a particular company or security, or an investment idea or theme, or solicits an order for a securities trade from a client, Strategas is acting as a broker-dealer and not an investment adviser, as such services are incidental to Strategas' brokerage relationship with the client. The duties of an investment adviser to a client differ from the

duties of a broker-dealer to a client. When a client places an order with Strategas for execution, the client will pay a commission or, in the case of a fixed income trade, will include a markup or markdown, which compensation is in addition to the fee that the client pays for the Research Services. Strategas generally places trades for clients on an agency only basis, except for trades of corporate bonds and other fixed income securities in which Strategas acts on a riskless principal basis.

Strategas is under common control with Strategas Asset Management, LLC ("SAM"), an SEC-registered investment adviser, and SAM's officers and employees are also associated with Strategas. Strategas and SAM have entered into an arrangement pursuant to which Strategas has given a license to SAM to use model portfolios based on certain of Strategas' Research Services. SAM provides these model portfolios and portfolio management services based on these model portfolios to its clients, and receives a fee from its clients based on assets under management.

As discussed here and in Item 4 above, Strategas provides Research Services to brokerage clients as well as to advisory clients. Because a potential client of Strategas could obtain access to the Research Services, or advice based on the Research Services, either as a brokerage client or an advisory client of Strategas, Strategas and its representatives may have an incentive to recommend the relationship that would be most profitable to Strategas rather than the relationship that is in the client's best interest. To address this potential conflict, Strategas has a policy to notify potential institutional clients of the availability of the Research Services through the different types of arrangements. Moreover, SAM provides its clients with Strategas-developed model portfolios, which may be included in the Research Services provided by Strategas. Thus, clients seeking access to Strategas' model portfolios can gain such access through an advisory relationship with SAM, in addition to having access through a brokerage or advisory relationship with Strategas. This additional option creates a further conflict in that Strategas/SAM has an incentive to recommend the most profitable arrangement for clients seeking access to Strategas' model portfolios. To the extent SAM and Strategas are both delivering the same model portfolios, they each will notify potential

institutional clients of the different ways in which such clients can obtain the model portfolios.

The relationship between Strategas and SAM also creates a potential conflict of interest with regard to the timing of the provision of any Research Services to Strategas' clients and SAM's clients. Generally, Strategas and SAM do not deliver the same Research Services, other than the delivery of model portfolios. To ensure that all clients are treated fairly, Strategas and SAM have a policy governing the distribution of such Research Services to their clients designed to minimize the possibility that one or more Strategas or SAM clients will be able to trade based on such updates before other clients are able to trade.

Further, similar Research Services may be offered by other investment advisers that may cost clients more or less than receiving the services from Strategas.

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

Strategas has adopted a Code of Ethics pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 that establish standards of business conduct for its advisory personnel and access persons, requiring them to comply with the federal securities laws, to report their personal securities transactions and holdings and to comply with certain pre-clearance obligations and other restrictions for their personal securities transactions. This Code is designed to ensure that Strategas' personnel conduct themselves in a manner that is consistent with Strategas' fiduciary duty to its investment advisory clients and other legal requirements. A copy of Strategas' Code of Ethics is available to clients upon request. Requests should be sent by email to info@strategasrp.com.

All Strategas employees are required to disclose their personal accounts upon hiring and are required to get permission to open any new accounts on an ongoing basis. Strategas employees are required to provide duplicate account statements to compliance. Employees submit preclearance requests for all personal trades which are subject to review and approval by the Compliance Department. Strategas employees are subject to a three-day blackout period following; (i) securities traded on the

Strategas trading desk, (ii) model portfolio release and (iii) the dissemination of research reports containing references to specific securities. Compliance monitors personal trading activity on a regular basis.

Strategas employees are prohibited from using material non-public information or engaging in insider trading.

Strategas does not buy or sell securities for its own account, although Strategas as broker-dealer may execute transactions in securities for clients who receive the Research Services. In addition, SAM uses the Research Services to manage client accounts and deliver model portfolios to its clients, and thus SAM's clients will invest in the same securities that are analyzed or described in the Research Services. As a result, a conflict of interest is present in that Strategas' clients and SAM's clients may purchase, sell or invest in the same securities that are analyzed or described in the Research Services at or about the same time. Strategas and SAM each have a policy governing the distribution of such Research Services to their clients designed to minimize the possibility that one or more Strategas or SAM clients will be able to trade based on such updates before other clients are able to trade. As a broker-dealer and affiliate of Strategas, Baird may buy or sell securities for its own account in the ordinary course of its market making activities, including buying or selling securities that are the same as those discussed in reports and commentaries included in the Research Services. Baird also acts as agent or principal in executing securities trades for client accounts, some of whom may be clients who receive the Research Services. Those securities trades and market making activities involve many of the same securities that are discussed in the Research Services. However, Baird does not intentionally buy or sell securities as a result of any discussions about them in the Research Services and does not receive copies or drafts of such reports or commentaries before they are delivered to Strategas' clients.

Strategas does not have discretion over client accounts and does not have discretion to select and does not recommend the use of any particular broker-dealer to implement research recommendations, although Strategas in its capacity as a broker-dealer seeks to provide brokerage services to clients. Advisory clients are

not required nor expected to use Strategas or any other affiliate to implement recommendations received or otherwise to place orders for securities transactions.

Any individual who fails to comply with the Compliance Procedures Manual or Code of Ethics may be subject to discipline.

Item 12. Brokerage Practices

Strategas does not select broker-dealers or engage in securities transactions in connection with Research Services.

Item 13. Review of Accounts

Strategas does not provide any personalized investment advice with respect to clients' investment portfolios or manage or oversee any client assets. Accordingly, there are no account reviews.

Item 14. Client Referrals and Other Compensation

Strategas and its employees or supervised persons do not receive any additional economic benefit (including for example, sales awards or other prizes) from any non-client for providing investment advice or other advisory services to Strategas clients. Strategas does not enter into any agreements (oral or written) or other understanding under which Strategas pays, either directly or indirectly, any compensation to third parties for client referrals. Strategas personnel are compensated for recommending SAM's advisory services to clients who receive the Research Services from Strategas.

Item 15. Custody

Strategas does not have custody of client funds or securities in connection with Research Services or otherwise.

Item 16. Investment Discretion

Strategas does not accept discretionary authority to manage client accounts in connection with Research Services or otherwise.

Item 17. Voting Client Securities

Strategas does not have voting authority as the Research Services provided do not involve the voting of client securities.

Item 18. Financial Information

Strategas does not have any financial conditions that are reasonably likely to impair its ability to meet its contractual commitments to clients.