



Advisory

Wrap Fee Program Brochure

March 30, 2020

This wrap fee program brochure provides information about the qualifications and business practices of Excel Securities & Associates. If you have any questions about the contents of this brochure, please contact us at 585-424-1234 or excel@excelsecurities.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.

Excel Securities & Associates, Inc. is a registered investment advisor with the Securities and Exchange Commission ("SEC"). Any reference to the advisory services refers to Excel Securities & Associates, Inc. does not imply a certain level of training.

Additional information about Excel Securities & Associates, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

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Table of Contents

Services, Fees and Compensation	3
FB Advisory version 1 (FB1)	3
MAC Advisory (CLOSED TO NEW ACCOUNTS)	3
Lockwood Asset Allocation Portfolios (LAAP): (CLOSED TO NEW ACCOUNTS)	4
Lockwood Advisors AdvisorFlex Portfolios (AFP) (CLOSED TO NEW ACCOUNTS)	4
Managed ETF Portfolios (METF)	4
Morningstar Managed Portfolios (MMP)	5
Program Fees and Related Costs	5
Maximum Program Fee as % of Assets (for wrap fee programs only)	5
Account Requirements & Types of Clients	6
Portfolio Manager Selection	6
FB Advisory	6
Managed ETF Portfolios	7
MAC Advisory	7
Morningstar Managed Portfolios (MMP)	7
Client Information	7
Lockwood (closed to new accounts effective 4/1/17)	7
Morningstar	7
Client Contact with Portfolio Manager	7
Additional Information	8
Disciplinary Information	8
Other Financial Industry Activities and Affiliations	8
Code of Ethics	8
Review of Accounts	9
Financial Information	10

Services, Fees and Compensation

Excel Securities, & Associates, Inc. is an investment advisor registered with the U.S. Securities and Exchange Commission ("SEC"). Excel Securities & Associates, Inc. provides investment management services to its Clients (individually, a "Client").

As of December 31, 2019, Excel manages \$188,744,462 on a discretionary basis, and \$84,041,047 on a non-discretionary basis.

Advice is based on each client's financial situation, as well as detailed information about personal circumstances, such as age, investment time horizon, risk tolerance, expectations, goals, investment restrictions, etc. In determining whether to establish an account, a Client should be aware that the overall cost to the Client of Advisory Services may be higher or lower than the Client may incur by purchasing separately the types of securities available through the Advisory Services. In order to compare the cost of the Advisory Services with unbundled services, the Client should consider the turnover rate in the investment strategies, trading activity in the account, standard advisory fees, and brokerage commissions that would be charged at other broker-dealers and investment advisors.

Excel offers four Advisory Wrap Programs further described below. The Client authorizes Excel Securities & Associates, Inc. To debit the advisory fee directly from the Client's investment account. If insufficient cash is available to pay such fees, securities in the amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance.

FB Advisory version 1 (FB1)

Effective 5/1/2017 the FB Advisory wrap program is a discretionary advisory offering and all new agreements will be discretionary in nature. The Investment Advisor Representative that established the client relationship is named as the account Investment Advisor Representative (IAR) and portfolio manager, to provide ongoing account management. Client's will work closely with their IAR to identify and document their profile and establish risk / return expectations. The IAR will use the profile data provided to make appropriate portfolio choices on behalf of the customer. The IAR will monitor the account and the recommended portfolio. Periodically, a thorough account review will be performed by the IAR and the results will be communicated to the client. Account reviews are designed to measure and report the effectiveness of the investment choices with respect to the customer's stated profile, goals, and account objectives. Periodic performance reports are used as a component of the account reviews. Effective January 1 2014 this program employs a performance reporting tool made available by Albridge. Excel does not manage, produce, or influence in any way the output of the performance reporting.

MAC Advisory (CLOSED TO NEW ACCOUNTS)

Effective 4/1/2018 the MAC Advisory program is closed to new accounts. Existing program accounts will be allowed to continue and to add dollars to their program accounts.

Lockwood Asset Allocation Portfolios (LAAP): (CLOSED TO NEW ACCOUNTS)

Lockwood Asset Allocation Portfolios (LAAP) is a discretionary account managed by Lockwood Advisors. The minimum account balance for this program is \$50,000. Employing the same client profiling techniques used with each of Excel's other managed programs, Investment Advisor Representatives assist client in selecting from one of five Lockwood Model portfolios. The Model portfolios are largely a predetermined static mix of assets ranging from a Conservative mix (Model I) to an Aggressive mix (Model V). Lockwood performs all of the research and manages the selection of exchange traded funds as well as account transactions needed to keep the account in line with the model. Periodically, Lockwood may alter the model allocation when they deem it prudent to do so in light of the changing investment environment. This program appeals to those that embrace a passive management strategy and to those seeking to minimize overall program expense. The use of exchange traded funds as the primary funding vehicle helps contain overall program cost because of their low internal expense ratio relative to comparable open-ended funds.

Lockwood Advisors AdvisorFlex Portfolios (AFP) (CLOSED TO NEW ACCOUNTS)

AdvisorFlex offers a series of objective based strategies managed by Lockwood that seek to address the unique challenges presented at each phase of the investor life-cycle, from wealth accumulation through the transition to retirement and ultimately, the management and distribution of income in retirement. The AdvisorFlex framework requires an Investment Advisor Representative to first identify the appropriate strategy for the client account. The three available strategies are:

1. Income
2. Preservation of Capital
3. Appreciation

After identifying the appropriate strategy, the Investment Advisor Representative assists the client in identifying the appropriate level of risk. Each of the strategies listed above is available in five unique portfolios ranging from Model I (*most conservative*) through Model V (*most aggressive*). Each successive increase in portfolio model number represents an increase in risk exposure accompanied by higher return potential and increased volatility. The Appreciation strategy has one additional risk model for a total of six with Model VI being the most aggressive strategy in the program.

Each of the model allocations are created and maintained by Lockwood based on their proprietary research. Lockwood provides all of the research on the potential investment positions used to fill the model allocations. Predominately, these investments consist of open-ended mutual funds and exchange traded funds. Lockwood makes available to the Investment Advisor Representative a menu of investments that pass the scrutiny of their research for the given strategy and model. The Investment Advisor Representative is provided some discretion to select an alternate choice rather than using the Lockwood identified first choice for a specific allocation component. This is the aspect of the program that puts the FLEX in AdvisorFlex.

Managed ETF Portfolios (METF)

The Managed ETF Portfolios are a fully discretionary wrap program which leverages publically available research provided by industry recognized third parties in the creation and maintenance of the program portfolios. The client provides full trading authority to Excel to allocate the account according to the selected model.

The program has eleven models that range from 100% fixed income to 100% equity. Excel monitors drift from the model and periodically rebalances the account back to the model allocations. The program is now offered in three unique versions:

1. METF Blackrock Strategic Allocation models (original offering)
2. METF Vanguard (CRSP)Models

Morningstar Managed Portfolios (MMP)

The Morningstar Managed Portfolios are a set of ten portfolios sub advised by Morningstar Investment Management. There are five portfolios ranging from conservative to aggressive investment objectives. Each of the five models is offered in a tax sensitive and non-tax sensitive version. The Morningstar Investment Management team of analysts provide the portfolio asset allocations, select the portfolio holdings, and provide ongoing portfolio monitoring and guidance. Excel's team trades the portfolios, manages the program billing and all interaction with program account owners.

Program Fees and Related Costs

Effective January 1, 2014 all FB Advisory program accounts are charged an asset-based fee, in advance, at the beginning of each month, in accordance with the client's written program agreement, and other program communication. The program fee includes initial and periodic portfolio review and recommendations, performance reporting, transaction fees, account maintenance fees, paper surcharge fees, and ready access to an investment advisor to assist with decision making throughout their investment life-cycle.

Potential additional expenses include internal mutual fund expenses and certain administrative fees such as, but not limited to, wire transfer fees, overnight carrier fees, certificate issuance, safekeeping of certificates, special statement generation, and foreign security fees. A portion of the fee collected from client is paid to the Investment Advisor Representative for his / her role in servicing the client account. The amount paid to Investment Advisor Representative varies based on contractual agreements between the Investment Advisor Representative and Excel. The fee charged to client accounts is negotiable and many factors can affect the ultimate level of fees charged to client, but fees cannot exceed the maximum fees displayed below.

Maximum Program Fee as % of Assets (for wrap fee programs only)

Assets Under Management	FB Advisory Version 1	Managed ETF Portfolios	Morningstar Managed Portfolios
Minimum Account Size	0	\$25,000	\$25,000
Minimum Annual Fee	\$204	\$204	\$204
Up to \$500,000	1.50%	1.50%	1.50%
Next \$500,000	1.45%	1.45%	1.45%
Next \$1 million	1.40%	1.40%	1.40%
Next \$3 million	1.35%	1.35%	1.35%
Next \$5 million	1.30%	1.30%	1.30%
Above \$10 million	1.25%	1.25%	1.25%

A portion of the program fee is used to offset related program expenses such as, but not limited to, brokerage fees for trade related activity, performance reporting

fees, account maintenance fees, and technology costs related to account monitoring. Client may be able to purchase separately the services rendered in these wrap programs for less than the cost of participating in the wrap program. The ability to do so depends on factors such as the level of brokerage activity occurring in the program account, the ability to purchase certain services separately such as performance reporting, the value of the account, and the complexity of account strategies being employed.

The portion of the program fee paid to the Investment Advisor Representative may be different between the two wrap fees programs described in this brochure and may differ from other Excel sponsored advisory offerings. Additionally, the possibility exists that the amount earned by the Investment Advisor Representative could be greater if a non-advisory product is recommended. As such an Investment Advisor Representative may have an economic incentive to recommend one program or product over the other. Each of Excel's representatives has acknowledged our Code of Ethics and has agreed to be bound by this code. Among other things the Code of Ethics states that Excel and its employees have "an affirmative duty of utmost good faith to act solely in the best interest of its clients."

Account Requirements & Types of Clients

The Managed ETF Portfolios and the FB Advisory have a \$25,000 minimum account size. Generally, the three wrap fee programs discussed here are used by individuals and trusts. Excel acts as the portfolio manager for the Managed ETF Portfolios and the Morningstar portfolios while Lockwood Advisors acts as the Portfolio manager on the MAC Advisory program. Effective 1/1/2018 the FB Advisory platform is a discretionary offering by default. Excel offers FB Advisory version 3 (FBv3) for non-discretionary account relationships.

Portfolio Manager Selection

FB Advisory

The FB Advisory program version 1 is a discretionary program by default and the Investment Advisor Representative acts as the portfolio manager. The client must authorize the Investment Advisor Representative prior to taking any portfolio activity. The client is not obligated to accept or act upon the recommendations of the Investment Advisor Representative, and as such the makeup of client accounts can vary greatly. Greater focus is placed on assisting clients with determination of appropriate asset allocation and selection of investment vehicles that demonstrate acceptable levels of quality. Primary factors that weigh on the determination of quality are relative performance, relative expense ratios, style consistency, management tenure, and a variety of potential secondary screens.

The standards used to evaluate results are actual results relative to appropriate industry benchmarks and blended benchmarks. Material variances from appropriate benchmarks will prompt Excel to investigate the reasons for such departures and take any actions deemed appropriate based on the findings and circumstances.

Managed ETF Portfolios

The managed ETF portfolios follow the publicly available portfolio guidance provided by Blackrock and Vanguard.

MAC Advisory

MAC advisory offering is closed to new accounts effective 4/1/2018.

All of the offerings within the MAC Advisory program employ Lockwood Advisors as a portfolio manager. Predominately, these portfolios use open ended mutual funds and exchange traded funds to fill the asset allocation. Factors affecting the selection of Lockwood as manager for this offering may include but are not limited to:

1. Their ability to effectively communicate the research process followed to formulate recommended investments and their adherence to the process.
2. The historical results of their managed accounts relative benchmark performance measures.
3. Their ability to custody our client assets with Pershing LLC where the balance of our other customer assets are.
4. The financial stability created by the Bank of New York Mellon as a parent entity.
5. Their ability to integrate their offerings with existing technology provided by Pershing LLC as a clearing agent for Excel's business.
6. High degree of industry experience and educational background possessed by Lockwood personnel.
7. Results of other due diligence.

Morningstar Managed Portfolios (MMP)

Each of the portfolios offered in the MMP program are sub-advised by Morningstar Investment Management and made available to our customers through a definitive licensing agreement.

Client Information

Lockwood (closed to new accounts effective 4/1/17)

Upon account inception, Excel shares client profile information with Lockwood Advisors. Excel has agreed to provide updates of relevant profile information with Lockwood on an as needed or as requested basis. This information includes client name, address, tax ID, date of birth, net-worth, annual income, tax bracket, aversion to risk, and investment time horizon.

Morningstar

Excel provides Morningstar Investment Management account meta data including account number, account value, advisor number, and portfolio selection. This data is used for determination of fees owed to Morningstar and as a means of providing targeted marketing support to Excel's IARs.

Client Contact with Portfolio Manager

Client contact with portfolio manager can be readily facilitated by contacting the Investment Advisor Representative on the account.

Additional Information

Disciplinary Information

Excel Securities & Associates, Inc. has no pending or prior legal or disciplinary events that are material to a client's evaluation of Excel Securities & Associates, Inc. advisory business or management.

Other Financial Industry Activities and Affiliations

EXCEL is an independent investment advisor and a registered Broker Dealer. It is the Broker Dealer for the majority of accounts for which we provide advisory services. Currently, all of the Excel Advisor Representatives are also Registered Representatives with FINRA. This is not a requirement, but it can create a conflict of interest because certain transactions may generate more commissions than would result from the same transaction in an Advisory account.

Alternatively, an Advisory account may result in fees that exceed the dollar value of the same activity in a commissionable setting. It is prudent to fully assess the forward-looking needs, and assess the fees and charges associated under each relationship type, Advisory or Brokerage.

Excel, as a Broker Dealer, maintains a fully disclosed clearing relationship with Pershing LLC. In its capacity as clearing agent, Pershing provides custody for all of Excel Advisory accounts. Through its affiliated companies Pershing also provides a variety of technological and operational systems that facilitate the reporting and oversight functionalities necessary to effectively perform our Advisory obligations. Pershing and Lockwood Advisors are wholly owned affiliates of the Bank of New York Mellon. As the size and scope of Excel's business with Bank of New York Mellon and all related companies grows, the potential exists for Excel to obtain enhanced pricing across its related businesses. This may be perceived as a conflict of interest and is disclosed here so that clients may assess the relevance. Many of the EXCEL Advisor representatives also maintain insurance licenses and may engage in the sale of various insurance products. Some insurance products such as variable annuities and variable insurance are supervised by EXCEL, and other non-variable types may be sold through insurance brokers unrelated to EXCEL. These insurance activities are not offered on an advisory basis, and the commissions and fees generated by this activity can cause a conflict of interest to the Advisory relationship. This is disclosed here so that clients may assess the relevance.

Code of Ethics

EXCEL has adopted a Code of Ethics, designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940. The code establishes rules of conduct for all employees of EXCEL and is designed to, among other things; govern personal securities trading activities in the accounts of employees. The Code is based upon the principle that EXCEL and its employees owe a fiduciary duty to EXCEL's advisory clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility. EXCEL will provide a copy of our Code of Ethics to any client or prospective client upon request.

EXCEL and its related people are prohibited from recommending or selling investments to clients for which EXCEL or its related persons have a material financial interest.

Occasionally, EXCEL advisors may elect to invest in the same securities or related securities that have been recommended to clients. This can create a conflict of interest when the price received or paid for a particular investment by EXCEL or its Advisors is superior to the price obtained by the client. When these circumstances arise, EXCEL attempts to average price all transactions in like securities in the same day and on the same side of the market so that all accounts obtain the same price.

With the exception of persons in supervisory roles, EXCEL's Advisor Representatives do not have the ability to monitor what other EXCEL Investment Advisor Representatives are recommending or transacting. EXCEL does not attempt to average price transactions in same security, same side of market, in the same day across all EXCEL clients. Our efforts on this front are limited to client accounts of the same Investment Advisor Representative.

The discussion of the previous two paragraphs addresses the potential conflict of interest that could arise when EXCEL or one of its Investment Advisor Representatives has knowledge of pending transactions on behalf of client accounts and attempts to use that knowledge to transact for its own accounts or related accounts at superior prices.

EXCEL monitors trade activity to identify real or perceived violations of its policies and Code of Ethics so that it may address items as they arise. The full text of Excel Securities & Associates Code of Ethics Policy is available upon request.

Review of Accounts

Each client Advisory account is reviewed on a periodic basis by the associated Investment Advisor Representative. Minimally, the review will examine the current account holdings and make determination as to whether or not the portfolio is consistent with the needs of the client in accordance with their client profile provided at the time of account opening or in subsequent updates to that information.

The process of this review evaluates the following items and makes determinations with respect to the appropriateness of the results given your investor profile.

- The mix of assets being employed (Asset Allocation)
- The actual returns versus appropriate benchmarks (Performance)

The client is provided communication informing them of the review findings and any recommendations.

For accounts using the MAC program, Lockwood regularly reviews the adequacy of the investments made available in each of their portfolios and makes changes as they deem necessary. The Investment Advisor Representative on the account will perform periodic reviews to assess the continued appropriateness of the portfolio selection relative to client profile as may be updated from time to time.

For accounts using the MMP program, Morningstar Investment Management regularly reviews the adequacy of the investments made available in each of their model portfolios and informs Excel of portfolio changes as they deem necessary. Excel manages the account association with the selected model. The Investment Advisor Representative on the account will perform periodic reviews to assess the continued appropriateness of the portfolio selection relative to client profile as may be updated from time to time.

Financial Information

Excel Securities & Associates, Inc. is required to disclose any financial condition that is reasonable likely to impair our ability to meet contractual commitments to Clients. We are not subject to any financial commitment that impairs our ability to meet any contractual and fiduciary commitment to our clients.