



## Wrap Fee Program Brochure

*This brochure provides information about the qualifications and business practices of SAOS Capital, LLC. If you have any questions about the contents of this brochure, please contact us at 843.388.9925 or by email at: [wayne@saoscapital.com](mailto:wayne@saoscapital.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. Registration does not imply a certain level of skill or training.*

*Additional information about SAOS Capital, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). SAOS Capital, LLC's CRD number is: 159515*

Saos Capital, LLC  
843.388.9925  
[www.saoscapital.com](http://www.saoscapital.com)  
[wayne@saoscapital.com](mailto:wayne@saoscapital.com)

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## **Item 2: Material Changes**

There are no material changes in this brochure from the last annual updating amendment of SAOS Capital, LLC on 03/08/2019. Material changes relate to SAOS Capital, LLC's policies, practices or conflicts of interests only.

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## Item 4: Services Fees and Compensation

SAOS Capital, LLC (hereinafter "Saos Capital") offers the following services to advisory clients:

### A. Description of Services

Saos Capital participates in and sponsors a wrap fee program for certain investment management service clients. This wrap fee program allows Saos Capital to manage client accounts for a single fee that includes portfolio management services and custodial costs. The fees are payable monthly in advance and the final schedule for this program is represented below:

Total Assets Under Management	Annual Fee
All assets for retirees	.75% - 1% max
All assets for non-retirees	1% - 1.5% max

These fees are negotiable.

Saos Capital bills based on the balance on the first day of the billing period.

Clients may terminate the contract without penalty, for full refund, within five business days of signing the contract. Thereafter, clients may terminate the contract with thirty days written notice.

Refunds are given on a prorated basis, based on the number of days remaining in a month at the point of termination. The fee refunded will be the balance of the fees collected in advance minus the daily rate\* times the number of days in the month up to and including the day of termination. (\*The daily rate is calculated by dividing the monthly AUM fee by the number of days in the termination month). Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract.

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Advisory fees are withdrawn directly from the client's accounts with client written authorization.

### B. Contribution Cost Factors

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program including the cost of the services if provided separately and the trading activity in the client's account.

### C. Additional Fees

Clients who participate in the wrap fee program will not have to pay for transaction or trading fees. However, clients are still responsible for all other account fees; such as mutual fund fees, custodian fees, annual IRA fees to the custodian, termination fees if the account is moved to another broker, or third party adviser fees.

## **D. Compensation of Client Participation**

Neither Saos Capital, nor any representatives of Saos Capital receive any additional compensation beyond advisory fees for the participation of client's in the wrap fee program. However, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and other services. Therefore, Saos Capital may have a financial incentive to recommend the wrap fee program to clients.

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

We provide advisory services to charities, individuals and high net worth individuals, including their trusts, estates and retirement accounts. We also provide services to corporations or business entities including their pension and profit sharing plans.

### ***Minimum Account Size***

There is an account minimum of \$50,000, which may be waived by the investment adviser, based on the needs of the client and the complexity of the situation.

We, at our sole discretion, may accept clients with smaller portfolios or lower minimums based upon certain factors including:

- anticipated future earning capacity;
- anticipated future additional assets;
- account composition;
- related accounts; and
- pre-existing client relationships.

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

### **A. Selecting/Reviewing Portfolio Managers**

Saos Capital will not select any outside portfolio managers for management of this wrap fee program. Saos Capital will be the sole portfolio manager for this wrap fee program.

#### ***1. Standards Used to Calculate Portfolio Manager Performance***

Saos Capital will calculate portfolio manager performance by generating benchmarks through third party performance software.

## ***2. Review of Performance Information***

Saos Capital reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is reviewed annually and is reviewed by a staff member at Saos Capital.

### **B. Related Persons**

SAOS Capital and its personnel serve as the portfolio managers for all wrap fee program accounts. This is a conflict of interest in that no outside adviser assesses SAOS Capital's management of the wrap fee program. However, SAOS Capital addresses this conflict by acting in its clients' best interest consistent with its fiduciary duty as sponsor and portfolio manager of the wrap fee program.

### **C. Advisory Business**

Saos Capital offers investment supervisory services to its wrap fee program participants as detailed in Section 4 above.

#### ***Investment Supervisory Services***

Our advisory representatives directly manage your portfolios on a discretionary or non-discretionary basis. We work with you to identify your investment goals, objectives, restrictions, and risk tolerance to determine suitable recommendations for you. From there, we customize your portfolio to create an initial allocation designed to complement your financial situation and personal circumstances.

#### ***Item 6: Performance-Based Fees and Side-By-Side Management***

Saos Capital does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

#### ***Services Not Limited to Specific Types of Investments***

Assets are allocated within a mix of securities that may include but are not limited to equities, bonds, options, structured notes, alternative investments, cash and cash equivalents, mutual funds, exchange traded funds, currencies/foreign exchange ("forex"), and futures. Saos Capital may use other securities as well to help diversify a portfolio when applicable.

#### ***Client Tailored Services and Client Imposed Restrictions***

We work with you to identify your investment goals, objectives, restrictions, and risk tolerance to determine suitable recommendations for you. From there, we customize

your portfolio to create an initial allocation designed to complement your financial situation and personal circumstances.

### ***Wrap Fee Programs***

Saos Capital participates in wrap fee programs; which is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. Saos Capital does not manage the investments in the wrap fee program. Saos Capital does not manage those wrap fee accounts any differently than non-wrap fee accounts. A portion of the fees paid to the wrap account program will be given to Saos Capital as a management fee.

### ***Amounts Under Management***

Saos Capital has the following assets under management:

Discretionary Amounts:	Non-Discretionary Amounts:	Date Calculated:
\$90,778,332.00	\$12,208,311.00	December 2019

### ***Methods of Analysis and Investment Strategies and Risks***

Saos Capital conducts fundamental and technical analysis. Fundamental analysis generally involves assessing a company's or security's value based on factors such as sales, assets, markets, management, products and services, earnings, and financial structure. Technical analysis generally involves studying trends and movements in a security's price, trading volume, and other market-related factors in an attempt to discern patterns.

A relative strength methodology is used for the dual aim of reducing portfolio volatility while seeking to enhance total return. This includes a top-down process of market analysis, sector analysis, manager or product analysis and risk management. We believe this can help with more consistent returns and thereby create a better environment for systematic withdrawal needs.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

We buy structured notes in your portfolio, if they are suitable for your given situation. Any guarantee that your principal will be protected—whether in whole or in part—is only as good as the financial strength of the company that makes that promise. In other words, the principal guarantee is subject to the creditworthiness of the guarantor, which is generally the securities firm that structures and issues the note. In the event the issuer goes bankrupt, investors who hold these notes are considered unsecured creditors and might recover little, if anything, of their original investment.

Potential lack of liquidity is one of the disadvantages of structured notes with principal protection. These products tend to be longer-term investments, tying up your money for several years.

Some issuers might allow investors to redeem their notes before maturity under certain circumstances, such as expiration of a "lock-up period" (a period of time during which you



cannot access your funds), payment of a redemption fee or both. Other issuers might (but are not obligated to) provide a secondary market for certain notes. However, depending on demand, the notes might trade at significant discounts to their purchase price and might not return the full guaranteed amount. In addition, the value of the note before maturity might be difficult to calculate and can vary depending a wide array of factors (including prevailing interest rates and the volatility of the underlying asset, index or benchmark). You might also have to pay a penalty for early redemption, further reducing any return of your principal.

Our investment strategies may include long-term and short-term purchases. Frequent trading can affect investment performance through increased taxes and transaction costs. Our options, futures and currency/forex strategies are designed to be defensive in nature; however, there is still risk involved. For instance, the writer of a covered call forgoes the opportunity to benefit from an increase in the value of the underlying interest above the option price, but continues to bear the risk of a decline in the value of the underlying interest.

You may place reasonable restrictions on the strategies to be employed in your portfolio and the types of investments to be held in your portfolio.

All investments involve risks that can result in loss: loss of principal; a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings.

Additionally, these risks may include: market risk, interest rate risk, issuer risk, and general economic risk.

Although we manage your portfolio in a manner consistent with your risk tolerances, we cannot guarantee that our efforts will be successful. You should be prepared to bear the risk of loss.

**Past performance is not an indication of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### ***Voting Client Proxies***

SAOS Capital does not take any action or give any advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which your accounts may be invested. In addition, we do not take any action or give any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits.

You will receive information related to proxies directly from your account custodian. We will forward to you any information received by us regarding proxies and class action legal matters involving any securities held in your accounts.

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

Saos Capital is the portfolio manager for this wrap fee program. All client information that is collected, including basic information, risk tolerance, sophistication level, and income level will be collected by Saos Capital. As that information changes and is updated, Saos Capital will have immediate access to that information once collected.

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

Saos Capital places no restrictions on client ability to contact its portfolio managers. Saos Capital's representative, William Randolph "O'Malley" Avant can be contacted during regular business hours and contact information is on the cover page of William Randolph "O'Malley" Avant's Form ADV Part 2B brochure supplement.

## **Item 9: Additional Information**

### **A. Disciplinary Action and Other Financial Industry Activities**

#### ***Criminal or Civil Actions***

There are no criminal or civil actions to report that would be material to your evaluation of our business or the integrity of our management.

#### ***Administrative Proceedings***

There are no administrative proceedings to report that would be material to your evaluation of our business or the integrity of our management.

#### ***Self-regulatory Organization (SR) Proceedings***

There are no self-regulatory organization proceedings to report that would be material to your evaluation of our business or the integrity of our management.

#### ***Registration as a Broker/Dealer or Broker/Dealer Representative***

Neither Saos Capital nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

#### ***Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor***

Neither Saos Capital nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

#### ***Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests***

Your advisory representative may also be licensed as an insurance agent with various insurance carriers. From time to time, they may offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Saos Capital always acts in the best interest of the client; including the sale of commissionable products to

advisory clients. Clients always have the right to decide whether or not to utilize the services of any Saos Capital representative in such individual's outside capacities.

### ***Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections***

Saos Capital does not utilize nor select other advisors or third party managers. All assets are managed by Saos Capital Management.

## **B. Code of Ethics, Client Referrals and Financial Information**

### ***Code of Ethics***

We have adopted a *Code of Ethics* ("Code") to address the standard of business conduct required of our IARs and employees. The *Code* includes our policies and procedures developed to protect your interests in relation to the following:

- the duty at all times to place your interests ahead of ours;
- that all personal securities transactions of our IARs and employees be conducted in a manner consistent with the *Code* and avoid any actual or potential conflict of interest, or any abuse of an IAR's or employee's position of trust and responsibility;
- that IARs may not take inappropriate advantage of their positions;
- that information concerning the identity of your security holdings and financial circumstances are confidential; and
- that independence in the investment decision-making process is paramount.
- Set forth standards of conduct expected of advisory personnel (including compliance with federal securities laws);
- Safeguard material non-public information about client transactions; and
- Require "access persons" to report their personal securities transactions. In addition, the activities of an investment adviser and its personnel must comply with the broad antifraud provisions of Section 206 of the Advisers Act.

We will provide a copy of the *Code* to you or any prospective client upon request.

### ***Investing Personal Money in the Same Securities as Clients***

We do not buy or sell securities for our own account that we also recommend to you. Our IARs and employees are permitted to buy or sell the same securities for their personal and family accounts that are bought or sold for your account.

The personal securities transactions by our IARs and employees may raise potential conflicts of interest when they trade in a security that:

- is owned by you, or

- is being considered for purchase or sale for your account.

We have adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our IARs and employees to act in your best interest,
- prohibit favoring one client over another, and
- provide for the review of transactions to discover and correct any same-day trades that result in an IAR or employee receiving a better price than a client.

Our IARs and employees must follow our procedures when purchasing or selling the same securities purchased or sold for your account.

### ***Frequency and Nature of Periodic Reviews and Who Makes Those Reviews***

All account reviews are performed by advisory representatives of Saos Capital. We regularly monitor your account quarterly at a minimum, as well as general conditions in the financial markets, and make changes or recommend opportunities when we believe it is appropriate to do so. We strongly encourage you to notify us of any material changes in your overall financial condition or your investment objectives or risk tolerance as these could have a material impact on the recommendations we make to you.

### ***Factors That Will Trigger a Non-Periodic Review of Client Accounts***

Your advisory representative will monitor for changes or shifts in the economy, changes to the management and structure of a mutual fund or company in which your assets are invested, and market shifts and corrections. You will be invited to participate in at least an annual review as agreed by you and your advisory representative. You may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. We will provide you with a written consolidated report of your managed account.

### ***Content and Frequency of Regular Reports Provided to Clients***

You will receive statements on at least a quarterly basis from the custodian holding your account. These statements will identify your current investment holdings, the cost of each of those investments, and their current market values.

### ***Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)***

Saos Capital receives economic benefits from Fidelity as detailed in Item 12 of our ADV 2A.

### ***Compensation to Non – Advisory Personnel for Client Referrals***

Saos Capital does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

### ***Balance Sheet***

Saos Capital does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### ***Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients***

Neither Saos Capital nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

### ***Bankruptcy Petitions in Previous Ten Years***

Saos Capital has not been the subject of a bankruptcy petition in the last ten years.