

**ITEM 1: COVER PAGE**

**FIRM BROCHURE**  
Part 2A of Form ADV

**August 5, 2021**

**Strategy Financial Services, LLC**

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Part 2A of Form ADV (the “Brochure”) provides information about the qualifications and business practices of Strategy Financial Services, LLC. If you have any questions about the contents of this Brochure, please contact us at (602) 343-9301 or via email at [cgoetz@strategyfinancialservices.com](mailto:cgoetz@strategyfinancialservices.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.

Strategy Financial Services, LLC is registered as an investment advisor; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about Strategy Financial Services, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2: MATERIAL CHANGES

Strategy Financial Services, LLC (“Strategy Financial” or the “Firm”) is required to advise clients and prospective clients of any material changes to this Form ADV Part 2A, from our last annual update dated May 11, 2020.

We have added additional language in items 4, 5 and 10 related to our sub-advisory relationship with Mulholland Wealth Advisors and the associated conflicts, including the receipt of a marketing rebate.

In March of 2021 we moved our office. Our current address is reflected on the cover page of this Brochure.

We have increased our hourly consulting fees to \$350. Please see Item 5 for fees related to our consulting services, which corrects the stated rate since our most recent annual updating amendment filing on March 1, 2021.

In July of 2021 we calculated our regulatory assets under management at levels in excess of \$100 million and have therefore submitted a request to transition to SEC registration from state registration. The SEC and state regulators have some differences in their requirements for this brochure; accordingly, we have made edits throughout to remove reference to state-specific language. We have included in Item 5 a more detailed fee schedule that is consistent with the prior general ranges provided. We have made no material changes to our business practices or services in connection with this transition.

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## ITEM 4: ADVISORY BUSINESS

### A. Description of Firm

Strategy Financial Services, LLC (“Strategy Financial” or the “Firm”) is a Phoenix, Arizona based investment management firm founded in 2012. Strategy Financial provides discretionary investment advice to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations. The Firm specializes in conservative investing with a focus on income planning and risk management.

Strategy Financial is beneficially owned and controlled by Calvin P. Goetz through CPG Group, LLC.

### B. Types of Advisory Services Offered

Strategy Financial offers clients financial consulting services and investment management services on a discretionary basis. The investment advice provided is variable depending on the individual goals, objectives, time horizon, and risk tolerance of each client and in accordance with a written investment management agreement entered into between the Firm and the client.

#### Financial Consulting Services

Strategy Financial may provide its clients with a broad range of financial consulting services. Depending upon the client’s situation, Strategy Financial’s financial consulting advice may include advice on securities investments as well as advice on matters not involving securities including, but not limited to, tax planning, insurance planning, retirement planning and estate planning. In providing financial consulting services, an IAR of Strategy Financial provides a professional opinion on one or more specific financial related areas at the clients’ request.

The client acknowledges, in advance, that they only desire consultation with respect to the specific financial area agreed upon to be reviewed and/or analyzed. Under this arrangement, written recommendations may or may not be provided to the client.

#### Investment Management Services

Based on the Firm’s assessment of client needs, objectives, risk tolerance, and investment time horizon, Strategy Financial typically allocates client assets in accordance with one of several available Models. These Models are sub-advised by Mulholland Wealth Advisors (“Mulholland”), an unaffiliated investment advisor. Mulholland provides advice to Strategy Financial, including discretionary management of portfolios in accordance with the Models, but does not provide individual advice directly to Strategy Financial’s clients. Additional information on the Firm’s investment approach is provided in response to Item 8, below. Currently Mulholland is the only sub-advisor we use for management of client assets.

Mulholland uses its own affiliated mutual funds or ETFs (which are not affiliated with Strategy Financial) when managing the assets included in the Models. These funds or ETFs are advised by Redwood Investment Management, LLC (“Redwood”), an investment advisor under common control with Mulholland. Use of affiliate-advised funds and ETFs creates a conflict of interest described in detail in Mulholland’s disclosure brochure. Clients will not sign a separate agreement with Mulholland, but will receive a copy of Mulholland’s ADV Part 2 disclosure

brochure prior to or upon entering into an agreement with Strategy Financial. While allocations will vary over time, Mulholland's use of Redwood-advised funds and ETFs is not limited to any particular percentage of the portfolio and could represent 100% of holdings. Typical allocations have included between 80 and 90% of Redwood-advised funds and ETFs.

Risk tolerance levels are documented in the Client Profile. Prior to entering into an investment management agreement with the Firm, a client should carefully consider:

- That over time the client's assets may fluctuate and at any time be worth more or less than the amount invested; and
- Strategy Financial's strategies are designed for investors who practice patience with a time horizon of 3-5 years.

Generally, Strategy Financial will manage client portfolios through Mulholland's Envestnet Asset Management, Inc., sleeve of TD Ameritrade Institutional's Unified Managed Accounts Exchange platform (known as "UMAX - Envestnet") at TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC. The UMAX – Envestnet platform allows us to streamline enrollment, provide proposals and disclosures to clients through one portal, and also provide investment management, rebalancing, and performance reporting, as well as back-office functions, such as fee billing, through a single solution. We also recommend TD Ameritrade Institutional for custodial and brokerage services, as described further in Item 12, Brokerage Practices.

### **C. Advisory Agreements**

Prior to engaging Strategy Financial to provide investment advisory services, the client is required to enter into a written Financial Consulting or Investment Management Agreement (Agreement) with the Firm which describes the fees charged and the terms and conditions under which the Firm will render its services. The Firm will provide a Brochure and one or more Brochure Supplements to each client or prospective client prior to or at the same time a client executes the Agreement. The advisory relationship will continue until terminated either by either party.

Neither Strategy Financial nor the client may assign the Agreement without the prior written consent of the other party. Transactions that do not result in a change of actual control or management of the Firm shall not be considered an assignment.

A Financial Consulting Agreement may be cancelled at any time, by either party, for any reason, upon written notice of either party. Financial Strategy reserves the right to bill the client for work performed up to the date of termination.

An Investment Management Agreement may be cancelled at any time, by either party, for any reason, upon written notice of either party. Upon receipt of notice of termination, Strategy Financial will commence the process of transferring or liquidating the account, as requested by the client. Any prepaid, unearned fees will be promptly refunded, less any actual costs the Firm incurs upon termination, if applicable. Any earned, unpaid fees will be due and payable upon termination. Additionally, if client requests the account to be transferred in-kind to another custodian, client will be responsible for any custodial transfer fee.

D. Strategy Financial does not participate in wrap fee programs.

**E. Assets Under Management**

As of July 12, 2021, the Firm managed approximately \$112.6 million on a discretionary basis and \$0 on a non-discretionary basis.

**ITEM 5: FEES AND COMPENSATION**

**A. Advisory Fees**

**Financial Consulting Fees**

Financial Consulting Services are provided at an hourly fee of \$350 per hour, to be paid directly by the client (i.e., such fees are not billed to the client's account). While Strategy Financial generally bills its hourly fees upon delivery of the requested services, Strategy Financial reserves the right to request a deposit of one-half of the estimated total hourly fee upon the client's execution of the Financial Consulting Agreement, with the balance due upon delivery of the requested services. Notwithstanding the previous sentence, Strategy Financial does not require prepayment of more than \$1,200 per client six months or more in advance. In certain circumstances, all fees may be negotiable.

Strategy Financial may waive or reduce current or future financial consulting fees for clients who engage Strategy Financial or its IARs for other services. In addition, certain affiliated persons of Strategy Financial and family members and personal acquaintances of Strategy Financial's affiliated persons may receive financial consultation services at a discounted rate which is not available to advisory clients generally.

The Financial Consulting Agreement automatically terminates upon delivery of the requested Financial Consulting Services. Prior to the delivery of the requested services, either Strategy Financial or the client may terminate the Financial Consulting Agreement at any time with written notice to the other. If the Agreement is terminated, all fees due from the Client at the time of termination are due and payable immediately. Advisor will refund any unearned, prepaid fees within thirty days of termination. All financial consulting services requested will be completed within 6 months of the time the agreement is signed or the Client will receive a refund of unearned fees.

**Investment Management Fees**

Strategy Financial charges fees based on a percentage of assets under management. The specific fees charged by the Firm for its advisory services will be outlined in each client's written Investment Management Agreement.

Strategy Financial generally charges a quarterly asset management fee based on the account's assets under management (AUM) as of the close of business on the last business day of the preceding calendar quarter. Asset management fees are calculated and paid quarterly in advance based on the following annual percentages:

Firm Fees (does not include sub-advisor or platform fees)

Assets Under Management	Quarterly Fee Rates	Annual Fee Rate
Under \$100,000	0.375%	1.50%
\$100,000 - \$249,999	0.350%	1.40%
\$250,000 - \$499,999	0.325%	1.30%
\$500,000 - \$999,999	0.30%	1.20%
\$1,000,000 - \$1,999,999	0.25%	1.00%
\$2,000,00 - \$4,999,999	0.20%	0.80%
\$5,000,000 and above	0.15%	0.60%

The fees above are not tiered, meaning that the total fee charged decreases when clients cross the fee threshold(s) shown above. This can result in a meaningful overall fee change even though assets under management did not change materially. For example, a client with \$999,999 under management would pay an advisory fee of 1.20%, while a client with \$1,000,000 would pay an advisory fee of 1.00%. Similarly, a client with \$500,001 under management would pay a fee of 1.20%, but if the market value dropped to \$499,999, the fee would increase to 1.30% for that quarter.

Although Strategy Financial believes its advisory fees are competitive, clients should be aware that lower fees for comparable services may be available from other sources. Fees are negotiable at the sole discretion of the Firm, and will never be greater than those listed above. There is an account minimum of \$100,000, which the firm may waive at its sole discretion. To the extent we waive the minimum, however, our fee as a percent of assets will be higher. The typical all-in fee to clients (our fee, the sub-advisor fee, and the platform fee) does not exceed 2%.

Our Firm fees do not include sub-advisor fees (.30% annually), custodial fees (see Item 12), or platform fees (.10% annually, subject to a quarterly minimum of \$12.60). Fees charged are detailed in the in Strategy Financial Agreement, and the custodial agreement. Total advisory fees (Firm, sub-advisor, platform) exceed 2%, except to the extent the quarterly platform minimum of \$12.60 is applied. Please refer to Item C. Other Fees and Expenses, below, for additional details regarding fees that may be applicable in the management of client accounts.

Redwood institutional mutual funds are included in TD Ameritrade's list of no-transaction-fee funds and are not assessed transaction charges, though they will incur management fees that accrue to Redwood, Mulholland's affiliate. In selecting the Redwood funds, Redwood receives a portion of Mulholland's sub-advisory fees, as well as its own management fees. Additional information about the conflict of interest inherent in selecting an affiliates' funds for portfolio construction is found in Mulholland's ADV 2A brochure.

See Item 12, Brokerage Practices, for more information on custodial and brokerage fees.

Generally, Strategy Financial's advisory fees are billed and payable in advance at the beginning of each calendar quarter and are based on the total market value of the client's account from the last day of the previous quarter end. Fees will be assessed on all assets listed on the custodian statement. Mulholland charges these fees on our behalf using the UMAX – Envestnet platform.

## **B. Payment of Fees**

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in advance to Strategy Financial. Third-party manager fees are paid quarterly in advance or in arrears depending on the manager, though Mulholland bills in advance. Because our models use funds and ETFs, the third-party manager fees are built into the fund/ETF expense ratio. Where Mulholland uses Redwood-advised funds or ETFs, Mulholland will earn sub-advisory fees on assets where Redwood is also earning management fees. As disclosed above, Redwood also receives a portion of Mulholland's sub-advisory fees.

### ***Fees Billed in Advance or Arrears:***

Advisory fees are billed in advance at the beginning of each calendar quarter and are based on the total market value of the client's account from the last day of the previous quarter end.

We prorate fees for additions and withdrawals during the quarter.

## **C. Other Fees and Expenses**

Client will be responsible for all fees imposed by the custodian for trading and other related costs, including the cost of TD's UMAX - Envestnet Platform, and the sub-advisor fee (all described in A, above). All fees paid to Strategy Financial for investment management services are separate and distinct from the fees and expenses charged by mutual funds and exchange-traded funds ("ETF"). These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund or ETF directly, without the services of the Firm for a lower cost. In that case, the client would not receive the services provided by Strategy Financial which are designed to assist the client in determining which fund or funds are most appropriate to each client's financial objectives.

For mutual funds and exchange-traded funds, a client may be charged internal management fees, distribution fees, redemption fees and other expenses, which are fully described in the applicable fund's prospectus. Strategy Financial will not receive any portion of these other fees and expenses. Clients should review the fees charged to their account to fully understand all fees charged. Clients should understand that lower fees for comparable services may be available from other investment advisory firms.

Some of the Firm's representatives are licensed to sell insurance and related products with various unaffiliated insurance companies. If the representative is licensed to sell insurance, this information is disclosed on the representative's ADV 2B Brochure Supplement. The Firm's representatives in such cases may earn typical and customary commission for the sale of insurance products purchased for a client's account. This represents a conflict of interest in that Strategy Financial's representatives have a financial incentive to recommend purchasing insurance products based on compensation received rather than on the needs of the client. To mitigate this conflict of interest, Strategy Financial's practice is to fully disclose to a client when a particular transaction will result in the receipt of commissions or other associated fees. Further, the Firm educates representatives concerning their fiduciary duty in making insurance



recommendations to advisory clients. In all cases, our recommendations will be consistent with that duty and made only in the best interest of clients. Clients are never obligated to purchase insurance products through their Strategy Financial representative.

Neither Strategy Financial nor any of its investment advisor representatives receives compensation for the sale of securities.

## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Strategy Financial does not charge performance-based fees (*i.e.*, fees calculated based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client). Consequently, Strategy Financial does not engage in side-by-side management of accounts.

## **ITEM 7: TYPES OF CLIENTS**

Strategy Financial provides investment advisory services to individuals, high net-worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations. For its investment management services, Strategy Financial generally requires a minimum of \$100,000 of assets under management for an individual account. Strategy Financial may waive this minimum at its sole discretion.

There may be times when certain restrictions are placed by a client, which prevents Strategy Financial from accepting or continuing to manage the client account. Strategy Financial reserves the right to not accept and/or terminate management of a client's account if it feels that the client imposed restrictions would limit or prevent it from meeting and/or maintaining the account's overall investment strategy.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **A. Methods of Analysis and Investment Strategies**

To help develop its strategies and recommendations, Strategy Financial uses commercially available services, financial publications, SEC filings, and information services providing investment research. Such information may be obtainable in print, computer media, the Internet or other electronic means. Public company prepared materials (particularly prospectuses) and research releases prepared by others are also utilized. Strategy Financial also uses research materials prepared by various investment product vendors or broker-dealers. For the construction of our models, we rely on Mulholland as sub-advisor. Strategy Financial may also obtain information by attending industry conferences and consulting with experts in the appropriate field.

Strategy Financial's strategy seeks to provide long-term total return and to limit downside risk for each client account. In selecting sub-advisors or other third-party managers, the Firm evaluates the third-party manager's strategy; the third-party manager's risk-adjusted track record with an emphasis on downside risk (volatility and drawdown) and consistency; and the manager's fees and liquidity.

Strategy Financial's goal is to construct diversified, multi-asset class, multi-strategy portfolios utilizing a blend of tactical and strategic solutions in equities and fixed-income.

Active Management – the Firm (or the sub-advisors we select) may at any time move money into a money market fund, government security fund or cash instrument if we believe it is in the best interest of clients to do so. Active management does not ensure a profit and may not protect against loss in declining markets.

Diversification – Strategy Financial attempts to create comprehensively diversified portfolios as a means to reduce the risks associated with concentrated portfolios. While diversification seeks to reduce risk, a properly diversified portfolio will normally contain positions that will perform at variance to other positions. Diversification does not ensure a profit and may not protect against loss in declining markets.

## **B. Risks**

Investing in securities involves risk of loss that clients should be prepared to bear. Prior to entering into an Investment Management Agreement with Strategy Financial, a client should carefully consider: 1) committing to management only those assets that the client believes will not be needed for current purposes and that can be invested on a long term basis; 2) that volatility from investing in the stock market can occur; and 3) that over time the client's assets may fluctuate and at any time be worth more or less than the amount invested.

Strategy Financial's investment recommendations are subject to various markets, currency, economic, political and business risks, and such investment decisions may not always be profitable. Strategy Financial does not represent, guarantee or imply that the services or methods of analysis employed can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. In addition, there is no assurance that a mutual fund, an ETF, or any security will achieve its investment objective.

Strategy Financial's investment recommendations are subject to various markets, currency, economic, political and business risks, and such investment decisions may not always be profitable. Clients should be aware that there may be a loss or depreciation to the value of the client's account, which the client should be prepared to bear. When investing in Strategy Financial's portfolios, clients should be aware that the Firm may (and in certain cases will) heavily overweight specific sectors in adherence to the specific strategy philosophy. Strategy Financial does not represent, guarantee or imply that the services or methods of analysis employed can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

The principal risks of investing in any security, mutual fund or ETF include, but are not limited to, market risk: the chance the stock market as a whole, or the value of an individual security or fund value will decline; equity market risk: common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in, and perceptions of, their issuers change; fixed income risk: when investing in bonds, there is the risk that an issuer will default on the bond and be unable to make payments – additionally there is a risk that inflation may erode spending power for those that depend on a set amount of

periodically paid income; diversification risk: the chance an investment's performance may be hurt disproportionately by the poor performance of an investment's holdings – the use of indexed funds is not guaranteed to track an intended market and may carry additional product risks; sector risk: the chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall market; and style risk (for example growth investing risk and mid-cap company risk). Additional risks when investing in a mutual fund are investment company risk of the mutual fund itself and additional fees. Additional risks when investing in ETFs are the following: ETF share prices may significantly fluctuate from their underlying net asset value leading to receiving more or less than the net asset value when those shares are sold; trading may be halted by (1) the activation of individual or market wide "circuit breakers" (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage), (2) if the shares are delisted without first being listed on another exchange, or (3) exchange officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.

To the extent that a mutual fund or ETF invests in foreign securities or debt securities, a fund would be subject to foreign exposure risk, currency risk, interest rate risk and credit risk. A fund may invest in derivative instruments that carry derivative instruments risk. A principal risk is the risk that the value of securities may decline. Although a mutual fund or ETF may be a diversified fund, it may invest in securities of a limited number of issuers to achieve a potentially greater investment return than a fund that invests in a larger number of issuers. As a result, price movements of a single issuer's securities will have a greater impact on this fund's net asset value causing it to fluctuate more than that of a more widely diversified fund. These and other risk considerations are discussed in a fund's prospectus. Past performance of investments is no guarantee of future results.

Mutual funds reserve the right to reject purchases or delay redemptions, sometimes after the "Purchase decision" is made. These rights may affect the Firm's efforts to manage risk for the client. In addition, it is possible for the value of a mutual fund to fall (or to rise more slowly than the stock market as a whole) even when stock prices in general are rising. Risk is involved in fund selection as well as in the timing of trades. The number of mutual funds that allow for unrestricted trading is limited, and the selection of mutual funds in which the Firm can invest in accordance with its trading strategies is therefore limited to that extent. Mutual funds with which the Firm trades may underperform other mutual funds that have trading restrictions. On occasion, the Firm may purchase a mutual fund for client accounts that has a short-term redemption fee. If the Firm or the client sells that fund during the specified redemption period, the sale will result in a fee that is deducted directly from the client's account.

If margin is used to purchase additional securities, the total value of account assets increases, as does the asset-based fee. In addition, the account is charged margin interest on the debit balance in the account. Notably, the increased asset-based fee presents a potential conflict since there may be an incentive for the Firm to implement the use of margin. Additionally, the use of margin increases leverage in an account and therefore increases overall risk.

## **ITEM 9: DISCIPLINARY INFORMATION**

Registered investment advisors such as Strategy Financial are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of Strategy Financial or the integrity of its management. We have nothing to disclose in response to this item.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **Affiliations**

Calvin Goetz, the owner and Managing Member of Strategy Financial is an Arizona-licensed insurance agent and also owns Strategy Financial Insurance, LLC, ("Strategy Financial Insurance") a licensed insurance agency. Clients should be aware that as an insurance agent he earns typical and customary commissions for the sale of insurance products and this presents a conflict of interest. Clients are never obligated to follow recommendations made or to purchase insurance products through their Strategy Financial representative.

Strategy Financial Insurance is the general agency for some of the insurance policies written by insurance producers associated with Strategy Financial. When serving as the general agent, Strategy Financial Insurance will receive some portion of the insurance commission, as will the individual agent associated with the insurance transaction. Clients are never obligated to follow the insurance recommendations of Strategy Financial IARs and are free to implement those recommendations through agents unaffiliated with Strategy Financial.

In all cases, when making insurance recommendations to advisory clients, we ensure that the recommendations are consistent with our fiduciary duty.

### **Selection of Other Advisors**

As discussed in Item 4 and Item 5, we use Mulholland as the exclusive sub-advisor for our model portfolios through TD's UMAX - Envestnet Platform. Strategy Financial client assets represent about half of Mulholland's own assets under management. The management fees charged by Mulholland are in addition to Strategy Financial's own fees and are disclosed to clients in the agreements they sign. As a significant client of Mulholland, our own marketing efforts tend to benefit Mulholland as well as Strategy Financial. Accordingly, Mulholland agreed to provide us with quarterly marketing support. We provide invoices for the amounts we spend and Mulholland reimburses us an amount not to exceed 50% of the amounts Mulholland receives from Strategy Financial's clients. Typically, our actual marketing expenses exceed the amount of the reimbursement. This reimbursement benefits only Strategy Financial, not our clients, though the reimbursement arises in connection with fees our clients pay Mulholland. This creates a conflict of interest because it links us even more closely with Mulholland, and we have a financial incentive to continue to work with them based on our receipt of the marketing support rather than whether Mulholland is the best choice for our clients. We mitigate the conflict by disclosing it and by regularly reviewing both the quality and overall value of Mulholland's services to clients to ensure we satisfy our fiduciary duty to make decisions for clients that, at all times, serve their best interest, not our own.

Calvin Goetz is also negotiating with Mulholland to provide training or speaker services at conferences or other events on the topics of marketing, sales training and coaching, and building a sound financial consulting practice. To the extent Mulholland pays Mr. Goetz to provide these services, that would provide an additional financial incentive for Strategy Financial to continue to use Mulholland's sub-advisory services.

No sub-advisors will be selected prior to confirming they are properly registered or exempt from registration as an investment advisor.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **A. Code of Ethics Summary**

Strategy Financial has a fiduciary duty to act in the best interest of its clients. Our fiduciary duty compels all employees to act with integrity in all of their dealings. Because the Firm's investment professionals may transact in the same securities for their personal accounts as they buy or sell for client accounts, it is important to mitigate potential conflicts of interest. To that end, Strategy Financial has adopted personal securities transaction policies in the form of a Code of Ethics ("Code"). All Strategy Financial associated persons must follow Strategy Financial's Code which sets the standard of business conduct. Strategy Financial requires all of its employees to comply with applicable federal securities laws, and sets forth provisions regarding personal securities transactions to employees in its Code. Additionally, the Code sets forth Strategy Financial's policies and procedures with respect to material, non-public information and other confidential information, and the fiduciary duties that Strategy Financial and each of its employees has to each client. The Code is circulated at least annually to all employees, and each employee annually certifies in writing that they have received and understand the Code. Strategy Financial will provide a copy of the Code upon request.

### **B. Participation or Interest in Client Transactions**

Strategy Financial recognizes that the personal securities transactions of its members and employees demand the application of a high code of ethics, and Strategy Financial requires that all such transactions be carried out in a way that does not endanger the interest of the client. At the same time, Strategy Financial believes that if investment goals are similar for clients and for members or employees of Strategy Financial, it is logical and even desirable that there be common ownership of some securities. Therefore, in order to address conflicts of interest, Strategy Financial has adopted a set of procedures, included in the Code, with respect to transactions effected by its officers, managers, members, and employees for their personal accounts.

As indicated in Item 4 above, Strategy Financial places client assets into one of our sub-advised models. The sub-advisor processes all executions for client accounts. We do not directly execute any transactions for clients in the models. Our employees may also be included in one of the sub-advised models and will be traded together with client accounts. In situations where employees of Strategy Financial manage their own accounts, any executions are separate from

executions processed by the sub-advisor – no employee has access to the sub-advised portfolio management system, essentially eliminating the possibility of trading in front of clients.

If the possibility of a conflict of interest occurs, the client's interest prevails. It is Strategy Financial's policy that priority will always be given to the client's order over the order of their employees. The CCO reviews employee trades quarterly.

Strategy Financial does not effect any principal or agency cross securities transactions for client accounts, nor does it effect cross-trades between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the transaction.

Strategy Financial does not recommend to clients, or buy/sell for client account, securities in which we or any related person has a material financial interest.  
We will provide a copy of our Code at no cost to current and prospective clients upon request.

## **ITEM 12: BROKERAGE PRACTICES**

### **A. Selection Criteria**

Strategy Financial recommends that clients establish accounts with an independent custodian such as TD Ameritrade Institutional in order to maintain custody of client assets and effect transactions for their accounts. TD Ameritrade Institutional is a division on TD Ameritrade, Inc., a FINRA/SIPC member. TD Ameritrade, Inc., is an independent SEC-registered broker-dealer and is unaffiliated with Strategy Financial. We periodically evaluate the commissions charged and the service provided by the custodian and compares those with other third-party independent custodians to evaluate whether overall best qualitative execution could be achieved by using alternative custodians. Other factors the Firm may consider when evaluating its choice of custodian include:

- Ability to trade securities and other investments that Strategy Financial determines suitable for a client's portfolio;
- Any existing custodial relationship between the client and the broker-dealer;
- Excellent customer service and interaction simplicity;
- Discount transaction rates;
- Research and other services available to both the client and Strategy Financial; and
- Reliability and financial stability.

TD Ameritrade Institutional is our preferred custodian due to the firm's quality of services, dedicated service team, and the benefits provided by TD Ameritrade's UMAX – Envestnet platform. Please see below and Item 14B below for a detailed description of the services and benefits provided by TD Ameritrade Institutional.

TD Ameritrade's fees and charges, including any asset-based fees, are fully disclosed on the account application that each client will review and sign. Custodians typically assess other fees and charges, in addition to the commissions or asset-based fees, for services such as wire fees, retirement plan maintenance fees, transfer and termination fees, etc. TD Ameritrade currently assesses a minimum asset-based fee of \$200 per year. Strategy Financial does not share in the fees assessed under TD Ameritrade's custodial agreement.

Strategy Financial evaluates whether asset-based pricing or transaction-based commissions are more appropriate for a given client in making its recommendation of custodian. Generally, accounts that trade more actively will benefit from asset-based pricing and accounts that trade infrequently will benefit from transaction-based commissions. The asset level in the account also enters into the assessment, with larger accounts often receiving discounts from the custodians.

Generally, Strategy Financial will have clients open Unified Managed Accounts in order to access TD Ameritrade Institutional Unified Managed Accounts Exchange platform. UMAs are a form of fee-based investment solutions that allow advisors to combine multiple professionally managed investment products into a single account with automated services such as rebalancing, performance reporting, billing and advanced functionality such as managing securities restrictions.

TD Ameritrade has established and administers a Unified Managed Account advisory program ("Program") under which TD Ameritrade will make the Program available to unaffiliated registered investment advisors who utilize the custody and clearing platform provided by TD Ameritrade pursuant to the Agreement and their investment advisory clients which participate in the Program.

### **1. Research and Other Soft Dollar Benefits**

Strategy Financial does not have any written soft dollar agreements. However, Strategy Financial participates in TD Ameritrade's institutional customer program. There is no direct link between Strategy Financial's participation in the program and the investment advice it gives to clients, although Strategy Financial receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors.

As indicated in Item 4, Strategy Financial uses model portfolios that are managed by Mulholland Wealth Advisors through the TD Ameritrade UMAX - Envestnet platform. Mulholland does have soft dollar agreements in place, which are described more fully in Mulholland's ADV Part 2 brochure. In selecting Mulholland, we reviewed their soft dollar practices and believe they are consistent with both Strategy Financial and Mulholland's duty to seek best execution for clients.

### **2. Brokerage for Client Referrals**

Strategy Financial does not receive client referrals from any custodian or brokerage firm.

### **3. Directed Brokerage**

The TD Ameritrade Institutional custodial arrangement is a type of directed brokerage arrangement since Strategy Financial generally requires that client transactions be placed with

TD Ameritrade Institutional for execution. Clients should understand that not all advisors require their clients to use only one custodian. Strategy Financial has selected TD Ameritrade Institutional to provide its clients with brokerage and custodial services because it believes TD Ameritrade Institutional can provide overall best execution. To help ensure that clients are receiving best execution and to address the conflict of interest surrounding this arrangement, Strategy Financial performs periodic reviews of the quality of execution and services provided by TD Ameritrade Institutional.

#### **B. Aggregation of Orders**

As described above in Item 4. B., Strategy Financial has created model portfolios through a third party sub-advisory agreement. Strategy Financial does not execute any client transactions. However, if the situation were to arise and we were to execute transactions on behalf of clients, when it is advantageous to clients and can be accomplished efficiently, we will aggregate orders for a security for the accounts of multiple clients into a single transaction, often referred to as a “block” or “bunched” trade. In a block trade, each participating client receives a price that represents the average of the prices at which we executed all the transactions in that block. Our purpose with a block trade is to lower transaction costs and/or help clients achieve better execution. Accounts participating in a block trade share transactions costs on an equal and pro rata basis, unless a participating client has an agreement with the broker-dealer that specifically dictates the brokerage commissions and/or transaction fees that the client must pay. If the order is not completely filled, the securities purchased or sold are distributed among participating clients on a pro rata basis or in some other equitable manner. We will only aggregate orders and allocate trades among clients whose accounts are held in custody at the same broker-dealer and generally those clients managed by the same portfolio manager/investment advisor representative.

#### **Trade Errors**

We are not obligated to include any client account in a block trade. No client participating in a block trade will be favored over any other client that also participates in the same block trade.

Strategy Financial will promptly correct trade errors and will take steps necessary to avoid harm to the client and to otherwise make the client whole. If Strategy Financial is responsible for the error, the Firm will correct it and fully absorb any associated cost.

### **ITEM 13: REVIEW OF ACCOUNTS**

#### **Financial Consulting Services**

For Strategy Financial’s financial consulting services, reviews are conducted by the client’s assigned IAR upon client request. Since the client’s Financial Consulting Agreement with Strategy Financial terminates upon delivery of the requested services, requests for new services, including reviews, are subject to a new client services agreement.

#### **Investment Management Services**

All accounts are continuously monitored by the IAR on the account: Calvin Goetz, Managing Member; David Riley, IAR; Suzanne Graf, IAR; Sean Nicol, IAR. Specific reviews are conducted quarterly and upon client request. Accounts are reviewed for consistency with the



investment strategy and other parameters set forth for the account and to determine if any adjustments need to be made.

In addition to the periodic reviews described above, reviews may be triggered by changes in an account holder's personal, tax or financial status. Other events that may trigger a review of an account are material changes in market conditions as well as macroeconomic and company-specific events. Clients are encouraged to notify Strategy Financial and its advisory representatives of any changes in their personal financial situation that might affect their investment needs, objectives, or time horizon.

The custodian will provide a written confirmation to each client of each transaction. Each client can opt to receive trade confirmations and/or monthly statements electronically instead of U.S. mail. The custodian also provides a monthly/quarterly statement to each client, showing all current holdings and recent transactions. Additionally, clients can view their accounts online. Variable annuity and mutual fund families provide similar monthly/quarterly statements showing activity in the account. Clients should review the fees charged to their account to fully understand all fees charged. Clients are encouraged to review their account statements received from the account custodian for accuracy and compare to any reports received from Strategy Financial.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

### **A. Economic Benefit Received by Strategy Financial from Non-Clients**

As disclosed in Item 10, the sub-advisor we use, Mulholland, reimburses us for a portion of our marketing expenses. The reimbursement is capped at no more than 50% of the total fees Mulholland earns through sub-advisory services to Strategy Financial's clients, and may be terminated by Mulholland at any time. This reimbursement gives us a financial incentive to continue to use Mulholland as sub-advisor, regardless of whether they are the best choice for our clients. This creates a conflict of interest that we mitigate by disclosing it and by regularly reviewing both the quality and overall value of Mulholland's services to clients to ensure we satisfy our fiduciary duty to make decisions for clients that, at all times, serve their best interest, not our own.

### **B. Compensation for Client Referrals**

Strategy Financial does not currently refer clients to third-party advisors for compensation. It does use Mulholland as a sub-advisor, but Mulholland assesses its own separate fee, which is charged directly to clients.

### **Other Compensation**

While there is no direct link between the investment advice given to a client and Strategy Financial's requiring clients to use TD Ameritrade Institutional as their custodian, certain indirect economic benefits are received by Strategy Financial due to this arrangement. These benefits include: a dedicated trading desk, an account services manager dedicated to Strategy Financial accounts, access to a real time order matching system, ability to "block" client trades, electronic download of trades, balances and positions in the custodian's portfolio management

software, duplicate and batched client statements, confirmations and year-end summaries, the ability to have advisory fees directly debited from client accounts, and availability of their proprietary research. These products and services provide lawful and appropriate assistance to Strategy Financial in the performance of its investment decision-making responsibilities.

While Strategy Financial and its associated persons endeavor at all times to put the interest of the client first, clients should be aware that receipt of additional compensation itself creates a potential conflict of interest. To help ensure that clients are receiving best execution and to address the conflict of interest surrounding this arrangement, Strategy Financial performs periodic reviews of the quality of execution and services provided by all third-party independent custodians.

The client acknowledges that Strategy Financial's fees as set forth above, are in addition to, and do not include any fee, commission, expense or charges related to (a) custodian services provided for the account, (b) transactions effected for the account, or (c) any other service provided for the account by any person other than Strategy Financial and the sub-advisor selected by Strategy Financial, provided that clients' prior written consent shall be required before Strategy Financial incurs any such fees, commissions, expenses or charges related to services provided by any person other than Strategy Financial, the sub-advisor, the platform provider, and the custodian. Any such additional fees, commission, expense or charges shall be borne by the client or Strategy Financial in its sole absolute discretion.

## **ITEM 15: CUSTODY**

Strategy Financial is deemed to have custody of client funds because the Firm has the authority and ability to debit its fees directly from clients' accounts. To mitigate any potential conflicts of interests, all Strategy Financial client account assets will be maintained with an independent qualified custodian. Generally, Strategy Financial recommends TD Ameritrade Institutional for custodial services, but from time to time, other custodians may be used by Strategy Financial to custody assets at the client's request.

Notably, in most cases a client's broker-dealer also may act as the custodian of the client's assets for little or no extra cost. Clients should be aware, however, of the differences between having their assets custodied at a broker-dealer versus at a bank or trust company. Some of these differences include, but are not limited to, custodian costs, trading issues, security of assets, client reporting and technology.

Strategy Financial may only implement its investment management recommendations after the client has arranged for and furnished Strategy Financial with all information and authorization regarding its accounts held at the designated qualified custodian.

Clients will receive statements on at least a quarterly basis directly from the qualified custodian that holds and maintains their assets. Clients are urged to carefully review all custodial statements and compare the statements to any reports received by Strategy Financial. Should there be a conflict between custodial statements and reports by Strategy Financial, the client should contact Strategy Financial.

## **ITEM 16: INVESTMENT DISCRETION**

**A. Discretionary Authority; Limitations**

All investment management services performed by Strategy Financial are provided on a discretionary basis. This authority is granted by the written Investment Management Agreement which allows the Firm to make the following determinations without obtaining the consent of the client before the transactions are effected:

- the selection and termination of third-party managers on the UMAX - Envestnet platform;
- the type/amount of the securities to be bought or sold; and

Such discretion is to be exercised in a manner consistent with Strategy Financial's strategies, including investment objective, time horizon, and risk appetite. In addition, Strategy Financial's authority to trade securities may be limited in certain circumstances by applicable legal and regulatory requirements. Clients are permitted to impose reasonable limitations on Strategy Financial's discretionary authority, including restrictions on investing in certain securities or types of securities. All such limitations, restrictions, and investment guidelines must be provided to Strategy Financial in writing.

**B. Limited Power of Attorney**

By signing Strategy Financial's investment management agreement, clients grant Strategy Financial a limited power of attorney to exercise discretionary authority with respect to investment transactions or selection of sub-advisors involving the client's account.

**ITEM 17: VOTING CLIENT SECURITIES**

Strategy Financial's policy and practice is to not vote proxies on behalf of clients and therefore, shall have no obligation or authority to take any action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held in a client's account. Custodians are directed to forward all shareholder related materials to the owner of the account. Proxy voting for plans governed by ERISA must conform to the plan document in effect. In case where the investment manager is listed as the fiduciary responsible for voting proxies, the responsibility will be designated to another fiduciary and reflected in the plan document.

Strategy Financial shall not be deemed to have proxy-voting authority solely as a result of providing advice or information about a particular proxy vote to a client, but clients may contact Strategy Financial with any questions concerning a proxy solicitation. Strategy Financial typically does not advise or act for clients with respect to any legal matters, including bankruptcies and class actions, for the securities held in clients' accounts.

**ITEM 18: FINANCIAL INFORMATION**

Strategy Financial does not require or solicit prepayment of more than \$1,200.00 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. Strategy Financial does not have any financial commitments that

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impair its ability to meet contractual and fiduciary obligations to clients, and has not been the subject of a bankruptcy proceeding.