

**ITEM 1: COVER PAGE FOR PART 2A OF
FORM ADV: FIRM BROCHURE
AUGUST 2021**



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**Firm Contact:
Michael Gauthier, Chief Compliance Officer**

**Firm Website Address:
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This brochure provides information about the qualifications and business practices of Strategic Income Group LLC. If you have any questions about the contents of this brochure, please contact Michael Gauthier, Chief Compliance Officer, at (480) 466-7070 or by email at info@strategicincomegroup.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.

Additional information about Strategic Income Group LLC also is available on the SEC's website at www.adviserinfo.sec.gov by searching CRD#: 165839.

Please note that the use of the term "registered investment adviser" and description of Strategic Income Group LLC and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.

ITEM 2: MATERIAL CHANGES TO OUR PART 2A OF FORM ADV: FIRM BROCHURE

Strategic Income Group LLC is required to advise you of any material changes to our Firm Brochure ("Brochure") from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Since our annual amendment filed on 03/20/2020, we have the following material changes to disclose:

- Item 4, Item 5, Item 10 and Item 15 have been updated to include information about the SIG Opportunities Fund, LP.
- Item 1: Cover Page has been updated to disclose the firm's contact person, Mike Gauthier has updated his email address to info@strategicincomegroup.com

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ITEM 4: ADVISORY BUSINESS

Strategic Income Group LLC is dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a limited liability company formed in the State of Arizona. We have been in business as an investment adviser since March 2013 the firm is owned wholly by the Gauthier Family Trust.

Description of Advisory Services

We specialize in the following types of services: Wrap Comprehensive Portfolio Management, Comprehensive Financial Planning, Newsletters, and Educational Seminars.

Wrap Comprehensive Portfolio Management:

Wrap fee clients will receive our Form ADV, Part 2A, Appendix 1 (the "Wrap Fee Program Brochure"). All our portfolio management services are provided through our wrap fee program.

Financial Planning:

We provide a variety of financial planning services on a one-time or ongoing basis to individuals, families and other clients regarding the management of their financial resources based upon an analysis of the client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan for clients based on the client's financial goals and objectives. Our written financial plans rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. For written financial planning engagements, we provide our clients with a written summary of their financial situation, observations, and recommendations. Plans are typically completed within three (3) months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. Implementation of the recommendations will be at the discretion of the client.

SIG Financial Planning Program

Our firm offers an ongoing three (3) phase financial planning program through our proprietary planning system. Our investment adviser representatives take a proactive and personalized approach to creating a consistent, cohesive strategy to address our client's goals. Our financial planning program is separated into three separately identified phases:

(i) Foundational Phase

We will help you articulate and clearly define what you want to accomplish with your wealth. Services may include:

- Building Your Financial Foundation comprehensive plan
To include the Budget Review, Comprehensive Life/Disability Review, Comprehensive Property/Casualty Review, Emergency Fund analysis, Debt pay down analysis, Wealth Vision personal financial planning tool and Personalized Next Step Recommendations.

- Wealth Vision online financial planning tool
To include access to your personal wealth management webpage (investment monitoring, net worth monitoring, budgeting tools, financial planning).
- Comprehensive life/disability insurance review
To include Financial Impact of Premature Death, cost analysis, Needs vs. Resources analysis, Impact on resources, minimum Life Insurance needs, minimum Disability Insurance needed & Insurance vs. Investing Comparison.
- Comprehensive property/casualty insurance review
To include auto insurance analysis, homeowner insurance analysis, umbrella insurance analysis, appropriate coverage analysis, cost analysis and liability analysis.
- Budget review

(ii) Accumulation Phase

We will organize and audit your current plan and outline critical issues.

Services may include:

- Accumulating Wealth comprehensive plan
To include all of the Building Your Financial Foundation Comprehensive Plan, Retirement Needs Analysis, Education Analysis, Quarterly Investment Reviews, additional stress testing of your personalized financial plan and Personalized Next Step Recommendations.
- Retirement needs analysis
To include Retirement Planning Options, Income vs. Expenses, Asset Spend-Down, Earliest Retirement, Maximum Retirement Spending, Minimum Additional Savings for Retirement, Maximum Pre-Retirement Expenses.
- Education needs analysis
To include Education Goal Planning, Funding and Spending details, Funding Shortfall/Surplus, Basics of Education Planning, Cost of Waiting (monthly), Cost of Waiting (lump sum), Education Savings options (proper account choice).
- Investment review
To include Investment Asset Allocation, Investment Performance review, Monte Carlo analysis of allocation, Monte Carlo analysis of risk, Portfolio Reinvestment summary, Investment Recommendations.

(iii) Strategic Income Phase

We will design a comprehensive, integrated plan and make recommendations to satisfactorily achieve the goals detailed during the Foundational Phase.

Services may include:

- Strategic Income comprehensive plan
To include all of the Building Your Financial Foundation Comprehensive Plan, Accumulating Wealth Comprehensive Plan, Long-Term Care Analysis, Estate Plan Review and additional

stress testing of your personalized financial plan and Personalized Next Step Recommendations.

- Long-term care analysis
To include Needs vs. Resources, Understanding options and types of Long-Term Care solutions, Impact on Resources, Insurance vs. Investing Comparison, Minimum Long-Term Care Insurance needed.
- Estate plan review
To include Estate Flow Chart, Liquidity of Insurance & Portfolio Assets, Estate Tax analysis, Estate Distribution, Gift Tax analysis, Estate Valuations & Transfers, review/discussion on (Charitable Trusts, Life Insurance Trusts, Grantor Trusts, Qualified Trusts, Family Limited Partnerships, etc.).

Clients should be aware that a conflict of interest exists between our firm and the client, as some recommendations may result in the compensation of our representatives. Clients are under no obligation to act upon our recommendation and if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through our firm. In order to mitigate this conflict of interest, we will fulfill our fiduciary duty by acting in the client's best interest.

Strategic Income Fund, LP:

The investment objective of Strategic Income Fund, LP ("SIF") is to combine an emphasis on creating a high level of income with capital preservation through varying market conditions, including both rising and declining rate environments. The General Partner leverages its managerial experience and strategic partnerships and seeks to invest in short-term, high-quality private loans secured in first position real estate under the applicable trust deeds. To achieve its objective, SIF seeks diversification of its assets through investments in loans of varying sizes, asset types, geographic locations and maturities. SIF will make its investments in loans by purchasing the loans from various private lending companies. There can be no assurance that SIF will achieve this objective or that substantial losses will not be incurred.

SIF's Private Placement Memorandum contains additional information about SIF, including a discussion of certain significant risks of investing in SIF. Prospective investors should read the SIF Private Placement Memorandum and Subscription Agreement carefully before investing.

SIG Opportunities Fund, L.P.

The investment objective of SIG Opportunities Fund, LP ("SIGOpps") is to combine an emphasis on capital appreciation and total return through varying market conditions, including both rising and declining interest rate environments. Strategic Income Group LLC intends to leverage its managerial experience and strategic partnerships and seeks to invest in both public and private securities. To achieve its objective, SIGOpps seeks diversification of its assets through private real estate, private equity, publicly traded securities, venture capital investments, and other varying types of investment opportunities (each a "Portfolio Investment"). SIGOpps may make investments directly or by investing in other private investment funds (each, an "Underlying Fund" and collectively, the "Underlying Funds") managed by independent advisers (each, an "Underlying Manager"). Unless otherwise indicated, "Underlying Funds" may include pooled investment vehicles managed by the General Partner or its Affiliates (collectively, the "Affiliated Funds") and an "Underlying Manager"

may reference the General Partner or its Affiliates, as applicable. Unless otherwise indicated, references to “Portfolio Investments” shall include any investments in Underlying Funds.

It is anticipated that SIGOpps will co-invest with third-party investors involved in the real-estate projects and may do so directly or indirectly through one or more companies, corporations, partnerships, limited liability companies, or other entities sponsored or managed by outside developers and operators (each such outside developer and operator, an “Outside Developer/Operator”), through which SIGOpps indirectly makes any such Portfolio Investment (each such entity, a “Special Purpose Vehicle”). There can be no assurance that SIGOpps will achieve its objective or that substantial losses will not be incurred.

SIGOpps’s Private Placement Memorandum contains additional information about SIGOpps, including a discussion of certain significant risks of investing in SIGOpps. Prospective investors should read the SIGOpps Private Placement Memorandum, the Partnership Agreement and the Subscription Documents carefully before investing.

Retirement Plan Consulting:

Our firm provides retirement plan consulting services to employer plan sponsors on an ongoing basis. Generally, such consulting services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company’s participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment options, plan structure and participant education. Retirement Plan Consulting services typically include:

- Establishing an Investment Policy Statement – Our firm will assist in the development of a statement that summarizes the investment goals and objectives along with the broad strategies to be employed to meet the objectives.
- Investment Options – Our firm will work with the Plan Sponsor to evaluate existing investment options and make recommendations for appropriate changes.
- Asset Allocation and Portfolio Construction – Our firm will develop strategic asset allocation models to aid Participants in developing strategies to meet their investment objectives, time horizon, financial situation and tolerance for risk.
- Investment Monitoring – Our firm will monitor the performance of the investments and notify the client in the event of over/underperformance and in times of market volatility.

In providing services for retirement plan consulting, our firm does not provide any advisory services with respect to the following types of assets: employer securities, real estate (excluding real estate funds and publicly traded REITS), participant loans, non-publicly traded securities or assets, other illiquid investments, or brokerage window programs (collectively, “Excluded Assets”). All retirement plan consulting services shall be in compliance with the applicable state laws regulating retirement consulting services. This applies to client accounts that are retirement or other employee benefit plans (“Plan”) governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). If the client accounts are part of a Plan, and our firm accepts appointment to provide services to such accounts, our firm acknowledges its fiduciary standard within the meaning of Section 3(21) or 3(38) of ERISA as designated by the Retirement Plan Consulting Agreement with respect to the provision of services described therein.

Third Party Money Managers:

Our firm utilizes the services of a third party money manager for the management of client accounts. Investment advice and trading of securities will only be offered by or through the chosen third party money manager. Our firm will not offer advice on any specific securities or other investments in connection with this service. Prior to referring clients, our firm will provide initial due diligence on third party money managers and ongoing reviews of their management of client accounts. In order to assist in the selection of a third party money manager, our firm will gather client information pertaining to financial situation, investment objectives, and reasonable restrictions to be imposed upon the management of the account.

Our firm will periodically review third party money manager reports provided to the client at least annually. Our firm will contact clients from time to time in order to review their financial situation and objectives; communicate information to third party money managers as warranted; and, assist the client in understanding and evaluating the services provided by the third party money manager. Clients will be expected to notify our firm of any changes in their financial situation, investment objectives, or account restrictions that could affect their financial standing.

Newsletters:

We produce a newsletter providing general information on various topics including, but not limited to, estate and retirement planning, market trends, etc. No specific investment recommendations are provided in this newsletter and the information provided does not purport to meet the objectives or needs of any individual. We provide regular newsletters to our advisory clients free of charge.

Educational Seminars:

We conduct generic educational seminars intended to educate the public regarding investment related topics. The information contained in the seminar materials do not contain specific investment advice and is not intended to address the needs of specific individuals or contains. Seminars will be conducted by representatives of our firm. We do not earn any fees or revenues from the seminars.

Truth in Financial Planning, LLC:

Truth in Financial Planning, LLC is a wholly-owned subsidiary of Strategic Income Group, LLC. Truth in Financial Planning is a company that offers financial planning education materials such as books on planning strategies, and information on speaking events attended by Michael Gauthier. Clients of Strategic Income Group may be solicited for products or services produced by Truth in Financial Planning, LLC.

Fiduciary Company IPS Service:

Our firm provides a variety of standalone Investment Policy Statement ("IPS) planning and drafting aimed at fiduciary companies. The IPS is created for the management of financial resources of a beneficiary based upon an analysis of current situation, goals, and objectives. IPS services will typically involve preparing a document that records the current investments for the beneficiary compared with the recommendations relating to how the assets are to be managed or invested. This service will focus primarily on the risk level that is inside the current investments of the beneficiary however may also encompass Investment Planning, Retirement Planning, Estate Planning, Education

Planning, Corporate and Personal Tax Planning, Real Estate Analysis, Mortgage/Debt Analysis, or Personal Financial Planning.

An IPS report will be generated and rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. Implementation of the recommendations will be at the discretion of the client. Our firm provides clients with a summary of their financial situation, and observations for financial planning engagements. Assuming that all the information and documents requested from the fiduciary are provided promptly, plans or consultations are typically completed within 2 weeks of the client signing a contract with our firm.

Tailoring of Advisory Services

We offer individualized investment advice to clients utilizing our Wrap Comprehensive Portfolio Management service. Additionally, we offer general investment advice to clients utilizing our Financial Planning service.

Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

Participation in Wrap Fee Programs

We offer a wrap fee program as further described in our Wrap Fee Program Brochure. Our wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc. As further described in our Wrap Fee Program Brochure, we receive a portion of the wrap fee for our services.

Assets under Management

We manage \$204,705,575 on a discretionary basis as of December 31st, 2020. Our firm does not manage any assets on a non-discretionary basis.

ITEM 5: FEES & COMPENSATION

We are required to describe our brokerage, custody, fees, and fund expenses so you will know how much you are charged and by whom for our advisory services provided to you. Fees are generally negotiable on a per client basis at our firm's discretion. The distinguishing factors used as a basis for negotiating the fee will be based on the scope and complexity of our engagement with you. Lower fees for comparable services may be available from other sources.

Our Compensation for Advisory Services

Portfolio Management:

Please see our Wrap Fee Program Brochure for information about our wrap program fees.

Financial Planning:

The fixed fee is based on the set dollar amount for a given service or set of services and it is charged monthly in advance. Clients can select one of our different service levels based on their needs and financial circumstances. Phase I will provide budget planning, savings planning, insurance planning, and estate planning. In addition to the services offered in Phase I, Phase II offers investing tutorials, retirement needs analysis, educational needs analysis, household needs analysis, and a family investment policy statement. Finally, in addition to the services offered in Phase I and Phase I, Phase III will offer a comprehensive retirement analysis, social security analysis, pension analysis, stress-test portfolio, and complete legacy planning. We offer various special modules within each phase to help provide a fine-tuned planning service. Fees for our Financial Planning program are as follows:

SIG Financial Planning Program

Household Assets	Planning Fee (Annualized)	Planning Fee (Monthly)
Less than \$25,000	\$1,800.00	\$150.00
\$25,000 to \$50,000	\$1,350.00	\$112.50
Over \$50,000 to \$75,000	\$900.00	\$75.00
Over \$75,000 to \$100,000	\$450.00	\$37.50
Over \$100,000	No Fee	No Fee

Clients engaged in our Financial Planning program are required to also engage our firm for Wrap Portfolio Management services. Please see our Form ADV Part 2A, Appendix 1 (Wrap Brochure) for more information about this service.

529 Plan Consulting

We also assist clients with setting up 529 plans. We charge a one-time fee for this service of \$250 per account. Our firm does not charge an ongoing fee based on the value of the assets.

Retirement Plan Consulting:

Our Retirement Plan Consulting services are billed on an hourly or flat fee basis or a fee based on the percentage of Plan assets under management. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. The maximum hourly fee to be charged will not exceed \$250. Our flat fees range from \$750 to \$10,000. Fees based on a percentage of managed Plan assets will not exceed 1.5%. The fee-paying arrangements will be determined on a case-by-case basis and will be detailed in the signed consulting agreement.

Third Party Money Managers:

The total annual advisory fee for this service shall not exceed 3.00%. A portion of this fee will be paid to our firm and will be outlined in the third party money manager's advisory agreement to be signed by the client. Clients will be provided with a copy of the chosen third party money manager's Form ADV Part 2, all relevant Brochures, a solicitation disclosure statement detailing the fees to be paid to both firms and the third party money manager's privacy policy. All fees that our firm receives from the third party money managers and the written separate disclosures made to clients regarding these fees comply with applicable state statutes and rules.

The billing procedures for this service vary based on the chosen third party money manager. The total fee to be charged, as well as the billing cycle, will be detailed in the third party money manager's ADV Part 2A and separate advisory agreement to be signed by the client.

Strategic Income Fund, LP:

Please refer to SIF's Private Placement Memorandum and Subscription Agreement for more information on applicable fees. Clients will not be charged an advisory fee by our firm on the assets invested in SIF.

SIG Opportunities Fund, LP

Please refer to SIGOpps's Private Placement Memorandum and Subscription Agreement for more information on applicable fees. Clients will not be charged an advisory fee by our firm on the assets invested in SIGOpps.

Newsletters:

We provide regular newsletters to our advisory clients free of charge.

Seminars:

We do not earn any fees or revenues from the seminars.

Fiduciary Company IPS Service:

Upon engagement for this service, the Client may obtain a complimentary IPS report per beneficiary per year. Additional IPS reports may be obtained for \$99 each. Our firm requires a retainer of 100% of the payment at the time of engagement. The IPS service is separate from our other financial planning services. The Client may engage SIG for additional financial planning and investment management services under a separate engagement.

Other Fees and Expenses

Certain representatives of our firm are also licensed insurance agents. They may offer insurance products and receive customary fees as a result of insurance sales. A conflict of interest arises as these insurance sales create an incentive to recommend products based on the compensation they earn. Clients are under no obligation to purchase insurance products from our supervised persons. In order to mitigate this conflict of interest, we fulfill our fiduciary duty by putting our client's interests ahead of our own.

Clients may also pay holdings charges imposed by the chosen custodian for certain investments, charges imposed directly by a mutual fund, index fund, or exchange traded fund, which shall be disclosed in the fund's prospectus (i.e., fund management fees, initial or deferred sales charges, mutual fund sales loads, 12b-1 fees, surrender charges, variable annuity fees, IRA and qualified retirement plan fees, and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, fees for trades executed away from custodian, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. Our firm does not receive a portion of these fees.

Wrap fee clients will receive our Wrap Fee Program Brochure. Wrap fee clients will not incur transaction costs for trades executed at your custodian. More information about this is disclosed in our separate Wrap Fee Program Brochure.

Refunds Following Termination

We charge our Financial Planning fees monthly in advance. In the event that you wish to terminate our services listed in this section, we will refund the unearned portion of the advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees.

Commissionable Securities Sales

We do not sell securities for a commission in our advisory accounts.

ITEM 6: PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

We offer performance fees to our clients. Please see our Form ADV Part 2 Appendix 1 (Wrap Brochure) for more information.

ITEM 7: TYPES OF CLIENTS & ACCOUNT REQUIREMENTS

We have the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts and Estates;
- Corporations, Limited Liability Companies and/or Other Business Types.

We do not require certain account sizes or minimum fees for opening or maintaining accounts with our firm. However, the basis for entering into an agreement with our firm is at the discretion of our management personnel.

Clients engaged in our Financial Planning program are required to also engage our firm for Wrap Portfolio Management services. Please see our Form ADV Part 2A, Appendix 1 (Wrap Brochure) for more information about this service.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

Methods of Analysis

Charting. In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis

does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Cyclical Analysis. In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Investment Strategies

Long-term purchases. When utilizing this strategy, we may purchase securities with the idea of holding them for a relatively long time (typically held for at least a year). A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

Trading. We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

Option writing. We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

Risk of Loss:

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

Cash Balances in Client Accounts

We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to Comprehensive Portfolio Management, as applicable.

ITEM 9: DISCIPLINARY INFORMATION

Neither our firm nor our management personnel have disciplinary events to disclose.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

Our firm's principal, Michael Gauthier, owns Certified Fiduciary Services, Inc. ("CFS"), a trust company. As such, our firm is deemed to have custody over client assets who utilize the services of our firm as well as those of CFS. Clients are under no obligation to engage CFS for any services and can select a trust company of their choice.

Our firm owns Truth in Financial Planning, LLC, a company which provides financial planning education and sells books and engages in speaking events. Clients are under no obligation to engage Truth In Financial Planning for any products or services.

Certain representatives of our firm are also licensed insurance agents. They may offer insurance products and receive customary fees as a result of insurance sales. A conflict of interest arises as these insurance sales create an incentive to recommend products based on the compensation they earn. Clients are under no obligation to purchase insurance products from our supervised persons. In order to mitigate this conflict of interest, we fulfill our fiduciary duty by putting our client's interests ahead of our own.

Our firm is deemed to be an issuer of a securities, acting as a managing member of Strategic Income Fund, LP and SIG Opportunities Fund, LP ("the Funds"), both hedge funds. Clients of our firm may be solicited to invest in the Fund(s). Clients, however, are under no obligation to do so. Mr. Gauthier spends approximately 5 to 10 hours per month during trading hours with this outside business activity. For more information on the Fund(s), please refer to Items 4 and 5 of this Brochure.

Representatives of our firm are not registered, or do not have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Representatives of our firm do not recommend outside investment advisers for its clients. There are no conflicts of interest as we do not participate nor receive, directly or indirectly, any compensation from other advisers for client recommendations.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

Code of Ethics

Our firm as an investment adviser has a fiduciary duty to all clients. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts¹. In order

¹ For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our

to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics.

Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. We recognize that the personal investment transactions of members and employees of our firm demands the highest level of ethical standards and we require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided upon request.

Personal Securities Transactions

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. Related persons of our firm may also buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize these conflicts of interest, we seek to ensure that our related persons do not stand to personally benefit from their recommendations to clients by regularly monitoring their personal securities transactions. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day. If related persons' accounts are included in a block trade, our related persons' accounts will be traded in the same manner every time.

Our firm is the sole owner of Certified Fiduciaries Services, Inc. ("CFS"), a trust company that can act as a court appointed guardian, trustee, and power of attorney amongst other capacities. Since CFS may have influence and/or control over assets, our firm is deemed to have custody on the assets of our clients who also utilize the services of CFS. Clients, however, are under no obligation to engage CFS as their trust company.

Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics.

ITEM 12: BROKERAGE PRACTICES

Selection of Brokerage Firms

Our firm does not maintain custody of client assets (although our firm may be deemed to have custody of client assets if give the authority to withdraw assets from client accounts (see *Item 15 Custody*, below). Client assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. Our firm recommends that clients use Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. Our firm is independently owned and operated, and not affiliated with Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities when instructed. While our firm recommends that

associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

clients use Schwab as custodian/broker, clients will decide whether to do so and open an account with Schwab by entering into an account agreement directly with them. Our firm does not open the account. Even though the account is maintained at Schwab, our firm can still use other brokers to execute trades, as described in the next paragraph.

How Brokers/Custodians Are Selected

Our firm seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. A wide range of factors are considered, including, but not limited to:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear and settle trades (buy and sell securities for client accounts)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)
- availability of investment research and tools that assist in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength and stability of the provider
- prior service to our firm and our other clients
- availability of other products and services that benefit our firm, as discussed below (see *"Products & Services Available from Schwab"*)

Custody and Brokerage Costs

Schwab generally does not charge a separate fee for custody services, but is compensated by charging commissions or other fees to clients on trades that are executed or that settle into the Schwab account. Strategic Income Group absorbs the costs of these trade-based commissions as outlined in our Form ADV Part 2A Appendix 1 (wrap brochure). For some accounts, Schwab may charge your account a percentage of the dollar amount of assets in the account in lieu of commissions. Schwab's commission rates and/or asset-based fees applicable to client accounts were negotiated based on our firm's commitment to maintain a minimum threshold of assets statement equity in accounts at Schwab. This arrangement benefits clients because our firm pays the costs of these trade-related fees and the overall commission rates and/or asset-based fees paid are lower than they would be if our firm had not made the commitment, which further reduces overall costs. In addition to commissions or asset-based fees Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that our firm has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a Schwab account. These fees are in addition to the commissions or other compensation paid to the executing broker-dealer. Because of this, in order to minimize client trading costs, our firm has Schwab execute most trades for the accounts. For more information about brokerage costs, please contact our firm.

Products & Services Available from Schwab

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like our firm. They provide our firm and clients with access

to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help manage or administer our client accounts while others help manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (our firm does not have to request them) and at no charge as long as our firm keeps a total of at least \$10 million of client assets in accounts at Schwab. If our firm has less than \$10 million in client assets at Schwab, our firm may be charged quarterly service fees. Here is a more detailed description of Schwab’s support services:

Services that Benefit Clients

Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, discounts on margin rates, and custody of client assets. The investment products available through Schwab include some to which our firm might not otherwise have access or that would require a significantly higher minimum initial investment by firm clients. Schwab’s services described in this paragraph generally benefit clients and their accounts.

Services that May Not Directly Benefit Clients

Schwab also makes available other products and services that benefit our firm but may not directly benefit clients or their accounts. These products and services assist in managing and administering our client accounts. They include investment research, both Schwab’s and that of third parties. This research may be used to service all or some substantial number of client accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocate aggregated trade orders for multiple client accounts;
- provides pricing and other market data;
- facilitates payment of our fees from our clients’ accounts; and
- assists with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Only Our Firm

Schwab also offers other services intended to help manage and further develop our business enterprise. These services include:

- educational conferences and events
- reimbursement for technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, Schwab will arrange for third-party vendors to provide the services to our firm. Schwab may also discount or waive fees for some of these services or pay all or a part of a third party’s fees. Schwab may also provide our firm with other benefits, such as occasional business entertainment for our personnel.

Irrespective of direct or indirect benefits to our client through Schwab, our firm strives to enhance the client experience, help clients reach their goals and put client interests before that of our firm or associated persons.

Our Interest in Schwab's Services.

The availability of these services from Schwab benefits our firm because our firm does not have to produce or purchase them. Our firm does not have to pay for Schwab's services so long as a total of at least \$10 million of client assets in accounts are kept at Schwab. Beyond that, these services are not contingent upon our firm committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may serve as an incentive to recommend that clients maintain their account with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a potential conflict of interest. Our firm believes, however, that the selection of Schwab as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab's services (based on the factors discussed above – see "*How Brokers/Custodians Are Selected*") and not Schwab's services that benefit only our firm.

Special Considerations for ERISA Clients

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, our firm will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

Trade Aggregation and Allocation

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

ITEM 13: REVIEW OF ACCOUNTS OR FINANCIAL PLANS

We review accounts on at least a quarterly basis for our clients subscribing to our Comprehensive Portfolio Management service. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. We accomplish this by conducting *Quarterly Investment Manager Meetings*. Every quarter we meet with approximately 10 Investment Management Companies to review our Strategic Portfolios. We provide these managers an agenda to review holdings, ask questions that pertain to clients, changes they would recommend, what we might be overweight/underweight in and what they would recommend going forward. This allows our firm

to obtain the most well-rounded analysis of our strategic approach and recommendations to better serve our clients. We do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we contact clients. Only Michael Gauthier, Chief Compliance Officer, will conduct reviews.

SIG Financial Planning Program clients receive reviews at least annually to discuss changes and updates to their Plan. Modular Planning clients do not receive reviews of their written plans unless they separately contract with us for a post-financial plan meeting or update to their initial written financial plan.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

ITEM 14: CLIENT REFERRALS & OTHER COMPENSATION

Charles Schwab & Co.

Our firm receives economic benefit from Schwab in the form of the support products and services made available to our firm and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit our firm, and the related conflicts of interest are described above (*see Item 12 – Brokerage Practices*). The availability of Schwab's products and services is not based on our firm giving particular investment advice, such as buying particular securities for our clients.

Client Referrals

We do not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with relevant state statutes and rules.

ITEM 15: CUSTODY

All of our clients receive account statements directly from their qualified custodians at least quarterly upon opening of an account. If our firm decides to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm. Our firm may be deemed to have custody of client funds or securities as stated below. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

SIG acts as the general partner and manager of Strategic Income Fund, LP and SIG Opportunities Fund, LP (the "Funds"). As such our firm is deemed to have custody of the cash and securities held by the Fund(s). In compliance with SEC Rule 206(4)-2(b)(4)(i), the Fund(s) or Trust Company sends an audited financial statement, audited by a registered Public Company Accounting Oversight Board ("PCAOB") accountant, to each Fund(s) investor or common clients with CFS within 120 days of the Fund's fiscal year end. By ensuring that these steps are followed, our firm's annual surprise examination requirement is satisfied.

The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with the account custodian:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

ITEM 16: INVESTMENT DISCRETION

Clients have the option of providing our firm with investment discretion on their behalf, pursuant to an executed investment advisory client agreement. By granting our firm investment discretion, we are authorized to execute securities transactions, which securities are bought and sold, the total amount to be bought and sold, and the costs at which the transactions will be effected. Limitations may be imposed by the client in the form of specific constraints on any of these areas of discretion with our firm's written acknowledgement.

ITEM 17: VOTING CLIENT SECURITIES

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

ITEM 18: FINANCIAL INFORMATION

We are not required to provide financial information in this Brochure because:

- We do not require the prepayment of more than \$1,200 in fees and six or more months in advance.
- We do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.
- We have never been the subject of a bankruptcy proceeding.