

## **Item 1- Cover Page**

### **Silver Lake Advisory, LLC**

Form ADV Part 2A – Disclosure Brochure

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This brochure provides information about the qualifications and business practices of Silver Lake Advisory, LLC (SLA). If you have any questions about the contents of this brochure, please contact Ronna Cohen, President and Chief Compliance Officer at 801-733-9470, or by email at [ronna@silverlakeadvisory.com](mailto:ronna@silverlakeadvisory.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.

SLA is a federally registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information to help you determine to hire or retain an Adviser.

Additional information about SLA is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). This site can be searched with a unique identifying number known as a CRD number. The CRD number for SLA is 107625.

January 18, 2021

## Item 2- Material Changes

### A. Annual Update

Pursuant to current regulations, Clients will receive a summary of any material changes to this and subsequent brochures within 120 days of the close of the firm's fiscal year which occurs at the end of the calendar year. Other updates can occur as needed based on new information or material changes.

### B. Material Changes

Since the last annual update of this brochure, dated January 16, 2020, the firm has not made any material changes.

### C. Full Brochure Available

Currently, our Brochure is available on the SEC website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov) and may also be requested by contacting Ronna Cohen at 801-733-9470 and/or [ronna@silverlakeadvisory.com](mailto:ronna@silverlakeadvisory.com).

Additional information about SLA is also available via the SEC's website [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). This site can be searched with a unique identifying number known as a CRD number. The CRD number for SLA is 107625.

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## Item 4- Advisory Business

### A. Firm Description

SLA is a Utah Limited Liability Company owned and operated by Ronna Cohen, JD, MBA. Ronna Cohen first became a Connecticut Registered Investment Advisor in 1992. In 1997, Ronna Cohen had assets that exceeded the federal minimum and became a federally Registered Investment Advisor. On October 9, 2018, Ronna Cohen, JD, MBA, doing business as Silver Lake Advisory, became Silver Lake Advisory, LLC.

The purpose of the firm is to invest client funds and manage those funds. Throughout this disclosure brochure the company is referred to as "SLA".

Ronna Cohen, Greg Bangma, Nancy Elliott and Dara Rosen Cohen are all investment advisor representatives and access persons.

### B. Types of Advisory Services

SLA offers personalized investment management services for our clients that is in the best interest of the client. Account management is guided by our client's risk tolerance; income needs, tax status, and investment objectives. Through on-going, personal discussions, SLA will manage a customized portfolio. SLA will allocate the client's assets among various investments based on the client's risk tolerance and income needs.

SLA manages investment portfolios comprised of various types of securities such as stocks, corporate and municipal bonds, exchange-traded funds, mutual funds and government securities. Money Market Funds are also used.

SLA does not offer financial planning services with separate fees. Understanding a client's financial picture and working with clients to manage their personal finances is part of our comprehensive investment management service.

SLA does not offer tax advice but will work closely with client's accountants.

SLA does not offer legal advice but will work closely with client's attorneys.

SLA does not participate in wrap fee programs.

### C. Client Tailored Services

SLA offers investment advisory services which can be tailored to meet the specific needs of each client. In order to provide appropriately individualized services, SLA will work with the client to obtain information regarding the client's financial circumstances, investment objectives, overall financial condition, income and tax status, personal and business assets, risk profile and other information regarding the client's financial and investment needs.

SLA will periodically review with clients their financial circumstances, investment objectives and risk profiles. In order for SLA to provide effective advisory services, it is critical that clients provide accurate and complete information to SLA and inform SLA anytime such information needs to be updated or anytime there is a change in their financial circumstances, investment objectives and/or risk profile.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or sectors. Some restrictions may not be accommodated when utilizing Exchange Traded Funds or Mutual Funds. In addition, a restriction request may not be honored if it is fundamentally inconsistent with SLA's investment philosophy, runs counter to the client's investment objectives, or would prevent SLA from properly servicing client accounts.

D. SLA does not participate in wrap fee programs or provide portfolio management services to wrap fee programs.

### E. Assets under Management

As of November 13, 2020, SLA had \$222,720,077 in client assets managed on a discretionary basis. All accounts are held at Charles Schwab Institutional Services, a division of Charles Schwab & Co, a registered broker- dealer and member of SIPC ("Schwab").

## Item 5- Fees and Compensation

### A. Description

SLA is compensated solely by fees paid by its clients and does not accept commissions or compensation from any other source. Fees are based on a percentage of assets under management pursuant to the following schedule:

1.0% of assets under management under \$5 million in assets, except for charitable organizations.

0.8% for assets over \$5 million, except for charitable organizations.

0.6% of assets under management under \$5 million in assets for charitable organizations.

0.45% of assets under management over \$5 million in assets for charitable organizations.

0.35% of assets under management under \$5 million for portfolios that are 100% fixed income investments which may be a mix of corporate bonds, municipal bonds, and Exchange Traded Funds that are comprised of bonds.

0.30% of assets under management over \$5 million for portfolios that are 100% fixed income investments which may be a mix of corporate bonds, municipal bonds, and Exchange Traded Funds that are comprised of bonds.

100% of compensation is from investment supervisory services.

Fees are negotiable. SLA may modify fees in SLA's sole discretion, on a client by client basis. Such modifications may be a discount or waiver from the published schedule. Such modifications may include discounts or waivers offered on different asset classes such as equities vs. fixed income vs. Exchange Traded Funds. These modifications can be based on the investment advisor representative providing the services, the total amount of assets under management, the complexity of the client's situation, the composition of the client's account (i.e., equities vs. fixed income vs. exchange traded funds vs. mutual funds), pre-existing holdings, potential for additional deposits, the relationship of the client with the investment advisor representative, and other factors.

Fee waivers or discounts may be offered to family members and friends of access people, investment advisor representatives, and associated persons of SLA which are not available to all clients. Certain pre-existing clients of SLA may have grandfathered services, and fee schedules which were available at the time such pre-existing clients entered into investment advisory relationships with SLA which may not be currently available to clients.

SLA will combine and aggregate related household accounts for fee calculation and minimum annual fee purposes. For these reasons, fees may vary among clients who may be in similar circumstances and they may be lower than the published schedule. Details of the investment advisory fee charged are fully described in the advisory agreement entered into with each client.

Fees are fully disclosed on each quarterly invoice. Clients are reminded to contact SLA if they have any questions or concerns.

## B. Fee Billing and Payment

Investment management fees are billed quarterly, in arrears, meaning that SLA invoices clients after the three-month billing period has ended. Payment in full is expected upon invoice presentation. Fees can be paid as follows:

1. Fees are usually deducted from an account designated by the client to facilitate billing. The client must consent in advance in writing to direct debiting of the selected account. Management fees debited during the calendar year are stated on 1099's as provided by Schwab.

2. Fees can be debited directly from retirement accounts. The client must consent in advance in writing to direct debiting of the selected retirement account. We encourage clients to discuss any tax implications with their accountant.

3. Some clients prefer to be billed directly and pay by check with no debits from an account.

As a new client, no fee is billed for the first billing period. The second billing period is billed at 1/3 the calculated rate. The third billing period is billed at 2/3 the calculated rate. The fourth billing period and subsequent bills will reflect the full calculated rate.

For fees debited from accounts, SLA will notify Schwab of the amount of the fee due and payable to SLA pursuant to the advisory agreement with the Client. Schwab does not validate or check SLA's fees, its corresponding calculations or the assets on which the fee is based. With the client's written pre-approval, Schwab will deduct the fee from the designated account.

Valuations for reporting and billing are based on the values reported by Schwab and reconciled with our portfolio reporting software, Portfolio Center.

### C. Additional Fees and Expenses

All fees paid to SLA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds, exchange traded funds ("ETF's"), and money funds. 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. However, if a portfolio holds mutual funds, exchange traded funds, or money market funds, the client may be paying two fees for the management of those assets, one to SLA and one to the manager of the mutual fund, exchange traded fund, or money market fund. Accordingly, the client should review both the fees charged by the funds and the fees charged by SLA to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Schwab does not charge for custodial services. Clients no longer incur transaction costs with Schwab.

#### I. Equity trades

Trades are commission free.

#### II. Exchange Traded Funds

Exchange Traded Funds participating in Schwab ETF OneSource that are traded through electronic channels are commission-free.

#### III. Mutual Funds



Mutual Funds participating in Schwab Mutual Fund OneSource that are traded through electronic channels are commission-free. SLA does not transact in Mutual Funds that have either front-end or back-end commissions.

#### IV. Fixed Income trades

Electronic transactions for Treasuries, Notes, Bonds and TIPS have no fee.

Municipal Bonds: A markup is included in the price with Schwab acting as principal and keeping the difference.

Corporate Bonds: A markup is included in the price with Schwab acting as principal and keeping the difference.

#### D. Advance payment or pre-paid fees

Clients do not pay any fees in advance and do not pre-pay fees. All investment advisory fees are paid in arrears, that is, at the end of the quarter, not at the beginning of the quarter.

#### E. Other Fees

SLA is compensated solely by fees paid by its clients and does not accept commissions or compensation from the sale of securities, mutual funds, insurance products or any other investment products.

Fees do not include the services of any accountants, attorneys, or pension administrators. Accordingly, the fees of any additional professional engaged by the client are between the client and the additional professional.

#### F. Termination

In the event of termination, fees for the quarter in which the termination occurs will not accrue and will not be charged. The Advisory Agreement may be terminated by the client or by SLA with notice, either written, electronic, or phone, given by either party to the other. Such termination shall be without the payment of any penalty and without liability of either party to the other.

## Item 6- Performance-Based Fees

SLA does not charge any performance-based fees. Performance fees, if charged, would be based on a share of capital gains on or capital appreciation of the assets of a client.

## Item 7- SLA Clients

### A. SLA Clients

SLA provides portfolio management services to individuals, high net worth individuals, families, charitable institutions, foundations, endowments, and other business entities. Clients have many different account types, such as individual, joint, IRA's, ROTH's, Trusts, 401K's, and more. With Schwab, SLA can accommodate most account types.

Many clients are at or near retirement with assets accumulated throughout their working career, divorced with large settlements, or beneficiaries of an inheritance. For these clients, SLA's focus is primarily on generating income in portfolios to be available in the present or in the future based on client needs.

SLA also has many second and third generation clients. SLA works closely with these clients to help in developing their goals, objectives, and risk tolerances.

SLA also handles small family foundations and endowment funds for charitable organizations.

### B. Engaging the Services of SLA

All clients wishing to engage SLA for investment advisory services are asked to sign the investment advisory agreement as well as any other documents or questionnaires provided by SLA. The investment advisory agreement describes the services and responsibilities of SLA to the client. It also outlines SLA's fee in detail. In addition, clients must complete Schwab's paperwork. Upon completion of all these documents, SLA will be considered engaged by the client. Clients are responsible for ensuring that SLA is informed in a timely manner of changes in their investment objectives and risk tolerance.

SLA views protecting its clients' private information as a top priority and has instituted physical, electronic, and procedural safeguards to ensure that client information is private and secure. SLA does not disclose any nonpublic personal information about its clients or former clients to any nonaffiliated third parties, except as permitted or required by law. In the course of servicing a client's account, SLA may share some information with its service providers, such as transfer agents, custodians, and broker-dealers.

Information shared with the client's accountants, lawyers, other professionals, and family members is done only with the express approval of the client.

SLA restricts internal access to nonpublic personal information about the client to only access people who need access to that information in order to provide services to the client and to perform administrative functions for SLA. As emphasized above, it has always been and will always be SLA's policy never to sell information about current or former clients or their accounts to anyone. SLA's Privacy Notice is offered to clients annually.

### C. Vulnerable Clients

For client's protection, in the event that SLA or Schwab suspects, now or in the future, elder abuse, financial exploitation, or a cognitive issue, we may, at our sole discretion, freeze a client's account(s) until such time that the client's guardian, attorney-in-fact, other authorized representative, executor, or trustee, or trusted contact person has been contacted to address this concern.

This is someone the client is permitting SLA or Schwab to contact and disclose account information to address possible financial exploitation, to confirm contact information, health status, or the identity of any guardian, attorney-in-fact, other authorized representative, executor, trustee, or trusted contact person. Such person provides SLA with a resource to contact on the client's behalf, if necessary. This information is collected when engaging SLA and during the advisory relationship.

Naming such a person is optional. Such person will not be able to view account information, execute transactions or inquire about account activity. Only the client has the ability to add, update, or remove such person for the client's account. During this time, no new recommendations or portfolio rebalancing will occur.

### D. Account Minimums

SLA does not have a minimum account size.

## Item 8- Methods of Analysis, Investment Strategies and Types of Investments

### A. Methods of Analysis

The security analysis method employed by SLA is fundamental analysis, with a focus on corporate cash flow and dividend growth. Fundamental analysis is a method of evaluating securities by attempting to measure the intrinsic value of a stock. Fundamental analysts study the overall economy and industry conditions, the financial

condition of a company, details regarding the company's product line, and the experience and expertise of the company's management. The resulting data is used to measure the true value of the company's stock compared to the current market value.

In conducting security analysis, SLA may utilize the following sources of information: financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, and all other filings with the U.S. Securities and Exchange Commission, company press releases, and company earnings calls. SLA may also utilize other sources of information such as Morningstar, Value Line, periodicals and journals, as well as company-generated data to perform security analysis.

Investment advice may be offered on any investments held by a client at the start of the advisory relationship. Recommendations for new investments will typically be limited to domestic and foreign equity securities, corporate debt securities, commercial paper, municipal and United States government securities, mutual funds, Exchange Traded Funds, and real estate investment trusts (REITS).

SLA does not transact in any insurance products.

## B. Investment Strategies

SLA will use all or some of the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance and time horizons, among other considerations:

### *Long-Term Purchases*

Securities are purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

### *Short-Term Purchases*

Securities are rarely purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

### *Option Writing*

Option Writing is used occasionally for specific trading purposes such as when a client has a very large position in one stock. SLA may use options to reduce the position size with both tax and capital gains considerations. An option is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor sells (writes) an option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. The seller pays the buyer a premium (the market price of the option at a particular time) in exchange for writing the option.

## *Other Strategies*

From time to time, SLA may recommend specific trading strategies to take advantage of income tax planning opportunities. Such strategies may include end of the year swaps or sales to recognize gain or losses for income tax purposes, as client's situations dictate.

Recommendations for short-term needs will generally be limited to cash equivalents such as money market funds. SLA emphasizes, however, that its strategy is primarily long-term in nature.

## C. Risk of Loss

### 1. Investing Involves Risk

Investing in securities involves risk of loss that each client should be prepared to bear. The value of a client's investment may be affected by one or more of the following risks, any of which could cause a client's portfolio return, the price of the portfolio's shares or the portfolio's yield to fluctuate:

- *Market Risk.* The value of portfolio assets can fluctuate as the stock or bond market fluctuates. The value of investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events that affect large portions of the market.
- *Management Risk.* A client's portfolio is subject to management risk because it is actively managed by SLA's investment professionals. SLA will apply its investment techniques and risk analysis in making investment decisions for a client's portfolio, but there is no guarantee that these techniques and SLA's judgment will produce the intended results.
- *Interest Rate Risk.* Changes in interest rates can affect the value of a portfolio's investments. For Fixed Income Securities, when interest rates rise, the value of investments in fixed-income securities tend to fall and this decrease in value may not be offset by higher income from new investments. Interest rate risk is generally greater for fixed-income securities with longer maturities or durations.
- For high dividend stocks, when interest rates rise, fixed income investing may be more appealing than equities with dividends, causing stocks such as utilities or real estate investment trusts to fall and decrease in value.
- *Credit Risk.* An issuer or guarantor of a fixed-income security, or the counterparty to a derivatives or other contract, may be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor may default causing a loss of the full principal amount of a security. The degree of risk for a particular security may be reflected in its credit rating. There is the possibility that the credit rating of a fixed-income security may be downgraded after purchase, which may adversely affect the value of the security. Investments in fixed-income securities with lower ratings tend to have a higher probability that an issuer will default or fail to meet its payment obligations.
- *Allocation Risk.* The allocation of investments among different asset classes may have a significant effect on portfolio value when one of these

asset classes is performing more poorly than the others. As investments will be periodically reallocated, there will be transaction costs which may be, over time, significant. In addition, there is a risk that certain asset allocation decisions may not achieve the desired results and, as a result, a client's portfolio may incur losses.

- *Foreign (Non-U.S.) Risk.* A portfolio's investments in securities of non-U.S. issuers may involve more risk than those of U.S. issuers. It may be more difficult to have timely and complete information and disclosure on foreign securities. These securities may fluctuate more widely in price and may be less liquid due to adverse market, economic, political, regulatory or other factors.
- *Emerging Markets Risk.* Securities of companies in emerging markets may be more volatile than those of companies in developed markets. By definition, markets, economies and government institutions are generally less developed in emerging market countries. Investment in securities of companies in emerging markets may entail special risks relating to the potential for social instability and the risks of expropriation, nationalization or confiscation. Investors may also face the imposition of restrictions on foreign investment or the repatriation of capital and a lack of hedging instruments.
- *Currency Risk.* Fluctuations in currency exchange rates may negatively affect the value of a company's international operations or import/export operations, thereby reducing its returns.
- *Derivatives Risk.* Certain strategies involve the use of derivatives to create market exposure. Derivatives may be illiquid, difficult to price and leveraged so that small changes may produce disproportionate losses for a client's portfolio and may be subject to counterparty risk to a greater degree than more traditional investments. Because of their complex nature, some derivatives may not perform as intended. As a result, a portfolio may not realize the anticipated benefits from a derivative it holds or it may realize losses. Derivative transactions may create investment leverage, which may increase a portfolio's volatility and may require the portfolio to liquidate portfolio securities when it may not be advantageous to do so.
- *Capitalization Risk.* Investments in small- and mid-capitalization companies may be more volatile than investments in large-capitalization companies. Investments in small-capitalization companies may have additional risks because these companies have limited product lines, markets or financial resources.
- *Liquidity Risk.* Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing SLA from selling out of such illiquid securities at an advantageous price. Derivatives and securities involving substantial market and credit risk also tend to involve greater liquidity risk.
- *Issuer Specific Risk.* The value of an equity security or debt obligation may decline in response to developments affecting the specific issuer of the security or obligation, even if the overall industry or economy is unaffected. These developments may comprise a variety of factors, including, but not limited to, management issues or other corporate disruption, political factors adversely affecting governmental issuers, a decline in revenues or profitability, an increase in costs, or an adverse effect on the issuer's competitive position.
- *Concentrated Portfolios Risk.* Certain investment strategies focus on particular asset classes, countries, regions, industries, sectors or types of investments.

Concentrated portfolios are an aggressive and highly volatile approach to trading and investing. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic prices swings. In addition, the rise or drop in price of any given holding is likely to have a larger impact on portfolio performance than a more broadly diversified portfolio.

- *Legal or Legislative Risk.* Legislative changes or court rulings may impact the value of investments or the securities' claim on the issuer's assets and finances.

## 2. Risks Associated with Investment Strategies

*Long Term Purchases:* Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that or particular investments will decrease in value even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost such as "locking-up" assets that may be better utilized in the short-term in other investments.

*Short-Term Purchases:* Using a short-term purchase strategy generally assumes that the performance of the financial markets can be accurately predicted over the short-term. The risk associated with a short-term purchase strategy is that there are many factors that may affect market performance in the short-term including interest rate fluctuations, cyclical earnings, etc. Such factors may have a smaller impact over the longer-term. In addition, short-term trading may incur a disproportionately higher amount of transaction costs and tax costs compared to long-term trading.

*Option Writing:* SLA does not use options in the normal course of investment management. Options may be used when liquidating a large equity position. For example, a client may have retired or left employment from a publicly traded company and has a large stock position that should be diversified. Covered call options can assist in a programmed liquidation and puts can provide some protection if the stock drops in price.

There are numerous risks associated with transactions in options on securities. As the writer of covered call options, the client forgoes, during the option's life, the opportunity to profit from increases in the market value of the underlying security or the index above the sum of the option premium received and the exercise price of the call, but has retained the risk of loss, minus the option premium received, should the price of the underlying security decline.

## 3. Risks Associated with Methods of Analysis

The analysis of securities requires subjective assessments and decision-making by experienced investment professionals, however, there is always the risk of an error in judgment.

SLA's securities analysis method relies on the assumption that the companies whose securities the firm purchases and sells, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While SLA is alert to indications that data may be incorrect, there is always the risk that the firm's analysis may be compromised by inaccurate or misleading information.

Fundamental analysis, when used in isolation, has a number of risks:

- Information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, revenue or cash flow for a company. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.
- The data used may be out of date.
- It may ignore the influence of random events such as oil spills, product defects being exposed, acts of God and so on.
- The market may fail to reach expectations of perceived value.

#### 4. Risks Associated with Specific Securities

##### *Common Stocks*

The major risks associated with investing in common stocks relate to the quality of the company's management, the company's ability to manage costs, efficiency in their delivery of their manufacturing products or services. Other factors may be management of litigation risk, management of leverage and the issuer's ability to create shareholder value by increasing the value of the company's stock price.

##### *Preferred Stocks*

Preferred stocks have dividends that generally are a set amount. Unlike requirements to pay interest on certain types of debt securities, the company that issues preferred stock may not be required to pay a dividend and may stop paying the dividend at any time. Preferred stock may also be subject to mandatory redemption provisions and an issuer may repurchase these securities at prices that are below the price at which they were purchased by the investor. Under these circumstances, a client account holding such preferred securities could lose money.

##### *Fixed-Income Securities*

Different forms of fixed-income instruments, such as bonds, money market funds, and certificates of deposit may be affected by various forms of risk, including:

- *Interest Rate Risk.* The risk that the value of the fixed-income holding will decrease because of an increase in interest rates.
- *Liquidity Risk.* This is the risk of the inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income securities are generally liquid,



there are risks which may occur such as when few are buying or selling an issue and the price may be higher or lower than expected. With low volume, such fixed income security may not be able to be sold or bought at an expected price. Conversely, when trading volume is high, there is also the risk of not being able to purchase a particular issue at the desired price.

- *Credit Risk.* The potential risk is that an issuer would be unable to pay scheduled interest or repay principal at maturity. Credit risk may also occur when an issuer's ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments.
- *Reinvestment Risk.* If fixed income investments mature or are called when interest rates are declining, investors may have to reinvest income or principal at a lower interest rate.
- *Duration Risk.* Duration is a measure of a bond's volatility, expressed in years to be repaid by its internal cash flow. Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.

### *Municipal Bonds*

In addition to the risks set forth under "Fixed Income Securities" above, municipal bonds are susceptible to events in the government entity that issued the bond or the security posted for the bond. These events may include economic or political policy changes, changes in law, tax base erosion, state constitutional limits on tax increases, budget deficits or other financial difficulties and changes in the credit rating assigned to municipal issues.

### *Exchange Traded Funds*

ETFs are subject to risks similar to those of stocks. Investment returns will fluctuate and are subject to market volatility, so that when shares are sold they may be worth more or less than their original cost. ETF shares are bought and sold at market price, not Net Asset Value. There is also the risk that a manager may deviate from the stated investment mandate or strategy of the ETF which could make the holdings less suitable for a client's portfolio. ETFs may also carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. In addition, while many ETFs are known for their potential tax efficiency and higher "qualified dividend income" (QDI) percentages, there are asset classes within these ETFs or holding periods that may not be tax efficient. Shorter holding periods, as well as commodities and currencies that may be part of an ETFs portfolio, may be considered "non-qualified" under certain tax code provisions.

### *Equity Funds*

The major risks associated with investing in equity mutual funds is similar to the risks associated with investing directly in equity securities, including market risk, which is the risk that investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Other risks include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth,

the amount of individual company diversification, the type and amount of industry diversification and the type and amount of sector diversification within specific industries. In addition, there is the risk that a manager may deviate from the stated investment mandate or strategy of the mutual fund which could make the holdings less suitable for a client's portfolio. Also, mutual funds may be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold their shares in the fund. Mutual funds may also carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees.

### *Fixed-Income Funds*

In addition to the risks associated with investing in equity mutual funds, fixed-income mutual funds also the same risks as set forth under "Fixed-Income Securities" listed above.

### *Indexed Funds*

Indexed Funds have the potential to be affected by "tracking error risk" which means a deviation from a stated benchmark index. Since the core of a portfolio may attempt to closely replicate a benchmark, the source of the tracking error (deviation) may come from a "sample index" that may not closely align the benchmark. In addition, while many index mutual funds are known for their potential tax efficiency and higher "qualified dividend income" (QDI) percentages, there are assets classes within these funds or holding periods that may not benefit. Shorter holding periods, as well as commodities and currencies that may be part of a fund's portfolio, may be considered "non-qualified" under certain tax code provisions.

### *Options*

There are numerous risks associated with transactions in options on securities or securities indexes. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. In the case of index options, the client incurs basis risk between the performance of the underlying portfolio and the performance of the underlying index. For example, the underlying portfolio may decline in value while the underlying index may increase in value, resulting in a loss on the call option while the underlying portfolio declines as well.

### *Real Estate Related Securities*

Investing in REIT's includes, among others, the following risks: possible declines in the value of real estate; risks related to general and local economic conditions, including increases in the rate of inflation, possible lack of availability of mortgage funds, overbuilding, extending vacancies of properties, increases in competition, property taxes and operating expenses, changes in zoning laws, costs resulting from cleanup of, and liability to third-parties for damages resulting from, environmental

problems, casualty and condemnation losses, uninsured damages from floods, earthquakes or other natural disasters, limitations on and variations in rents and changes in interest rates. Investing in REIT's involves certain unique risks in addition to those risks associated with investing in real estate in general. REITs are dependent upon the skills of management, may not be diversified and are subject to cash flow dependency, default by borrowers and self-liquidation.

Note that there may be other circumstances not described here that could adversely affect a client's investment and prevent their portfolio from reaching its objective.

### *Cash Funds and Money Market Funds*

Cash in client accounts is held in Schwab cash funds, with the cash instantly available for trades or for withdrawal. When deemed advisable, a portion of the client's cash balance may be held in Schwab money market funds. These balances must be sold and are available the next day for transactions or withdrawal. When appropriate, short term bond funds or fixed income ETFs may be used as cash alternatives. These balances must also be sold and would be available in three days for transactions or withdrawals.

To the extent that client assets are invested in cash funds or money market funds, there are no commissions but management fees are paid to Schwab's own investment managers, which are fully disclosed in each fund's prospectus. Based on market conditions, Schwab may waive their internal fees.

### Item 9- Disciplinary Information

SLA is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SLA or the integrity of SLA's management. Neither SLA nor any of its management persons have ever been disciplined by a regulatory agency.

### Item 10- Other Financial Industry Activities, Affiliations, and Conflicts of Interest

A. SLA is not registered, nor has an application pending to register, as a broker-dealer, a registered representative of a broker-dealer, or anything related to commodities or futures.

B. If a client is encouraged to add more assets to their account, this creates greater fees for SLA. Fees are always reviewed with clients when assets are added to prevent any misunderstanding or miscommunications.

C. Dara Rosen Cohen is an attorney, duly licensed in the State of Utah. If Dara Rosen Cohen determines that a client is in need of legal services, the client may be referred to Dara Rosen Cohen's law firm or practice. In addition, if legal clients of Dara Rosen Cohen are in need of advisory services, Dara Rosen Cohen acting in her separate capacity as an attorney may refer or recommend investment services available through

SLA. Dara Rosen Cohen's legal clients have no obligation to use the services of SLA. Clients are not obligated in any manner to use the services of a law firm recommended or owned by Dara Rosen Cohen.

D. SLA does not recommend or select other investment advisers for clients.

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

### A. Code of Ethics

SLA has adopted a Code of Ethics describing its high standard of business conduct, and fiduciary duty to its clients. Accordingly, SLA expects all access people, Ronna Cohen, Greg Bangma, Dara Cohen and Nancy Elliott, to act with honesty, integrity and professionalism and to adhere to all securities laws. All access people are required to adhere to the Code of Ethics. At all times, all access people must (i) place client interests ahead of SLA's; (ii) engage in personal investing that is in full compliance with SLA's Code of Ethics; and (iii) avoid taking advantage of their position. Any individual not in observance of the above may be subject to termination.

The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All access persons of SLA are required to acknowledge the terms of the Code of Ethics annually, or as amended.

All access persons of SLA may not use social media on behalf of, or in relation to, SLA and may not mention SLA in any social media. This policy does not prohibit any of the above individuals from utilizing social media for their own purposes outside of their activities on behalf of SLA.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of possible employees and access persons of SLA will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees and access persons to invest for their own accounts.

Access persons report their personal securities transactions quarterly and their personal securities holdings annually to the chief compliance officer.

SLA does not invest in initial public offerings, private placements, or crypto-currency for its clients. All access persons are also prohibited from investing in initial public offerings, private placements, or crypto-currency unless permission is granted from the Chief Compliance Officer.

Upon signing the Advisory Agreement, clients receive a copy of the firm's Code of Ethics. Prospective clients may request a copy of the firm's Code of Ethics by contacting Ronna Cohen.

It is SLA's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. SLA will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, 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. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. SLA is not dually registered.

B. SLA does not recommend, buy, or sell for client accounts any security in which SLA or a related person would have a material financial interest.

#### C. Participation or Interest in Client Transactions

SLA or individuals associated with SLA may buy or sell securities identical to or different from those recommended to clients for their personal accounts. As this situation may represent a conflict of interest, SLA has established the following restrictions in order to ensure its fiduciary responsibilities:

1. It is the express policy of SLA that no access people may purchase or sell any security three business days after block transaction(s) being implemented for advisory accounts, and therefore, preventing any benefit from transactions placed on behalf of advisory accounts. Transactions for access people can be done in block trades with clients, thereby receiving the same pricing.
2. An access person of SLA shall not buy or sell securities for their personal portfolio(s) unless the information is available to the investing public upon reasonable inquiry. No access person of SLA shall prioritize their own interest to that of any advisory client.
3. SLA maintains a list of all securities holdings for itself and anyone associated with SLA. These holdings are reviewed on a regular basis by Ronna Cohen and Greg Bangma.
4. SLA emphasizes the unrestricted right of the client to decline to implement any advice rendered.
5. SLA requires that all access persons must act in accordance with all applicable federal & state regulations governing registered investment advisory practices.

## Item 12- Brokerage Practices

### A. Schwab as Custodian

SLA requires that clients establish brokerage accounts with Schwab, to maintain custody of clients' assets and to effect trades for their accounts. In evaluating custodians, SLA took into consideration the full range of a broker-dealer's services, including among others, execution capability, zero cost commission rates, financial strength and stability, responsiveness, value of research provided, and communication with clients. SLA is independently owned and operated and not affiliated with Schwab.

At a minimum, clients receive a quarterly statement directly from Schwab either by direct mail or by eDelivery, depending on the client's preferences. Statements show all transactions, positions, deposits, withdrawals, credits/debits and investment management fees. A monthly statement is delivered to the client if in that month, any of the above activities occurs in an account. Most clients receive statements monthly. For example, a small custodial account with little activity might receive statements quarterly.

Also in consideration is such broker-dealers' provision or payment of the costs of research and other investment management-related services, referred to as "soft dollars", as further discussed in the "Research/Soft Dollars Benefits" section immediately below.

SLA's clients' accounts are maintained in the custody of Schwab, which generally does not charge separately for custody but is compensated by account holders through fees captured from all Schwab money market funds. Clients receive competitive rates on all money market investments.

SLA requires all transactions be placed with Schwab so as to take advantage of the client services and rapid executions available. All transactions are on a fully disclosed agency basis with zero cost transactions. No sub-advisors are used.

SLA does not participate in any fees paid to Schwab and does not receive any fees for the opening or maintenance of client accounts at Schwab. The benefits available to SLA and its clients are based on having at least \$100,000,000 in total assets held at Schwab. As of the date of this brochure, SLA has \$227,586,893 held at Schwab.

SLA's Chief Compliance Officer is responsible for continuously monitoring and evaluating the performance and execution capabilities of Schwab to ensure consistent quality executions.

## 1. Research/Soft Dollar Benefits

There is no link between SLA's use of Schwab and the investment advice it gives to its clients. SLA may use Schwab's research resources but is not limited to Schwab's offerings. As a user of Schwab, SLA has access to products and services that benefit SLA because SLA does not have to produce or pay for the research, products and services. Some of these other products and services assist SLA in managing and administering clients' accounts, including:

- Receipt of duplicate client confirmations and bundled duplicate statements
- Receipt of daily download of every transaction, deposit, withdrawal, dividend payment, interest payment, and any other activity in every account
- Access to a trading desk serving Schwab Institutional participants exclusively
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts
- Ability to have investment advisory fees deducted directly from client account
- Receipt of compliance publications and webinars
- Access to mutual funds which might have required significantly higher minimum initial investments or are might be available only to institutional investors

Schwab Institutional also makes available to SLA other services intended to help SLA manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab Institutional may make available, arrange and/or pay for these types of services rendered to SLA by independent third parties.

While as a fiduciary SLA endeavors to act in its clients' best interests, SLA's recommendation that clients maintain their assets in accounts at Schwab is based in part on the benefit to SLA of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage provided by Schwab which is a conflict of interest. It also creates an incentive for SLA to recommend Schwab based on SLA's interests rather than its clients.

## 2. Brokerage for Client Referrals

SLA does not receive any client referrals from Schwab and does not participate in any of Schwab's marketing and sales programs.

## 3. Client Directed Brokerage

SLA does not establish client relationships if the client wishes to use a particular broker other than Schwab for being the custodian and for executing transactions in their accounts. SLA is not able to service effectively and efficiently any accounts outside of Schwab.

## B. Order Allocation and Aggregation

It is the objective of SLA to provide a means of allocating trading and investment opportunities between advisory clients on a fair and equitable basis and in compliance with all applicable state and federal guidelines. With respect to clients' accounts with substantially similar investment objectives and policies, SLA may often seek to purchase or sell a particular security in each account. SLA will aggregate orders only when such aggregation is consistent with SLA's duty to seek best execution and is consistent with the investment objective of each client. No client account will be unfairly favored over any other account. Each client that participates in an aggregated order will participate based on the average execution price in that particular security. All transaction costs will be allocated pro rata based on each client's participation in the transaction. All securities purchased or sold, whether the order is filled completely or partially, will then be allocated pro rata based on the assets of each account.

Not all trades are done by block trade or aggregated. SLA may buy and sell securities for client accounts at different times and in different amounts. Different client investment objectives, available securities to buy or sell and other factors may make it, in the judgment of SLA, more advantageous to not effectuate a block transaction or aggregated trade. In the event a trade is not aggregated, clients may not receive the same execution price on the purchase or sale of the particular security.

## C. Trading Error Policies

SLA's trading policy and procedures are reasonably designed to ensure that trading errors do not occur. However, should a trade error occur in an SLA client account, SLA will correct the error in an expeditious manner. A trade error can be defined as a deviation from the applicable standard of care in the placement, execution, or settlement of a trade for a client account. Trade errors can include innocent errors and negligent acts, such as trades for the wrong account, purchases or sales of the wrong security, purchase instead of a sale, a sale instead of a purchase, and trades executed on terms that are not consistent with the adviser's intentions.

All trading errors are to be reported immediately to the Chief Compliance Officer, who will determine how to resolve the trading error. SLA will bear the cost of correcting any error caused by SLA's failure to place trades correctly including reimbursing SLA clients for direct losses. Any gain resulting from a trade error will generally accrue to the benefit of the client, unless it violates client guidelines or legal restrictions.

Certain types of errors may require disclosure to SLA's clients.



## Item 13- Review of Accounts

### A. Periodic Reviews

The underlying securities within SLA's accounts are continuously monitored. Portfolio reviews are triggered by calendar year with a full review every quarter. Accounts are reviewed in the context of each client's investment objectives and guidelines, ensuring that the structure of the portfolio is coordinated with these objectives. Ronna Cohen and Greg Bangma perform all client reviews.

### B. Additional Reviews

More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances and wishes, or the market, political or economic environment. The consolidated list of all holdings is monitored continually by Ronna Cohen and Greg Bangma.

In order for SLA to provide effective advisory services, it is critical that clients provide accurate and complete information to SLA and inform SLA anytime such information needs to be updated. This may include changes in client's financial circumstances, investment objectives and/or risk profile.

If, as a result of a review, the reviewer concludes that changes in investments are warranted, the reviewer has discretion to initiate changes.

### C. Reports to Clients

At a minimum, clients receive a quarterly statement directly from Schwab showing all transactions, positions and credits/debits into or out of the client's account. Statements sent after the end of the quarter will also reflect the advisory fee paid by the client to SLA.

Clients may also receive quarterly reports from SLA, showing their consolidated holdings and income from the portfolios. Some clients prefer not to receive SLA reports.

## Item 14- Client Referrals and Other Compensation

SLA does not receive, nor provide, compensation for referrals. SLA also does not receive any economic benefit such as sales awards or other prizes for providing investment advisory services to the firm's clients. SLA does not use third party solicitors to generate new clients and new business.

## Item 15- Custody

SLA is deemed to have custody which is limited to deducting investment management fees directly from client accounts. Management fee deduction authority is the sole reason SLA has custody and therefore does not need to disclose custody in its Form ADV.

Clients receive account statements from Schwab. Clients should carefully review these statements. The quarterly reports from SLA include a statement urging clients to compare the account statements from Schwab with SLA's reports. Any concerns should be reported immediately to Ronna Cohen.

## Item 16 – Investment Discretion

SLA manages advisory accounts on a discretionary basis only. This means that SLA does not require approval or authorization from clients to select investments. SLA receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. Such discretion is exercised in a manner consistent with the investment objectives for the particular client. When selecting securities and determining amounts, SLA observes the investment policies, limitations and restrictions of the clients for which it advises.

Clients agree to having their accounts managed on a discretionary basis when signing the Investment Advisory Agreement.

## Item 17- Voting Client Securities and Class Action Lawsuits

### A. Proxies

All clients directly receive and vote proxies or other solicitations, as indicated in writing both in the Investment Advisory Agreement and on the Schwab new account applications. At no time does SLA receive Client proxies, nor does it have the authority to vote client proxies. Clients receive proxies or other solicitations directly from Schwab. Therefore, although SLA may provide investment advisory services relative to client investment assets, it is the client that maintains exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceeding or other type events pertaining to the client's investment assets. Clients can contact Ronna Cohen or Greg Bangma, if they have questions regarding a particular solicitation.

## B. Class Action Lawsuits

Although SLA may have discretion over client accounts, it is not responsible for handling client claims in class action lawsuits or similar settlements involving securities owned by the client. Clients will receive the paperwork for such claims directly from the company in question. Clients are encouraged to contact Ronna Cohen or Greg Bangma to discuss any valid claims and assist with the paperwork.

## Item 18 - Business Continuity and Contingency Planning

If SLA experiences a business disruption that potentially results from power outages, natural disasters, or other events, SLA has a business continuity program in place that provides uninterrupted service to clients or minimizes the disruption and allows for continuation of client service within minutes in most cases.

The objectives are to:

- Provide for immediate, accurate and measured response to emergency situations
- Minimize the impact upon the safety and well-being of firm personnel
- Protect against the loss or damage to organizational assets, records, and information
- Provide clients with alternative site processing with a minimum of inconvenience

All electronic records are archived real time through Red Tail. Every six months, all electronic records archived through Red Tail and re-archived at two locations. All records of Client assets are also maintained by Schwab. A back up communication and computer system is available at the primary meeting place, 2688 Grand Vista Way, Cottonwood Heights, UT 84121, 801 733 9470. The primary site does have a backup generator for any power outages that may occur for any length of time. Each access person also has computer systems and communication systems. Each access person has full access to all client information.

The secondary meeting place can be at any other access person's office or any location that provides secure computer and internet connection to access SLA's encrypted backup files.

Should a disruption occur at the primary site, Ronna Cohen will notify other access personnel, clients, Schwab, and proper regulatory authorities of the emergency and its nature.

Should a disruption occur at the site of any of the other access people, Ronna Cohen will be immediately notified and rely on the other access people to maintain, without interruption, day-to-day business needs of SLA's clients.

In the event that any access person, Ronna Cohen, Greg Bangma, Nancy Elliott, or Dara Rosen Cohen is unable to perform every day responsibilities due to death or incapacitation, the other access people will duly inform each client. SLA will transfer investment management oversight in a manner consistent with the wishes of the client.

In the event that Ronna Cohen is unable to perform every day responsibilities due to death or incapacitation, SLA's registration and licensing with the Securities and Exchange Commission remains in place. Greg Bangma, Nancy Elliott, and Dara Rosen Cohen will contact every client. Each client will then have the opportunity to decide to continue to be a client of SLA. If the client chooses to terminate the relationship, SLA will follow the termination protocol stated in Item 5, Section F.

## Item 19 - Financial Information

### A. Prepayment of Fees

SLA does not require, accept, or solicit prepayment of fees. Hence, SLA is not required include a balance sheet with this disclosure brochure.

### B. Financial Condition

SLA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.