



# STEWARD PARTNERS INVESTMENT SOLUTIONS

## Steward Partners Investment Solutions, LLC

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July 2, 2021

### **FORM ADV PART 2A BROCHURE**

This Brochure provides information about the qualifications and business practices of Steward Partners Investment Solutions, LLC (“Advisor,” “we,” or “SPIS”). If you have any questions about the contents of this Brochure, please contact us at (971) 353-7800. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Advisor is a Registered Investment Advisor with the SEC. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information about which you determine to hire or retain an Advisor.

Additional information about Steward Partners Investment Solutions, LLC (CRD No. 1245) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). This Firm Brochure is available at no cost by contacting Steven Chang, Chief Compliance Officer (971) 353-7800 | [info@stewardpartnersis.com](mailto:info@stewardpartnersis.com).

## **Item 2 – Material Changes**

The date of our previous annual update to our brochure was March 31, 2021.

Since that date we have revised our disclosure materials to reflect the following changes. We recommend you closely review each revised section.

- Change in control of Umpqua Investments, Inc.
- The Firm's name change to Steward Partners Investment Solutions LLC
- Other compensation considerations

We will ensure that all current clients receive a summary of material changes to this and subsequent brochures within 120 days of the close of our business' fiscal year. A summary of material changes is included with our brochure on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Umpqua Investments, Inc. is 1254.

We will continue to provide other ongoing disclosure information about material changes as necessary and will provide you with a new brochure when required based on those changes or new information.

### **Item 3 – Table of Contents**

|         |   |         |
|---------|---|---------|
| Item 4  | Advisory Business   | Page 4  |
| Item 5  | Fees and Compensation                                       | Page 4  |
| Item 6  | Performance-Based Fees and Side-By-Side Management          | Page 9  |
| Item 7  | Types of Clients  | Page 9  |
| Item 8  | Methods of Analysis, Investment Strategies and Risk of Loss | Page 9  |
| Item 9  | Disciplinary and Other Information                          | Page 10 |
| Item 10 | Other Financial Industry Activities and Affiliations        | Page 10 |
| Item 11 | Code of Ethics  | Page 11 |
| Item 12 | Brokerage Practices   | Page 11 |
| Item 13 | Review of Accounts  | Page 12 |
| Item 14 | Client Referrals and Other Compensation                     | Page 12 |
| Item 15 | Custody   | Page 13 |
| Item 16 | Investment Discretion                                       | Page 13 |
| Item 17 | Voting Client Securities                                    | Page 13 |
| Item 18 | Financial Information                                       | Page 13 |

## Item 4 – Advisory Business

Steward Partners Investment Solutions, LLC (“SPIS”) was established in Portland, Oregon in 1928 as a Broker-Dealer under the original name of Blankenship, Gould, and Keeler. After being acquired 1999, we operated as Umpqua Investments, Inc. In 2006, we became registered with the Securities and Exchange Commission (the “SEC”) as a Registered Investment Advisor. In 2021, we became a wholly owned subsidiary of Steward Partners Holdings, LLC and changed our name to Steward Partners Investment Solutions, LLC.

Steward Partners Investments Solutions, LLC, provides investment management services to individuals and businesses. This advice can include investment management services (including investment advice, portfolio checkups, retirement planning (for employees and employers), and/or estate planning.

We help clients coordinate and prioritize their financial lives with all aspects of their life goals. Integrating investments across individual retirement accounts, taxable accounts, and employee retirement accounts is crucial to the process. Client input and involvement are critical parts of the financial planning process and implementation of investment decisions. After Client assets are invested, we continuously monitor their investments and provide advice related to ongoing financial and investment needs.

Client funds are managed with either discretionary or non-discretionary authority. For non-discretionary clients we must first obtain your approval prior to executing any transactions in your account(s). Client funds we manage using our proprietary traditional asset allocation models are managed on a discretionary basis. For discretionary clients we execute investment recommendations on their behalf without prior approval of each specific transaction.

We tailor our advice and services to our clients’ stated objectives. To formulate our clients’ investment strategies, we consider information such as risk tolerance, time horizon, and projected future needs. This investment strategy guides us in managing the client’s account. We connect with our clients on an as needed basis, but no less than annually, to review portfolio performance, discuss current issues, and re-assess their goals and plans.

Our approach uses broadly diversified portfolios and a systematic strategy to manage investments. Investment tools generally include mutual funds, exchange-traded funds, exchange-listed equity securities, alternative investments, municipal securities, corporate bonds, U.S. government securities and money market funds. We may also advise our clients on other types of investments. Clients may impose reasonable restrictions on investing in certain securities or types of securities. See Item 8 for a description of our investment strategy.

Advisor’s Assets (rounded to the nearest thousand) under Management (“AUM”) on December 31, 2020:

|                            |               |
|----------------------------|---------------|
| Discretionary Accounts     | \$622,841,000 |
| Non-Discretionary Accounts | \$239,718,000 |
| Total AUM                  | \$862,559,000 |

### **Steward Partners Investments Solutions, LLC is a Registered as a Broker-Dealer and Investment Advisor**

Steward Partners Investments Solutions, LLC is registered with the SEC as an investment advisor (September 28, 2006), and the Firm’s Investment Advisor Representatives are notice filed under applicable State law to provide investment advisory services on the Firm’s behalf.

Steward Partners Investments Solutions, LLC is also registered with the SEC (January 1, 1936) and many States as a broker-dealer and is a member of the Financial Industry Regulatory Authority (“FINRA”). The

Representatives are also registered with FINRA, and where required by applicable State law, as registered representatives of SPIS and are authorized to provide brokerage services on the Firm's behalf.

The Firm's (and the Representatives') legal, contractual, and regulatory obligations differ in important ways, depending on the type of account(s) the Client has with us (brokerage or investment advisory), and the products or services we provide. Investment advisory accounts and services are governed by laws and regulations which are, in many ways, different from those that govern brokerage accounts and services.

When acting as an investment advisor, SPIS is a fiduciary for its clients. As a fiduciary, the Firm must, among other duties, act in the clients' best interests, place the clients' interests ahead of its own, and make full and fair disclosure of all material facts, particularly conflicts of interest.

Clients are encouraged to contact SPIS'S Chief Compliance Officer at the address and telephone number shown in this Brochure to discuss any questions about which products or services SPIS provides in each of these capacities.

We provide investment advisory to retail clients, high net worth individuals, family offices and institutional investors. Advisor delivers objective advice by utilizing an open architecture platform and follow a thoughtful, forward-looking investment philosophy.

The Program is based on an assessment of each client's current financial situation, investment objectives, risk tolerance, liquidity requirements, tax constraints and investment time horizons. Through the information gathered from each client, a basis for an investment strategy recommendation is created for each client account. The recommendation is based on understanding the client's risk tolerance, time horizon, and applying targeted strategic asset allocation principals based on capital market assumptions, forward looking inflation rates, and other relevant economic and market data.

After a review of the client's information and overall investment strategy is determined, we will recommend a specific targeted strategic asset allocation. Asset classes in the asset allocation can include: cash and cash alternatives, fixed income, alternative income, commodities, currency, domestic and international equity securities. Investment options may include separately managed accounts (SMAs), individual securities, mutual funds and/or exchange traded funds.

An agreed upon investment strategy between the client and SPIS will be documented in the program agreement. The program agreement will state the client's overall investment objectives, policies, and guidelines. The program agreement will remain enforced until the client decides changes are needed or when warranted.

As part of its investment management responsibilities, the Portfolio Managers develops and maintains the investment strategies that form the basis for its investment advice. Investment strategies offered under the Program reflect a continuum of risk characteristics ranging from conservative income to aggressive growth including trading and speculation. Each investment strategy may be executed with mutual funds, exchange traded funds, individual equity and fixed income and/or SMAs.

#### **Differences between how wrap fee accounts are managed as compared to other accounts (e.g. commission-based brokerage accounts)**

The Firm's (and the Representatives') legal, contractual, and regulatory obligations differ in important ways, depending on the type of account(s) the Client has with us (brokerage or investment advisory), and the products or services we provide. Investment advisory accounts and services are governed by laws and regulations which are, in many ways, different from those that govern brokerage accounts and services.

When acting as an investment advisor, SPIS is a fiduciary for its Clients. As a fiduciary, the Firm must, among other duties, act in the Clients' best interests, place the Clients' interests ahead of its own, and make full and fair disclosure of all material facts, particularly conflicts of interest. In wrap fee accounts, Clients generally do not pay additional transaction fees.

When acting as a broker-dealer for non-ERISA accounts, SPIS must observe high standards of commercial honor, just and equitable principles of trade, and must have reasonable grounds for believing its recommendations are suitable for the customers, among other duties. However, our obligation to disclose to brokerage customers information about our business, conflicts of interest, compensation, and other matters is more limited than our corresponding obligations to our advisory Clients.

Clients are encouraged to contact SPIS's Chief Compliance Officer at the address and telephone number shown in this Brochure to discuss any questions about which products or services SPIS provides in each of these capacities.

### **Overview of Wrap Fee Advisory Programs**

Below, we provide a summary of our wrap fee advisory programs. A wrap fee account is an account in which SPIS manages your portfolio for a quarterly fee. This fee covers all administrative, commission, and management expenses. SPIS receives a portion of this wrap fee for its advisory and other services. This wrap fee arrangement contrasts with brokerage accounts where SPIS buys, sells, or otherwise executes securities transactions in which you may be charged a commission for each transaction. The Account may also be charged separately for expenses or services that are not covered by the wrap fee. For the wrap fee programs offered through SPIS Investments Solutions, these additional expenses are described in the Client's Program Agreement.

Some Clients may notice differences between the information contained in this brochure and in their individual Program Agreements. Such differences may arise when, for example, changes to the Program Agreement were separately negotiated with the Client or were required by the Client's Financial Advisor when offering the Program to his or her Clients. Differences may also arise due to changes in our Programs or our policies, or because of intervening events. Where differences may now or later exist, Clients should be aware that the terms of their Program Agreement will control (which may also be amended.) Advisor will notify Clients of any pending changes to their Program Agreement prior to any change implementations.

More information regarding our Wrap Fee Program is available in our Form ADV Part 2A – Appendix 1.

Please see Item 5 for further information regarding our fees.

Please see Item 16 – Investment Discretion, regarding discretion policy.

### **Item 5 – Fees and Compensation**

Fees are generally payable at the start of each quarter. Clients may terminate the advisory relationship at any point in time. Fees will be prorated to the date of termination.

The standard fee schedule varies for each program offered. Generally, the maximum fees charged by Advisor for wrap products are as follows:

| Asset Advisor, Custom Choice, PIM | Fee   |
|-----------------------------------|-------|
| \$0 to \$249,999*                 | 2.00% |
| \$250,000 to \$999,999            | 1.75% |
| \$1,000,000 to \$1,999,999        | 1.25% |
| \$2,000,000 to \$4,999,999        | 1.00% |
| \$5,000,000 and above             | 0.80% |

\*Asset and fee minimums may apply.

The specific way fees are charged by Advisor is established in a client's written agreement with Advisor. Advisor will generally bill its fees on a quarterly basis. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Steward Partners manages your portfolio for a quarterly fee. If the client participates in a wrap program, this fee covers all administrative, commission, and management expenses. In non-wrap accounts, the SPIS fee doesn't include commission costs which are charged by the custodian. Regardless, the Account may also be charged separately for expenses or services that are not covered by the wrap fee, if applicable.

The Advisor includes mutual funds and other managed products in clients' portfolios. Clients may be charged for the services by the providers/managers of these products in addition to the management fee paid to the Advisor. The fees and expenses charged by the product providers are separate and distinct from the management fee charged by the Advisor. These fees and expenses are described in each mutual fund's prospectus. These fees will generally include a management fee, other fund expenses and a possible distribution fee. No-load or load mutual funds may be used in client portfolios which will determine if there is an initial or deferred sales charge which a client will pay. Clients can invest in a mutual fund without the services of the Advisor. Accordingly, the client should review both the fees charged by the funds and the applicable program fee charged by the Advisor to fully understand the total amount of fees to be paid by the client and to thereby evaluate the Advisory services being provided. Fees for the programs described in this brochure are negotiable based upon many factors including the type and size of the account and the range of services provided by Advisor. In special circumstances, and with client consent, the fee charged to the client account may be more than the maximum fee indicated in this brochure.

For most clients, financial planning is a service offered as part of their overall relationship with us and requires no additional fees. However, we can offer financial planning services for a fixed fee or at hourly rates. Fixed fees for planning services are project-based. Pricing is ultimately dependent upon the needs of the Client and the complexity of the plan.

### **Fee Payments**

At the inception of the relationship and each quarter thereafter, we will notify your Custodian of the amount of the fee due and payable to us through our fee schedule and contract. They will "deduct" the fees from your account(s) you have designated to pay our advisory fees. Each month, you will receive a statement directly from your Custodian showing all transactions, positions and credits/debits into or from your account; the statements after the quarter end will reflect these transactions, including the advisory fee paid by you to us. You should carefully review your statements for accuracy and notify us immediately with any questions or concerns.

### **Additional Fees and Expenses**

We do not custody client assets; therefore, clients will have to custody their accounts with a custodian. The advisory fees payable to us do not include all the fees you will pay for maintaining your account(s) with a custodian. The following list of fees or expenses are what you may pay directly to Custodians or brokers, whether a security is being purchased, sold or held in your account(s) under our management. Fees charged by Custodian can include such items as:

- Brokerage commissions
- Transaction fees
- Exchange fees
- Regulatory fees
- Advisory fees and administrative fees charged by exchange traded funds (ETFs)
- Custodial fees
- Wire-transfer and electronic fund processing fees
- SMA/Third Party Money Manager fees

*Note: Most of the above fees are not applicable to wrap accounts.*

We do not have any employee(s) who receives, directly or indirectly, any compensation from the transaction of securities or investments that are purchased or sold for your account. As a result, we are a “fee-based” investment advisor. For additional details regarding brokerage practices, please see Item 12: Brokerage Practices.

Some investment advisor representatives and other employees of SPIS, and its affiliates, are also licensed to sell insurance through a licensed insurance agency. Insurance-related business is transacted with advisory clients, and individuals can receive commissions from products sold to clients. Clients are advised that the fees paid to Advisor for investment advisory services are separate and distinct from the commissions earned by any individual for selling clients insurance products.

The receipt of commissions by an affiliated entity or individuals associated with the firm presents a conflict of interest. As fiduciaries we must place our clients’ interests ahead of ours. As such, we will only transact insurance business with clients when fully disclosed, suitable, and appropriate. Further, we must determine in good faith that any commissions paid to our representatives are appropriate. Clients are under no obligation to use any individual associated with Advisor for insurance products or services. Clients may use any insurance firm or agent they choose.

## **Other Compensation Considerations**

### ***Growth Award Program:***

The Growth Award Program ("Program") is intended to incentivize IARs who grow their business by providing them with additional equity ownership in our parent company, Steward Partners Management Holdings ("SPMH"). The program incentivizes a IARs who have a certain amount of growth in revenue as determined by the Firm in its sole discretion. An additional award representing a percentage of the amount awarded to the IARs may be distributed among the IARs or IAR's Support Staff, subject to the Firm's sole discretion and with Management Approval. The review period is based on Calendar Year production (January through December). Please contact us for further information on the program.

This program presents a conflict of interest between the IARs and you as a client since it creates a financial incentive for the IARs to increase their revenue rather than acting in your best interest. However, as a fiduciary, SPIS and our IARs have an obligation to always put your interests first. In assessing whether this standard is met, we must determine whether our recommendations and investment strategies are not only appropriate for



you but are in your best interests as well. We periodically evaluate the holdings in your account and the advice provided to you to ensure it aligns with your current investment objectives and risk tolerance. In addition, whenever trading may create a conflict of interest, we have an obligation to obtain your informed consent after providing full and fair disclosure of all material facts. While we cannot mitigate the conflict of interest, we believe the disclosures provided herein are sufficient for you to provide us with your informed consent before we engage in trading activity on your behalf.

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

Advisor does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). Our advisory fee compensation is charged only as disclosed above.

## **Item 7 – Types of Clients**

Advisor provides portfolio management services to individuals, high net worth individuals, charitable institutions, foundations, endowments, small businesses, limited liability companies, trusts and corporations.

Advisor requires a minimum new advisory account opening value of \$25,000. Some advisory programs have a higher minimum. Exceptions can be made on a case-by-case basis.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

### ***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 security 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 security.

### ***Technical Analysis:***

We analyze past market movements and apply that analysis to the present 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.

### ***Asset Allocation:***

Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available

sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Advisor may recommend professionally managed investment products like low-cost mutual funds and exchange traded funds (ETFs). As with any investment, past performance is no guarantee of future results. But costs often do affect investment performance, so Advisor attempts to use low-cost products whenever possible, such as index funds and ETFs. Clients should always review and understand an investment's key literature such as a prospectus and annual report.

Advisor constructs portfolios based on different risk and return objectives which are reviewed with each client in order to identify the most appropriate portfolio. Advisor's investment strategy involves analyzing global market conditions to determine how best to allocate portfolios. In addition, Advisor conducts manager research in order to identify the most attractive and suitable securities. We take this approach by working with the client to understand their needs.

Advisor believes in the benefits of diversification through asset allocation. While diversification can help to lower a portfolio's overall volatility (significant price changes), investing always involves a risk of loss that clients should be prepared to bear. Advisor therefore attempts to balance reasonable levels of risk with reasonable levels of return to generate the capital necessary to meet client goals. Individual client risk tolerance and risk capacity are also key factors in the investment planning process.

***Asset allocations are not static:***

Market returns may cause them to expand or contract at different rates. Depending on the asset allocation approach, and according to your investment needs, assets within your portfolio may periodically be rebalanced or reallocated as recommended by the portfolio strategist(s) selected for your account. When market returns have caused asset allocations to extend beyond predetermined limits, your portfolio may be rebalanced back to an original target mix. As our economic outlook evolves, assets within your portfolio may also be reallocated to capture opportunities or manage risk. Investments can go down in value. You can lose some, much or all your invested money. Do not invest money you cannot afford to lose.

## **Item 9 – Disciplinary and Other Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SPIS or the integrity of the Advisor's management. Advisor has no significant information applicable to this Item regarding legal or disciplinary matters since its inception on September 28, 2006 as a Federally Registered Investment Advisor.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Steward Partners Investment Solutions, LLC, a limited liability company organized under the laws of the State of Delaware, is a registered investment adviser primarily based in Lake Oswego, OR. We are principally owned by Steward Partners Management Holdings, LLC. We became registered with the Securities and Exchange Commission (the "SEC") on September 28, 2006 as a Registered Investment Advisor. Registration of an Investment Advisor with the SEC does not imply any level of skill or training.

SPIS is both a registered investment advisor and a registered broker/dealer. SPIS in its combined role as a Broker/Dealer and a Registered Investment Advisor may provide comprehensive financial planning advice to its clients as well as standard broker/dealer services for traditional brokerage accounts. This advice can include cash management, risk management (insurance planning/sales), investment planning (including investment advice, supervisory services and/or portfolio checkups), retirement planning (for employees and employers),

and/or estate planning.

Some investment advisors are licensed as insurance agents for an affiliate of Advisor. The conflicts of interest associated with the above arrangements and how these conflicts are addressed are described in Section 5, above. Please also see Item 15 – Custody, regarding our affiliation with our clearing firm, Wells Fargo Clearing Services, LLC.

## **Item 11 – Code of Ethics**

SPIS adheres to the code of ethics as promulgated by the Certified Financial Planner Board of Standards. SPIS's Code of Ethics will be provided upon request to any client or prospective client. In brief, Advisor provides professional services with integrity, objectivity and diligence. SPIS employees maintain the knowledge and skills necessary to provide professional services in a competent manner. Advisor will be fair and reasonable in all professional relationships and disclose any conflicts of interest. Advisor protects the confidentiality of all client information. SPIS employees act in a manner that demonstrates exemplary professional conduct.

SPIS has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. 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. All supervised persons at SPIS must acknowledge the terms of the Code of Ethics annually, or as amended.

SPIS uses the same processes and procedures in developing investment strategies (and other financial services) for clients as for its employees. Thus, employees will often invest in the same or other investment products as recommended to clients. Any potential conflicts of interest will be disclosed to clients.

SPIS anticipates that, in appropriate circumstances and consistent with clients' investment objectives, SPIS will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which SPIS, its affiliates and/or clients, directly or indirectly, have a position of interest. SPIS employees and persons associated with SPIS are required to follow SPIS's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of SPIS and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for SPIS clients.

SPIS clients or prospective clients may request a copy of the firm's Code of Ethics by emailing us at: [info@stewardpartnersis.com](mailto:info@stewardpartnersis.com).

## **Item 12 – Brokerage Practices**

### **Advisor Directed Brokerage**

Except to the extent that the Client directs otherwise, Advisor will employ First Clearing Corporation ("FCC") to maintain custody of clients' assets and to affect trades for their account. As it relates to FCC, SPIS accounts are generally opened on FCC's platform. For our clients maintaining an account in FCC's custody, FCC will not charge the client separately for custody services, commissions and management expenses.

SPIS equity trades are primarily executed through FCC. SPIS Fixed Income trades will continue to be executed through FCC which, in the opinion of SPIS, provides quality execution services at a competitive cost. It is possible that more favorable execution for some transactions could be provided elsewhere.

### **Aggregation and Block Trading Procedures**

The aggregating or blocking of client transactions allows an advisor to execute transactions in a more timely, equitable and efficient manner and seeks to reduce overall transaction costs to clients. We perform aggregate client transactions where possible and when advantageous to clients. In these instances, clients participating in any aggregated transactions will receive an average share price and transaction costs will be shared equally and on a prorated basis. In the event transactions for an advisor, its employees or principals (i.e. proprietary accounts) are aggregated with client transactions, these trades are treated the same as a client with no preferential treatment given.

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

Soft dollar arrangements have developed as a link between the brokerage industry's supply of research and the money management industry's demand for research. Because commission dollars pay for the entire bundle of services, the practice of allocating certain of these dollars to pay for the research component has come to be called "soft dollars." Advisor does not participate in soft dollar arrangements.

### **Referrals**

SPIS does not compensate or otherwise reward non-affiliated brokers for client referrals.

## **Item 13 – Review of Accounts**

Reviews will be conducted with the customer at least annually, or as requested by the client. Reviews will focus on year-to-date portfolio performance compared to client targets and benchmarks. Reviews may be triggered at any point in time in response to a disclosure by the client of a significant change in client circumstances (such as paying off a mortgage, retiring, changing employment, etc.). Accounts reviews are conducted by your investment advisory representative and/or SPIS.

### **Reports-Custodian**

All clients will receive from Custodian:

- Trade confirmations reflecting all transactions in securities; provided, however, that periodic statements of account activity may be furnished in lieu of transaction by transaction confirmations to the extent and in the manner permitted by Rule 10b-10 under the Exchange Act; and
- A statement of Account activity, holdings, fees and expenses at least quarterly.

### **Performance Reports**

Generally, the following Program Accounts will have written performance (or similar) reports available online, at least quarterly. All Wrap Fee Program Accounts will have periodic (generally quarterly) portfolio performance reports of the Account which will include a review and evaluation of the Account's portfolio considering the Account's investment goals and objectives. Each performance report will include a reminder to the Client to contact Advisor if there are any changes in the Suitability Information and will also disclose a method by which the Client may make such contact.

## **Item 14 – Client Referrals and Other Compensation**

SPIS may receive client referrals from non-employee (outside) consultants, individuals, and/or entities (Solicitors). In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this brochure along with the Solicitor's disclosure statement at the time of the referral. If you

become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We request that our Solicitors disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

## **Item 15 – Custody**

Although SPIS does not act as a qualified custodian. All clients' accounts are held in custody by qualified independent banks or broker/dealers.

## **Item 16 – Investment Discretion**

Advisor will receive discretionary trading authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the account. We are granted a limited power of attorney and are limited by our standard agreement and agreed-upon investment guidelines. The contract allows us to manage substitutions, additions, and deletions to a client's portfolio. Our authority includes the power to purchase, sell and exchange property, exercise whatever rights are conferred upon the holder of property held in a portfolio, and reinvest any account proceeds. The portfolio guidelines cover restrictions on securities to be bought and sold, portfolio objectives and portfolio asset allocation requirements.

## **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, Advisor does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Advisor may provide advice to clients regarding the clients' voting of proxies.

## **Item 18 – Financial Information**

Registered investment advisors are required in this Item to provide you with certain financial information or disclosures about Advisor's financial condition. Advisor 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.