

Part 2A of Form ADV

FSAM LLC  
IARD# 287851  
1720 Windward Concourse, Suite 115  
Alpharetta, GA 30005  
(770) 777-9373

or

Metro Office Park  
8 Calle 1, Suite 401  
Guaynabo, San Juan, PR 00968-1772  
(787) 979-2165

July 12, 2021

**This brochure provides information about the qualifications and business practices of FSAM LLC. If you have any questions about the contents of this brochure, please contact us at (770) 777-9373. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about FSAM LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration does not imply a certain level of skill or training.**

## **Item 2 Material Changes**

Since our last Brochure dated March 24, 2021, the following changes were made:

Item 5- Our Fee schedule has been updated.

Item 10-Our Firm has converted from a state registered investment advisor to an SEC registered investment advisor.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Our Brochure may be requested by contacting us at our main number. Additional information about FSAM is also available via the SEC's web site at:

[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website provides information about any persons affiliated with FSAM who are registered, or are required to be registered, as investment adviser representatives of FSAM.

## Item 3 - Table of Contents

|   |    |
|---|----|
| Item 2 Material Changes .....   | 2  |
| Item 3 - Table of Contents .....  | 3  |
| Item 4 – Advisory Business .....  | 4  |
| Item 5 – Fees and Compensation .....  | 5  |
| Item 6 – Performance-Based Fees and Side-By-Side Management .....                                 | 7  |
| Item 7 – Types of Clients.....  | 7  |
| Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....                        | 7  |
| Item 9 – Disciplinary Information .....   | 8  |
| Item 10 – Other Financial Industry Activities and Affiliations .....                              | 8  |
| Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading . | 9  |
| Item 12 – Brokerage Practices .....   | 10 |
| Item 13 – Review of Accounts.....   | 11 |
| Item 14 – Client Referrals and Other Compensation .....   | 11 |
| Item 15 – Custody .....   | 11 |
| Item 16 – Investment Discretion.....  | 11 |
| Item 17 – Voting Client Securities.....   | 12 |
| Item 18 – Financial Information .....   | 12 |
| Item 19 – Requirements for State-Registered Advisers.....   | 12 |
| Privacy Policy .....  | 14 |

## Item 4 – Advisory Business

FSAM LLC (“**FSAM**” or the “**Firm**”) is organized as a Georgia and Puerto Rican limited liability company.

FSAM’s current business activities consist of providing investment advisory services to to individuals, corporations and business entities, pension and profit-sharing plans, charitable institutions, foundations, endowments, estates, trusts, and other U.S. and international institutions. FSAM commenced operations in 2017.

Principal owners of FSAM are Vasileios A. Sfyris, W. Heath Hawk and Benjamin T. Eiler. Messrs. Sfyris and Hawk have worked with each other for more than two decades, first at predecessor firms and more recently at FSAM and its affiliates, and Mr. Eiler has been a partner with each of Messrs. Sfyris and Hawk for over ten years at FSAM and its affiliates.

FSAM provides investment advisory services and utilizes the different advisory programs offered through Pershing LLC (“Pershing” or the “Custodian”) and AssetMark, Inc. (“AssetMark”). FSAM is responsible for all advice and suitability of such advice regarding these accounts. A full description of all services is provided in the account services agreement. FSAM provides discretionary and non-discretionary account management in which the client is provided with on-going investment advice and monitoring with respect to their security holdings and will manage the account according to the client’s objectives.

FSAM does not offer a wrap fee program. FSAM’s fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients could incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in the fund’s prospectus. Such charges, fees and commissions are exclusive of and in addition to FSAM’s fee, and FSAM shall not receive any portion of these commissions, fees, and costs.

FSAM provides advisory services, giving continuous advice based on the client’s individual needs. Through personal discussions in which goals and objectives based upon the client’s personal objectives are established, the FSAM will develop a personal investment policy based upon an investment objective questionnaire and manage the portfolio according to the criteria.

Each client can impose reasonable restrictions on the management of his/her account, including the designation of particular securities or types of securities that should not be purchased for the account, or that should be sold if held in the account. If a client’s instructions are unreasonable or an Investment Advisor Representative believes that the instructions are inappropriate for the client, FSAM will notify the client that, unless the instructions are modified, it will cancel the instructions in the client’s account. A client will not be able to provide instructions that prohibit or restrict the Investment Adviser of an open-end or closed-end mutual fund or ETF with respect to the purchase or sale of specific securities or types of securities within the fund.

### **AssetMark GuidePath Accounts**

FSAM offers this advisory program to customers who wish to have their assets managed by an institutional money manager. This program is offered through AssetMark by using their GuidePath Funds. This program offers different funds for each of the asset allocation models that cover capital appreciate and income strategies. The Investment Advisor makes the asset allocation decisions using a variety of factors to determine which allocation is the best fit for the customer.

### **Advisory Managed Account Solutions -Pershing Account**

FSAM provides advisory services, giving continuous advice based on the client's individual needs. Through personal discussions in which goals and objectives based upon the client's personal objectives are established, the Advisor will develop a personal investment policy, which will include model allocations, based upon an investment objective questionnaire, and manage the portfolio recommendation according to the criteria.

Most accounts are managed on a non-discretionary basis, meaning that the advisor does not have discretion over what securities to buy and sell. However, clients may elect to have their account managed on a discretionary basis, meaning that the client does not have to consent to each trade in the account. This trading discretion and any limitations on it will be set forth in the client agreement. The services provided are the same regardless of the account structure selected.

Depending on the client's investment objectives, the advisor may manage and provide advice on mutual funds, stocks, bonds, exchange traded funds (ETFs), LPs, and options. Alternative investments may be recommended to qualified investors based on the client's objectives and risk tolerance. Alternative investments could include real estate, Private Equity, Hedge Funds, Commodities, etc. Alternative Investments can provide diversification benefits to traditional portfolios of stocks and bonds.

FSAM does not participate in, nor is it a sponsor of, wrap fee programs.

As of March 31, 2021, FSAM, held \$5,357,719 in discretionary assets under management and \$30,000,000 in non-discretionary assets under management.

## **Item 5 – Fees and Compensation**

The specific manner in which fees are charged by the FSAM is established in a client's written agreement. Annual fees are negotiable and are charged at an annual rate of up to 2.5%. Fees are based on a percentage of assets under management, calculated annually and billed quarterly in advance of service. The fee schedule was updated in June 2021, therefore legacy clients may have a tiered schedule, as detailed in the client's investment advisory agreement.

The initial fee is due in full one business day after the client's account is accepted and opened and will be based on the asset value of the account on that date. The initial fee will be prorated according to the number of days remaining in the calendar quarter. Thereafter, the fee will be calculated by multiplying the fair market value of the assets in the account as of the last trading day of each calendar quarter by the annual fee and then dividing that result by four, which represents each quarter. Upon termination of an account, any prepaid, asset-based fees will be prorated according to the days the account was opened during the calendar quarter and excess fees will be rebated to the client.

In addition to the advisory fee, FSAM receives additional compensation from the custodian based on the value of credit balances in the accounts. If cash is swept into a money market fund, FSAM receives compensation based on the value of assets in these funds as broker-dealer. Thus, FSAM has an incentive to recommend that client select a money market fund as a sweep vehicle that pays more compensation to FSAM than other funds.

The transaction charges have been established to compensate our firm for its services and reimburse us for expenses in executing transactions in the accounts. The transaction charges are negotiated with our custodian and may be higher than transaction charges or commissions that a client might pay if the transactions were executed at another broker-dealer. FSAM and the custodian each receive a portion of the transaction fees paid by clients. Although transaction charges may be identified as commissions on trade confirmations, the Investment Adviser Representative does not receive any portion of these charges.

The advisory fees and transaction charges do not cover charges imposed by third parties for investments held in the account, such as contingent deferred sales charges or 12(b)-1 trails on mutual funds. In addition, each mutual fund or third-party investment manager charges asset management fees, which are in addition to the advisory fees charged by our firm. The fees charged by such funds or managers are disclosed in each fund's prospectus or Manager's ADV Part 2A. Accounts may require a minimum advisory fee or quarterly maintenance fee that will be detailed in the applicable advisory agreement.

The Management Fee also does not cover fees and charges in connection with debit balances; margin interest; odd-lot differentials; IRA fees; transfer taxes; exchange fees; wire transfers; extensions; non-sufficient funds; mailgrams; legal transfers; bank wires; postage; costs associated with exchanging foreign currencies; and SEC fees or other fees or taxes required by law.

Advisory accounts held at Pershing that have a Puerto Rico security in the account, will be charged a \$50.00 Puerto Rico Reporting Fee that is passed through and charged by clearing firm to cover their costs for reporting to the Puerto Rico authorities.

Although FSAM believes its fees are reasonable in light of the services provided, clients should be aware that transaction fees may be higher than those otherwise available if advisory services and brokerage services were provided separately for a discrete fee or if an investment Advisor were to select brokerage and negotiate commissions in the absence of the extra consulting service provided. The comparison is dependent upon a number of factors, including the frequency of brokerage activity in the client's account, the size of the account under management, and any negotiated fee arrangements with respect to the account. An investor should consider these factors prior to opening an Advisory Account with FSAM. Clients should consider the value of the additional consulting services when making such comparisons. The combination of custodial, consulting, and brokerage services may not be available separately or may require multiple accounts, documentation, and fees. All fees described herein are subject to negotiation depending on a range of factors including, but not limited to, account size and overall range of services requested.

Client and/or the FSAM may initiate termination of the contract at any time by sending written notice to the contra party and will be deemed to be accepted the day that it is received by the contra party. If the client terminates the contract within five business days, there will be no penalty charged and the client will receive a full refund of any fees paid.

Upon written receipt of notice to terminate its client agreement and unless specific transfer instructions are received, FSAM and its agent will cease advisory services. Should the client provide specific instructions to liquidate, FSAM will proceed with liquidation of the client's account in an orderly and efficient manner. There will not be a charge by us for such redemption; however, the client should be aware that certain mutual funds impose redemption fees as stated in each company's fund prospectus in certain circumstances. Clients must keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with the client's tax advisor.

Factors that could affect the orderly and efficient manner would be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities' markets be unavailable, and trading suspended, efforts to trade will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate client's investment advisory service and communicate the instructions to client's Investment Advisor, termination orders received from clients are not market orders; it may take several business days under normal market conditions to process the client's request. During this time, the client's account is subject to market risk. FSAM and its agent are not responsible for market fluctuations of the client's account from time of written notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner.

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

FSAM 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), nor engage in side-by-side management.

### **Item 7 – Types of Clients**

FSAM provides portfolio management services to individuals, corporations and business entities, pension and profit-sharing plans, charitable institutions, foundations, endowments, estates, trusts, and other U.S. and international institutions.

### **Minimum Investment Requirements**

There is a \$10,000 account minimum on accounts at AssetMark and no-account minimum on accounts held at Pershing. The account minimum can be waived at FSAM's discretion.

Certain managers may require a higher minimum as disclosed in the individual manager's Firm Brochure. Under certain circumstances, the minimum may be waived, including related accounts that are combined to meet the minimum.

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

Our investment strategy begins with an understanding of a client's financial goals. Advisors use demographic and financial information provided by the client to assess the client's risk profile and investment objectives in determining an appropriate plan for the client's assets. Investment strategies ordinarily include long- or short-term purchases of stock portfolios, mutual funds, and

fixed income securities.

Investment recommendations are based on an analysis of the client's individual needs and are drawn from research and analysis. Security analysis methods includes the following:

- Fundamental analysis: We attempt to measure the intrinsic value of a security by looking at economic and financial factors to determine if the company is underpriced or overpriced. Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.
- Technical analysis and charting: We attempt to determine the trend of a security by studying past market data, including price and volume. This presents a potential risk, as the price of a security can change directions at any time and past performance is not a guarantee of future performance.
- Cyclical analysis: We attempt to identify the industry cycle of a company to determine whether the company is in a market introduction phase, growth phase or maturity phase. Generally projected revenues, growth potential and business risk may fluctuate based on the company's cycle stage.

Information for this analysis is drawn from financial websites and magazines, research materials prepared by others, annual reports, corporate filings, prospectuses, company press releases and corporate ratings services.

It is important to note that investing in securities involves a risk that clients must be prepared to bear. For any risks associated with Investment Company products, please refer to the prospectuses for additional details about these risks. Our investment approach constantly keeps the risk of loss in mind. These risks include, but are not limited to:

- Interest-rate Risk: Fluctuations in interest rates cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund can drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.



- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations could result in bankruptcy and/or a declining market value.

## **Item 9 – Disciplinary Information**

FSAM and its principals have not been the subject of any material legal proceeding required to be disclosed in response to this item.

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

### ***Registered Broker-Dealers***

FSAM is not registered as a broker-dealer. Vasileios A. Sfyris, W. Heath Hawk and Benjamin T. Eiler are each registered representatives of First Southern, LLC ("FS"), an affiliate of FSAM, which is registered as a broker-dealer.

### ***Registered Futures Commission Merchants, Commodity Pool Operators and Commodity Trading Advisors***

None of FSAM or any of its principals or employees are registered as or affiliated with a registered futures commission merchant, commodity pool operator or commodity trading advisor.

### ***Relationships with Related Persons***

FSAM is affiliated with Phorcys Asset Management, LLC, PRCE Management LLC and Phorcys Capital Partners, LLC, which are investment advisors, and First Southern ("FS") which is registered as a broker-dealer. FSAM does not believe at this time that its affiliation with them creates a material conflict of interest with respect to FSAM's clients.

Individuals associated with FSAM as an Investment Adviser Representative are also Registered Representatives of FS. When applicable, these individuals recommend broker-dealer transactions for advisory clients. All related compensation is separate from advisory services. On average individual Investment Advisor Representatives and the principals of FSAM spend 50% of their time on other such activities. If a trade error were to occur, it may result in profit or loss to the firm. The firm has controls in place to limit such trade errors. Investment Advisers will not participate in any profits resulting from such errors. FSAM maintains consolidated financial records with its affiliated broker-dealer.

This arrangement poses a conflict of interest to the extent that there is a financial incentive to recommend securities and other insurance products that result in commissions, brokerage fees, 12b-1 fees, or other payments. FSAM is dedicated to acting in our clients' best interests based on fiduciary principles. Clients are under no obligation to purchase any recommended brokerage products or insurance products.

Certain Investment Adviser Representatives are separately licensed as independent insurance agents/brokers. These individuals spend as much as 10% of their time with these non-advisory activities. In their capacities as independent insurance agents, clients will be charged separately from their advisory services.

Employees of FSAM and its affiliates may serve as officers, advisors, directors or in comparable management functions for portfolio companies in which clients of FSAM may invest. Employees or partners of FSAM may also from time to time serve on the board of directors or a creditors committee of a portfolio company or be given access for other reasons to confidential information relating to companies in which clients of FSAM may invest. As a result, FSAM and the clients of FSAM may, under certain circumstances, be prohibited for a period of time from engaging in transactions with respect to the debt or securities of such a portfolio company, which prohibition may have an adverse effect on clients of FSAM.

Clients will be subject to several actual and potential conflicts of interest involving FSAM and its affiliates. When a conflict of interest arises, FSAM will endeavor to ensure that it is resolved fairly. FSAM has in place policies and procedures that it believes are reasonably designed to identify and resolve actual and potential conflicts of interest.

#### ***Selection or Recommendation of Other Advisers***

FSAM does not recommend or select other investment advisers for its clients or receive compensation from such advisers in a manner that would create a material conflict of interest. FSAM does not have other business relationships with other advisers that create a material conflict of interest.

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

FSAM has adopted a Code of Ethics for all supervised persons of the FSAM 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, among other things. All supervised persons at FSAM must acknowledge the terms of the Code of Ethics annually, or as amended.

Advisors of FSAM may buy or sell securities that are recommended to clients. FSAM's employees and persons associated with FSAM are required to follow the Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors, and employees of FSAM and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for FSAM's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of the employees of FSAM 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 to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of FSAM's clients. In addition, the Code requires pre-approval of many transactions, and restricts trading near client trading activity. Nonetheless, because the Code

of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between FSAM and its clients.

Advisors may recommend and trade in the same securities with clients and/or related accounts at or about the same time. Generally, this would pose a conflict if the Advisor or related account were given a better price than the client. To mitigate this conflict, it is procedure to not trade an Advisors account or related persons account on the same day as a client unless the client gets the better price.

Trades may be done on an aggregated basis when consistent with FSAM's obligation of best execution. In such circumstances, the Advisor (or related account) and client accounts will share commission cost equally and receive securities at a total average price. FSAM will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

FSAM's clients or prospective clients may request a copy of the FSAM's Code of Ethics by contacting the Compliance Department at our main number.

## **Item 12 – Brokerage Practices**

We recommend the brokerage and custodial services of Pershing. The Custodian is a registered broker-dealer and does not generally charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed. First Southern, LLC, as the Fully Disclosed Introducing Broker Dealer, provides FSAM direct access to the Custodian. When selecting a custodian to recommend, a number of factors were considered, including their financial strength, reputation, execution capabilities, pricing and services offered. While we consider transaction costs to be reasonable in relation to the value of the brokerage and other services rendered, transaction fees may be higher or lower than fees charged by other broker-dealers.

In return for effecting securities transactions through Pershing, FSAM and FS receive products and services that help us make investment decisions and service our clients' accounts. These products and services are known as "soft dollar benefits." If Pershing did not provide us with soft dollar benefits, we would have to pay for these products and services.

Clients can benefit when we aggregate trades to obtain volume discounts on execution costs. Trade aggregation refers to the practice of combining orders for execution. When consistent with our duty to obtain best execution, we will aggregate multiple client transactions into a single order in order to obtain the best price for our clients. In such circumstances, the accounts will share commission costs equally and receive securities at a total average price. FSAM will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

### ***Brokerage for Client Referrals***

We do not routinely request or require that clients direct us to execute transactions through a specified broker-dealer. We will, however, make every effort to accommodate a request to direct brokerage to a client's chosen broker-dealer.

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

Section 28(e) of the Securities Exchange Act of 1934 (the "Exchange Act") provides a safe harbor that permits advisers, when selecting brokers to execute transactions for client accounts, to consider certain research products and services provided to the adviser by brokers. Clients may pay higher commissions than are obtainable from other brokers as a result of the consideration of research services as a factor in selecting brokers in addition to commission cost and best execution, provided that FSAM determines in good faith that the amount of commissions charged is reasonable in relation to the value of the brokerage and research services provided by such broker.

In return for effecting securities transactions through Pershing, FSAM and FS receive products and services that help us make investment decisions and service our clients' accounts. These products and services are known as "soft dollar benefits." If Pershing did not provide us with soft dollar benefits, we would have to pay for these products and services.

Research services provided to FSAM, and FS may include written information and analyses concerning specific securities, companies, or sectors; market, financial and economic studies and forecasts; statistics and pricing services; software and databases, and discussions with research personnel. FSAM may at its discretion pay expenses and costs of third-party administrators with soft dollar arrangements. However, consistent with obtaining best execution for clients, FSAM may in the future engage in such soft dollar arrangements, provided that such arrangements are of the type described in Section 28(e) of the Exchange Act and are designed to augment FSAM's own internal research and investment strategy capabilities.

Receipt of research services from Pershing may provide FSAM and FS with a benefit because it will not have to produce or pay for the research, products, or services. FSAM or FS may have an incentive to select a broker-dealer based on its interest in receiving the research or other products or services, rather than on a client's interest in receiving most favorable execution.

Research services obtained with the use of commissions arising from portfolio transactions may be used by FSAM in its investment activities for all its clients, and, therefore, any particular client may or may not, in any particular instance, be the direct or indirect beneficiary of the research or services provided.

Subject to the considerations described above, the selection of a broker, including a prime broker, to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services may be influenced by, among other things, the provision by the broker of the following: capital introduction, marketing assistance and consulting services with respect to technology, operations, commitment of capital, access to company management, and access to deal flow. Generally, neither FSAM nor any client of FSAM separately compensates any broker for any of these other services.

***Directed Brokerage***

Transactions on behalf of FSAM are executed through FS, an affiliated broker dealer-firm of FSAM. FSAM does not believe that the relationship between FSAM and FS creates a material conflict of interest. FSAM does not have any other arrangements with clients that require FSAM to execute transactions through a specified broker-dealer, but certain other clients may from time-to-time direct FSAM to use or not to use a particular executing broker-dealer to execute transactions for such clients. If FSAM is directed to use, or prohibited from using a specific broker-dealer, the client may pay higher brokerage commissions because FSAM may not be able to aggregate orders to reduce transaction costs, and the client may receive less favorable prices.

***Trade Aggregation***

Trade aggregation refers to the practice of combining orders for execution. When consistent with our duty to obtain best execution, we will aggregate multiple client transactions into a single order in order to obtain the best price for our clients. In such circumstances, the accounts will share commission costs equally and receive securities at a total average price.

Orders may be combined for all such accounts, and if any order is not filled at the same price, they may be allocated on an average price basis. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, securities may be allocated among the different accounts on a basis which FSAM or its affiliates considers equitable. FSAM will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order.

**Item 13 – Review of Accounts**

Trade records and transaction details are reviewed daily to ensure that all trading activity is performed in accordance with the investment parameters as defined in the client's investment management agreement. Daily reconciliations of all trading activity as well as cash, collateral, and margin management (if applicable) also occur.

Account performance is reviewed no less than annually. Factors that are considered during such reviews include but are not limited to the following: investment objectives, targeted allocation, current allocation, suitability, performance, monthly distributions, concentrated positions, diversification, and outside holdings. Examples of situations that may impact Client's account would be the following: performance that is not in line with the client's "downside risk tolerance," change in investment objective, the client makes a significant addition of capital or withdrawal of capital from the account, rebalancing of the portfolio if current allocation and targeted allocation are not consistent, concentrated position that could lead to volatility, etc.

Clients are reminded to inform the FSAM in writing of any material changes to the information included in the questionnaire or any other change in the client's financial circumstances that might affect the way client's assets should be invested. Clients may contact FSAM during normal business hours to consult with the firm concerning the management of the client's account(s).

All managed accounts are delivered quarterly performance reports.

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

FSAM is compensated exclusively by its clients and investors for providing investment advice.

### ***Third Party Compensation for Client Referrals***

In some instances, FSAM compensates third-party solicitors for client referrals. The solicitor's agreements entered by FSAM comply with Rule 206(4)-1 under the Investment Advisers Act of 1940. Currently FSAM has agreements with Steven N. Friedman, CFA. Additional solicitor agreements may be initiated, or existing ones terminated at any time. Compensation will be based on a percent of referred clients' account value managed by FSAM. Such fees are paid pursuant to a written agreement between FSAM and the solicitor. A client who is solicited will receive an additional disclosure documents specifically describing the arrangement and the compensation paid to the solicitor. Solicitor's fees will be based on FSAM's normal fee schedule; clients will not be charged any additional fees or expenses because of the referral.

## **Item 15 – Custody**

Custody means holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them. FSAM does not have direct custody of any client funds or securities. FSAM will not maintain physical possession of client funds or securities. FSAM has constructive custody of client funds and securities due to the ability to deduct advisory fees from accounts. In accordance with custody rules, FSAM will ensure that a qualified custodian maintains the account and that clients receive a quarterly account statement from the qualified custodian.

Clients should receive statements at least quarterly from Custodians or other selected qualified custodian that holds and maintains client's investment assets. FSAM urges clients to carefully review such statements and compare the official custodial records to the account statements that FSAM provides. FSAM statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

FSAM may act in a discretionary or non-discretionary capacity. If discretionary authority is granted to select the identity and number of securities to be bought or sold, clients must authorize such discretion in writing in the advisory agreement. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives for the client account. When selecting securities and determining amounts, FSAM observes the investment policies, limitations, and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to FSAM in writing.

FSAM sometimes recommends third party investment managers. When acting in a discretionary capacity, the FSAM can evaluate managers and switch money managers or reallocate assets among managers without consulting the client. When acting in a non-discretionary capacity, the Advisor will make recommendations, but only the client has the authority to hire or switch money managers or reallocate assets between programs. In all cases, the Advisor will monitor performance of the third-party investment manager and will make recommendations consistent with the client's investment objectives and risk tolerance.

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

As a matter of FSAM policy and practice, FSAM does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for all securities maintained in client portfolios. Clients should contact their financial advisor if they have any questions and/or to obtain this information. Clients will receive their proxies directly from their custodian or transfer agent.

## **Item 18 – Financial Information**

### ***Balance Sheet Requirement***

A balance sheet is not required to be attached because FSAM is not the qualified custodian for client funds or securities, and does not require prepayment of fees of more than \$500 per client, six (6) months or more in advance.

### ***Financial Condition***

FSAM does not have any financial impairment that will preclude it from meeting contractual commitments to clients.

### ***Bankruptcy Petition***

FSAM has not been the subject of a bankruptcy petition at any time during the last 10 years.

## **Privacy Policy**

It is the policy of FSAM LLC (“FSAM”) to respect the privacy of our customers and to protect the security and the confidentiality of customers’ nonpublic information. Information that FSAM collects to provide financial services requested by customers are from sources such as:

- Information we receive from customers on applications, account documents and other forms,
- Information about transactions in your account
- Information we receive from consumer reporting agencies,

FSAM does not disclose any non-public information about our current or former customers to anyone, except as permitted by law or to provide the current services. Our employees have limited access to your personal information based on their responsibilities to provide products or services to you. Be assured that we maintain physical, electronic, and procedural safeguards in compliance with federal standards to protect your information.

For more information relating to FSAM privacy policies, please feel free to call us at (770) 777-9373, or write to us at:

FSAM LLC  
1720 Windward Concourse, Suite 115  
Alpharetta, GA 30005