

**Firm Brochure
Part 2A of Form ADV**

Item 1 – Cover Page

Advanced Wealth Strategies Group

310 West Main Avenue

Round Rock, TX 78664

Ph (512) 218-7993

Fax (888) 474-3767

This brochure provides information about the qualifications and business practices of ADVANCED WEALTH STRATEGIES GROUP, a dba of Clarity Financial LLC (“Adviser”, “Firm”, “us” or “our”). If you have any questions about the contents of this brochure (“Brochure”), please contact us at: (281) 501-1791, or by email at: connie@riaadvisors.com. 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.

Additional information about the Adviser is available on the SEC’s website at www.adviserinfo.sec.gov.

May 23, 2021

Item 2 - Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of our Brochure.

Material Changes since the Last Update filed on March 22, 2021

The firm added language indicating Connie Mack is its principal owner. (Item 4)

The firm updated language describing commission compensation to its supervised persons when acting in their separate capacities that is in addition to advisory fees received by the firm. (Item 5)

The firm updated its account minimum to \$15,000 (Item 7)

The firm added disclosure of receipt of a Paycheck Protection loan. (Item 18)

The firm removed the brochure supplements (ADV Part 2B) from the end of this brochure.

Full Brochure Available

Whenever you would like to receive a complete copy of our Brochure, please contact us by telephone at: (8281) 501-1791, or by email at: connie@riaadvisors.com

Item 3 - Table of Contents

Contents

Item 1 – Cover Page	1
Item 2 - Material Changes	1
Item 3 - Table of Contents.....	2
Item 4 - Advisory Business	3
Item 5 - Fees and Compensation	5
Item 6 - Performance 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	10
Item 10 - Other Financial Industry Activities and Affiliations.....	10
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	11
Item 12 - Brokerage Practices	12
Item 13 - Review of Accounts.....	15
Item 14 - Client Referrals and Other Compensation	16
Item 15 - Custody	16
Item 16 - Investment Discretion	17
Item 17 - Voting Client Securities.....	17
Item 18 - Financial Information	17

Item 4 - Advisory Business

Firm Description

Advanced Wealth Strategies Group, a dba of Clarity Financial LLC (“Adviser”, “Firm”, “us”, or “our”) was organized as an Limited

Liability Company in the State of Delaware in 2014 and is a SEC registered investment adviser (such registration does not imply that the Adviser has attained a certain level of skill or training). Connie Mack is the firm’s principal owner.

Adviser provides investment management services to individuals and wealthy individuals on a separate account management basis. Adviser is a fee-only investment management. The Firm does not sell securities on a commission basis. The Firm is not affiliated with any entities that sell financial products or securities. Adviser does not act as a custodian of client assets and the client always maintains asset control.

Adviser generally has discretion of client accounts.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Any conflicts of interest arising out of the activities of Adviser, or its associated persons, are disclosed in this brochure.

Types of Advisory Services

Adviser provides investment supervisory services, also known as asset management services. Also, on more than an occasional basis, Adviser may furnish advice to clients on matters not involving securities, such as financial planning matters.

As of December 31, 2020, Advisors had \$1,013,824,632 in client assets under management.

Tailored Relationships

The goals and objectives for each client are documented in our client relationship management system. Investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Assignment of Investment Management Agreements

Agreements may not be assigned without client consent.

Types of Agreements

Investment Management Agreement

As part of the investment management service, all aspects of the client’s financial affairs are reviewed, and realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis. Adviser periodically reviews a client’s financial situation and portfolio through regular contact with the client which often includes an annual meeting with the client.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. The agreement sets forth the services to be provided, the fees for the service and the agreement may be terminated by either party in writing at any time.

Financial Planning Agreement

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

The financial planning may be the only service provided to the client and does not require that the client use or purchase the investment advisory services offered by the Advisor or any of the insurance products or other products and services offered by the associated persons of the Advisor. There is an inherent conflict of interest for the Advisor whenever a financial plan recommends use of professional investment management services or the purchase of insurance products or other financial products or services. The Advisor or its associated persons may receive compensation for financial planning and the provision of investment management services and/or the sale of insurance and other products and services. The Advisor does not make any representation that these products and services are offered at the lowest available cost and the client may be able to obtain the same products or services at a lower cost from other providers. However, the client is under no obligation to accept any of the recommendations of the Advisor or use the services of the Advisor in particular.

Asset Management

Investments may also include equities (stocks), warrants, corporate debt securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), and U. S. government securities.

Assets are invested primarily in no-load or low-load mutual funds and exchange-traded funds, usually through brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. Adviser does not receive any compensation, in any form, from fund companies.

Initial public offerings (IPOs) are not available through the Adviser.

Separate Account Management Platforms

As part of the Adviser's Asset Management Services, the Adviser offers access to multiple managers and allocation services through Separate Account Management Platforms. Based on the client's needs and suitability, the Adviser may recommend or select a Separate Account Management Platform, to manage all, or a portion of, the client's assets. Each platform includes access to sub-managers.

Wrap Fee Programs

Adviser does not participate in any wrap fee programs.

Variable Annuity Management Program

Adviser offers a program offering advisory services to variable insurance products. This service includes discretionary active management of the Client's sub-accounts of the variable insurance product.

Termination of Agreements

A Client may terminate any of the aforementioned agreements at any time by notifying the Adviser in writing. Clients shall be charged pro rata for services provided through to the date of termination. If the client made an advance payment, the Adviser will refund any unearned portion of the advance payment.

Adviser may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, the Adviser will refund any unearned portion of the advance payment.

Adviser reserves the right to terminate any engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in the Adviser's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded.

Item 5 - Fees and Compensation

Investment Management

Adviser bases its fees on a percentage of assets under management. Although the Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. Fees are collected in advance therefore at termination any unearned fees as determined on a pro rata basis for the portion of the quarter completed shall be refunded to the client. The investment management fees are negotiable at the sole discretion of the Adviser and fees for comparable services may be available from other sources.

Annualized Investment Management Fees		
Account Value From	Account Value To	Annual Percentage Fee
\$0	\$250,000	1.75%
\$250,001	\$500,000	1.50%
\$500,001	\$750,000	1.35%
\$750,001	\$1,000,000	1.25%
\$1,000,001	And above	1.10%

The Variable Annuity Management Program is charged as a percentage of assets under management. The management fee for this program has a maximum charge of 1.50% annually.

Financial Planning

The fee for a financial plan is predicated upon the facts known at the start of the engagement. The fee range is \$1,500 to \$5,000 and is negotiable. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary for up to one month. Follow-on implementation work is billed separately at the rate of \$250 per hour.

Fee Billing

Investment management fees are billed quarterly, in advance, meaning that we invoice you before the three-month billing period has begun. Payment in full is expected upon invoice presentation. Fees are deducted from the client account to facilitate billing as authorized by the investment management agreement.

Other Fees

The client will likely incur fees from brokerages, custodians, administrators, and other service providers. These fees are incurred as a result of managing a client account and are charged by the service provider. The amount and nature of these fees is based on the service provider's fee schedule(s) at the provider's sole discretion. These fees are separate and distinct from any fees charged by the Adviser.

Adviser's services are charged on a fee only basis and no associated persons shall earn compensation based on a securities transaction (i.e. commission) including asset-based sales charges or service fees from the sale of mutual funds. Adviser may include mutual funds, variable annuity products, ETFs, and other managed products or partnerships 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 Adviser. The fees and expenses charged by the product providers are separate and distinct from the management fee charged by the Adviser. These fees and expenses are described in each mutual fund's or underlying annuity fund's prospectus or in the offering memorandums of a partnership. These fees will generally include a management fee, other fund expenses and a possible distribution fee. No-load or load waived mutual funds may be used in client portfolios so there would be no initial or deferred sales charges; however, if a fund that imposes sales charges is selected, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund or variable annuity or investment partnership directly, without the services of the Adviser. 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.

If it is determined that a client portfolio shall contain corporate debt or other types of over the

counter securities, the client may pay a mark-up or mark-down or a “spread” to the broker or dealer on the other side of the transaction that is built into the purchase price of the security.

Adviser is a fee-only investment management and financial planning firm. The Firm does not sell securities on a commission basis. However, there are some associated persons who are separately licensed as registered broker-dealer representatives or insurance agents. These individuals will receive commissions as a result of selling securities and/or insurance products as well as advisory fees for providing advisory services through Adviser. This presents a conflict of interest and gives our supervised persons and incentive to recommend products based on the compensation received rather than the needs of the client. The Firm periodically reviews the recommendations of its supervised persons to ensure recommendations are in the best interest of the client and not based in whole or part on the compensation received by the supervised person. Clients are under no obligation, contractually or otherwise, to purchase products through these associated persons in their separate capacities. However, if the client freely chooses to implement the plan through such individuals, the investment adviser used will be Adviser, and commissions/fees will be earned in addition to any fees paid for advisory services provided by the Adviser.

Item 6 - Performance Fees and Side-by-Side Management

Fees are not based on a share of the capital gains or capital appreciation of managed securities. However, the Adviser may employ certain types of investments that do charge a performance fee in which the Adviser does not participate. For these investments, refer to their offering or private placement memorandum for an explanation and amounts of the performance fees. Adviser does not engage side-by-side management.

Item 7 - Types of Clients

Description

Adviser generally provides investment advice to individuals, pension and profit-sharing plans, trusts, estates, or charitable organizations, corporations, or business entities. Client relationships vary in scope and length of service.

Account Minimums

To open and maintain a portfolio management account, the Adviser generally requires that the client represents and warrants that the value of their account initially is at least \$15,000. At the Adviser’s discretion, we may accept clients with smaller accounts.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include fundamental analysis, technical analysis and cyclical analysis. The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press

releases.

Investment Strategies

Strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

The primary investment strategy used on client accounts is strategic asset allocation. This means that we use passively managed index and exchange-traded funds as the core investments and then add actively managed funds where there are greater opportunities to make a difference. Portfolios are globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Adviser's strategies do not involve frequent trading.

Strategies may include long-term purchases, short-term purchases, short sales, and margin transactions.

Market, Security and Regulatory Risks

Any investment with the Adviser involves significant risk, including a complete loss of capital and conflicts of interest. All investment programs have certain risks that are borne by the investor which are described below:

Market Risks:

Competition. The securities industry and the varied strategies and techniques to be engaged in by the Adviser are extremely competitive and each involves a degree of risk. Adviser will compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.

Market Volatility. The profitability of the Adviser substantially depends upon it correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. Adviser cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

Clarity Financials' Investment Activities. Adviser's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Adviser. Such factors include a wide range of economic, political, competitive, technological, and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The securities markets may be volatile, which may adversely affect the ability of the Adviser to realize profits.

Material Non-Public Information. By reason of their responsibilities in connection with other activities of the Adviser and/or its affiliates, certain principals or employees of the Adviser and/or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. Adviser will not be free to act upon any such information. Due to these restrictions, the Adviser may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might

have sold.

Accuracy of Public Information. Adviser selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Adviser by the issuers or through sources other than the issuers. Although the Adviser evaluates all such information and data and sometimes seeks independent corroboration when it's considered appropriate and reasonably available, the Adviser is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

Investments in Undervalued Securities. Adviser intends to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Adviser's investments may not adequately compensate for the business and financial risks assumed.

Small Companies. Adviser may invest a portion of its assets in small and/or unseasoned companies with small market capitalization. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification and competitive strength of larger companies. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations.

Market or Interest Rate Risk. The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the price of fixed income securities falls. If the Adviser holds a fixed income security to maturity, the change in its price before maturity may have little impact on the Adviser's performance; however, if the Adviser has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to the Adviser.

Fixed Income Call Option Risk. Many bonds, including agency, corporate and municipal bonds, and all mortgage-backed securities, contain a provision that allows the issuer to "call" all or part of the issue before the bond's maturity date. The issuer usually retains this right to refinance the bond in the future if market interest rates decline below the coupon rate. There are three disadvantages to the call provision. First, the cash flow pattern of a callable bond is not known with certainty. Second, because the issuer will call the bonds when interest rates have dropped, the Adviser is exposed to reinvestment rate risk – the Adviser will have to reinvest the proceeds received when the bond is called at lower interest rates. Finally, the capital appreciation potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.

Inflation Risk. Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if the Adviser purchases a 5-year bond in which it can realize a coupon rate of 5%, but the rate of inflation is 6%, then the purchasing power of the cash flow has declined. For all but inflation-linked bonds, adjustable bonds or floating rate bonds, the Adviser is exposed to inflation risk because the interest rate the

issuer promises to make is fixed for the life of the security.

Regulatory Risks:

Strategy Restrictions. Certain institutions may be restricted from directly utilizing investment strategies of the type in which the Adviser may engage. Such institutions, including entities subject to ERISA, should consult their own advisors, counsel, and accountants to determine what restrictions may apply and whether an investment in the Adviser is appropriate.

Trading Limitations. For all securities, instruments and/or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and subject the Adviser to loss. Also, such a suspension could render it impossible for the Adviser to liquidate positions and thereby expose the Adviser to potential losses.

Conflicts of Interest. In the administration of client accounts, portfolios and financial reporting, the Adviser faces inherent conflicts of interest which are described in this brochure. Generally, the Adviser mitigates these conflicts through its Code of Ethics which provides that the client's interest is always held above that of the Firm and its associated persons.

Supervision of Trading Operations. Adviser, with assistance from its brokerage and clearing firms, intends to supervise and monitor trading activity in the portfolio accounts to ensure compliance with Firm and client objectives. Despite the Adviser's efforts, however, there is a risk that unauthorized or otherwise inappropriate trading activity may occur in portfolio accounts.

Depending on the nature of the investment management service selected by a client and the securities used to implement the investment strategy, clients will be exposed to risks that are specific to the securities in their particular investment portfolio.

Security Specific Risks:

Liquidity: Liquidity is the ability to readily convert an investment into cash. Securities where there is a ready market that is traded through an exchange are generally more liquid. Securities traded over the counter or that do not have a ready market or are thinly traded are less liquid and may face material discounts in price level in a liquidation situation.

Currency: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Limited Liquidity of Interests. An investment in a partnership usually involves substantial restrictions on liquidity and its interests are not freely transferable. There is no market for these interests and no market should be expected to develop. Additionally, transfers are usually subject to the consent of the general partner at the general partner's sole discretion.

Item 9 – Disciplinary Information

Adviser and its employees have not been involved in legal or disciplinary events that would-be material to your evaluation of Adviser or the integrity of our management.

Item 10 - Other Financial Industry Activities and Affiliations

Brokerage Affiliations

Associated persons of the Adviser are registered representatives of a broker dealer. They may offer securities and receive normal and customary commissions as a result of securities transactions. A conflict of interest may arise as these commissionable securities sales may create an incentive to recommend products based on the compensation they may earn and may not necessarily be in the best interests of the client. However, clients of the Adviser are not required to use the brokerage services offered by the registered representatives associated with the Adviser. Adviser does not make any representation that the brokerage services are at the lowest cost available and clients may be able to obtain those services and/or products at a more favorable rate from other brokerages. The brokerage activities provided by these individuals are entirely separate and distinct from the advisory services provided by the Adviser.

Adviser mitigates these conflicts through its procedures to review client accounts relative to the client or investors personal financial situation to ensure the investment management service provided is appropriate. Further, the Adviser is committed to its obligation to ensure associated persons adhere to the Firm's Code of Ethics and to ensure that the Firm and its associated persons fulfill their fiduciary duty to clients or investors.

Insurance Affiliations

Investment adviser representatives of the Adviser may be licensed to sell insurance products through various independent insurance agencies. In some instances, certain investment adviser representatives may sell insurance products through their independently owned insurance agency. In either case, these investment adviser representatives, in their capacity as independent insurance agents, may sell insurance products to advisory clients. These individuals will receive commissions as a result of selling insurance as well as advisory fees for providing advisory services through the Adviser. Clients are hereby advised that such commissions and advisory fees are separate and apart from the fees charged by the Firm. Clients are under no obligation, contractually or otherwise, to purchase insurance products through these associated persons in their separate capacities as insurance agents. However, if the client freely chooses to implement the plan through such individuals, the investment adviser used will be the Adviser, and commissions/fees will be earned in addition to any fees paid for advisory services provided by the Firm.

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

Code of Ethics

Adviser has adopted a Code of Ethics which establishes standards of conduct for its supervised persons. The Code of Ethics includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to report their personal securities transactions and holdings quarterly to the Adviser's Compliance Officer, and requires the Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Adviser's Compliance Officer. Each supervised person of the Adviser receives a copy of the Code of Ethics and any amendments to it and must

acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during that year. Clients and prospective clients may obtain a copy of the Adviser's Code of Ethics by contacting the Compliance Officer of the Adviser.

Participation or Interest in Client Transactions

Under the Adviser's Code of Ethics, the Adviser and its managers, members, officers, and employees may invest personally in securities of the same classes as are purchased for clients and may own securities of the issuers whose securities are subsequently purchased for clients. If an issue is purchased or sold for clients and any of the Adviser, managers, members, officers and employees on the same day purchase or sell the same security, either the clients and the Adviser, managers, members, officers or employees shall receive or pay the same price or the clients shall receive a more favorable price. Adviser and its managers, members, officers, and employee may also buy or sell specific securities for their own accounts based on personal investment considerations, which the Adviser does not deem appropriate to buy or sell for clients.

Personal Trading

The Chief Compliance Officer of the Adviser is Connie Mack. He reviews all employee trades each quarter. Mr. Mack reviews all employee trades each quarter (except for his own trading activity that is reviewed by another principal or officer of the Firm). The employee personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the Firm receive preferential treatment.

Item 12 - Brokerage Practices

Brokerage Selection and Soft Dollars

Adviser may recommend brokerage firms as qualified custodians and for trade execution. Adviser does not receive fees or commissions from any of these arrangements.

In recommending brokers or dealers to execute transactions, Advisor will seek to achieve the best execution possible, but this does not require it to solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Advisor is not required to negotiate "execution only" commission rates, thus the client may be deemed to be paying for research and related services (i.e., "soft dollars") provided by the broker which are included in the commission rate. Research and related services furnished by brokers may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications; statistical and pricing services, as well as discussions with research personnel, along with hardware, software, data bases and other technical and telecommunication services and equipment utilized in the investment management process. It is the policy and practice of the Adviser to strive for the best price and execution for costs and discounts which are competitive in relation to the value of the transaction and which comply with Section 28(e) of the Securities Exchange Act of 1934, as amended. Nevertheless, it is understood that the Adviser may pay compensation on a transaction in excess of the amount of compensation that another broker or dealer may charge so long as it is in compliance with Section 28(e), and the Adviser makes no warranty or representation regarding compensation paid on

transactions. In negotiating mark-ups or mark-downs, the Adviser will take into account the financial stability and reputation of brokerage firms and the brokerage and research services provided by such brokers, although the client may not, in any particular instance, be the sole direct or indirect beneficiary of the research services provided. Adviser has no obligation to deal with any broker or group of brokers in executing transactions in portfolio securities.

Research and Other Soft Dollar Benefits

Adviser may receive certain soft dollar benefits from recommended broker-dealer/custodians. These benefits do not depend on the amount of transactions we direct to the broker-dealer/custodian. These benefits may include: A dedicated trading desk that services our clients, a dedicated

service group and an account services manager dedicated to our accounts, access to a real time order matching system, ability to block client trades, electronic download of trades, balances and positions in the broker- dealer/custodian's portfolio management software, access to an electronic interface with broker- dealer/custodian's software, duplicate and batched client statements, confirmations and year-end summaries, and the ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements.)

Adviser participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade "), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance, and settlement of transactions. Adviser receives some benefits from TD Ameritrade through its participation in the Program. Adviser may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between the Adviser's participation in the program and the investment advice it gives to our clients, although the Adviser receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit the Adviser but may not benefit our client accounts. These products or services may assist the Adviser in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help the Adviser manage and further develop its business enterprise. The benefits received by the Adviser or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, the Adviser endeavors at all times to put the interests of its clients first. You should be aware, however, that the receipt of economic benefits by the Adviser or our related

persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

Order Aggregation

Adviser may purchase and/or sell the same security for many accounts, even though each Client account is individually managed. When possible, the Adviser may also aggregate the same transaction in the same securities for many Clients for whom the Adviser has discretion to direct brokerage. Clients in aggregated transactions each receive the same price per unit, although they may pay differing brokerage commissions depending upon the nature of their directed brokerage arrangement, if any.

If more than one price is paid for securities in an aggregated transaction, each client in the aggregated transaction will receive the average price paid for the block of securities in the same aggregated transaction for the day. If the Adviser is unable to fill an aggregated transaction completely, but receives a partial fill of the aggregated transaction, the Adviser will allocate the filled portion of the transaction to clients based on an equitable rotational system as follows:

- Adviser must ensure that adequate and full disclosure of its allocation and bunching practices has been made prior to the transaction.
- All clients/investors, accounts or funds participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rata basis.
- Aggregate transactions must not be executed unless the intended and resultant aggregation is consistent with its duty to seek best execution and any terms found in the Adviser's written agreements.
- Aggregated orders filled in their entirety shall be allocated among clients/investors, accounts or funds in accordance with an allocation statement created prior to the execution of the transaction(s); partially filled orders shall be allocated pro-rata based on the allocation statement and the variance from the modeled allocation of a security. Where this method prescribes an odd-lot that is less than 100 shares for an account, the allocation will be rounded up to a whole lot. Client/investor funds held collectively for the purpose of completing the transaction may not be held in this commingled manner for any longer than is practical to settle the transaction.
- Each client/investor, account or fund that participates in an aggregated order will participate at the average share price for all the Adviser's transactions in that security on a given business day, with transaction costs shared pro-rata based on each client/investor's, account's or fund's participation in the transaction.
- Investments resulting from any aggregated order must be consistent with the specific investment objective(s) of each client/investor, account, or fund as detailed in any written agreements. No additional compensation shall result from the proposed allocation. No Client/investor, account or fund will be favored over any other Client/investor, account, or fund as a result of the allocation.
- Pre-allocation statement(s) specifying the participating Client/investor accounts and the

proposed method to allocate the order among the clients/investors, accounts or funds are required prior to any allocated order. Basis for establishing pre-allocations may include pro-rata of account assets to assets for the specific strategy, executing broker and variance from modeled position holding as factors. Should the actual allocation differ from the allocation statement, such trade may only be settled with the approval of the CCO or another appropriately qualified and authorized principal of the Adviser.

In cases where the Client has negotiated the commission-rate directly with the broker, the Adviser will not be able to obtain more favorable commission rates based on an aggregated trade. In such cases, the Client will be precluded from receiving the benefit of any, possible commission discounts that might otherwise be available a result of the aggregated trade.

Directing Brokerage for Client Referrals

Adviser and its associated persons do not receive client referrals from broker dealers or third parties as consideration for selecting or recommending brokers for client accounts.

Directed Brokerage

Adviser allows clients to direct brokerage, but the Adviser does not require clients to direct brokerage. In the event that a client directs the Adviser to use a particular broker or dealer, the Adviser may not be authorized under those circumstances to negotiate commissions and may not be able to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct the Adviser to use a particular broker or dealer and other clients who do not direct Advisor to use a particular broker or dealer which may result in higher trading expenses to the client who directs brokerage. Adviser may place orders for transactions in certain securities initially only for those accounts which are held in custody at banks or at brokerage firms that permit the Adviser to place trades for accounts held in custody at that firm with other brokerage firms. Therefore, accounts held in custody at firms which do not permit the Adviser to place transactions with other brokerage firms may not be able to participate in the initial transaction and may not be able to participate in the same gains or losses as other Clients whose accounts are not so restricted. In cases where trading or investment restrictions are placed on a Client's account, the Adviser may be precluded from aggregating that Client's transaction with other accounts which may result in less favorable security prices and/or higher transaction costs.

Item 13 - Review of Accounts

Periodic Reviews

Account reviewers are members of the Firm's Management Team or its registered Investment Adviser Representatives who review accounts not less than once a year. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client. Client accounts reviewed by the Investment Adviser Representative responsible for the account and the CCO also performs random reviews.

Review Triggers

Accounts are reviewed annually or more frequently when market conditions dictate. Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's financial or personal situation.

Regular Reports

Clients receive periodic reports on at least a quarterly basis. The written reports may include account valuation, performance stated in dollars and as a percent, net worth statement, portfolio statement, and a summary of objectives and progress towards meeting those objectives. Clients receive statements of account positions no less than quarterly from the account custodian.

Item 14 - Client Referrals and Other Compensation

Incoming Client Referrals

Adviser receives client referrals which may come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The Firm does not compensate referring parties for these referrals.

Referrals to Third Parties

Adviser has entered into several agreements where it solicits clients and refers them to third party investment advisers. Adviser will only refer clients to investment advisers that are registered with the Securities and Exchange Commission (SEC) or with the applicable state(s). Currently, the Adviser receive a split of management fees that ranges between 15% and 50% of the annual management fee. Adviser is required to present a disclosure to all prospects and clients which details the compensation to the Adviser and other general terms of the relationship between the third party and the Adviser. Adviser has clients and prospects sign this disclosure and return it to the third-party adviser. The agreement between the Adviser and the third-party adviser(s) may be terminated by either party's written notice.

Item 15 - Custody

Custody Policy

Adviser does not accept or permit the Firm or its associated persons from obtaining custody of client assets including cash, securities, acting as trustee, provide bill paying service, have password access to control account activity or any other form of controlling client assets. All checks or wire transfer to fund client accounts are required to be made out to/sent to the account custodian.

Account Statements

All assets are held at qualified custodians and the custodians provide account statements not less than quarterly to clients at their address of record. Clients should carefully review such statements for any discrepancies or inaccuracies.

Performance Reports

Clients should compare the information set forth in their statement from the Adviser with the statements received directly from the custodian to ensure accuracy of all account transactions.

Item 16 - Investment Discretion

Adviser contracts for discretionary authority to transact portfolio securities accounts on behalf of clients. Discretionary authority is granted either by the Adviser's investment management agreement and/or by a separate limited power of attorney where such document is required. Adviser has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. The Firm's discretionary authority regarding investments may however be subject to certain limitations. These limitations are recognized as the restrictions and prohibitions placed by the Client on transactions in certain types of business or industries. All such restrictions are to be agreed upon in writing at the account's inception.

Item 17 - Voting Client Securities

Adviser will not vote nor advise clients how to vote proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. Adviser does not give any advice or take any action with respect to the voting of these proxies. For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. Adviser promptly passes along any proxy voting information to the clients or their representatives.

Item 18 - Financial Information

In May, 2020, Adviser was the recipient of a Paycheck Protection Program loan, in the amount of \$133,500.00. These funds were used exclusively for employee payroll.

Adviser does not have any financial impairment that will preclude the Firm from meeting contractual commitments to clients. Adviser meets all net capital requirements that it is subject to and the Adviser has not been the subject of a bankruptcy petition in the last 10 years.

Adviser is not required to provide a balance sheet as it does not serve as a custodian for client funds or securities and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.