

Form ADV Part 2 Brochure

Item 1 – Cover Page



Structured Asset Management, Inc.
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February 18, 2022

This Brochure provides information about the qualifications and business practices of Structured Asset Management, Inc. If you have any questions about the contents of this Brochure, please contact us at 610-648-0700 or info@samasset.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Structured Asset Management, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Structured Asset Management, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov. Also, free and simple tools are available to you to review Structured Asset Management, Inc. and its financial professionals at Investor.gov/CRS, which also provides free educational materials about broker-dealers, investment advisers, and investing.

Item 2 – Statement of Material Changes

There have been no material changes to our Brochure since its initial filing with the SEC on June 17, 2021.

A current brochure may be requested, free of charge, by contacting us at 610-648-0700 or info@samasset.com. It is also available on our website www.samasset.com. Additional information about Structured Asset Management, Inc. and its financial professionals is available via the SEC's websites adviserinfo.sec.gov and Investor.gov/CRS.

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Item 4 – Advisory Business

Structured Asset Management, Inc. (the “Firm”) is owned by William Z. Suplee, IV and has been providing advisory services as an investment adviser registered in Pennsylvania since March of 2004 before registering with the SEC in 2021.

Structured Asset Management, Inc. performs three types of services within their advisory business.

1. **Investment Supervisory Services.** We provide investment supervisory services which we define as giving ongoing advice to clients and managing investments for those clients based upon the individual needs of the client. Through in-depth discussions, we obtain detailed personal financial information about the client's time horizon, objectives, risk tolerance, return expectations, tax status, and other pertinent factors in order to establish a suitable, structured portfolio that is consistent with the client's goals and their particular circumstances. Unless otherwise directed by the client, emphasis is placed on diversification across asset classes. We develop a plan that is written into an investment policy statement (“IPS”) that guides us in the management of these assets.

Clients have the opportunity to place reasonable restrictions on the types of investments made on their behalf. Clients retain individual ownership of all securities.

We currently construct most of our clients’ portfolios through the use of mutual funds and exchange traded funds. Additionally, some clients will have individual bonds, and stocks in their allocations, where we will offer them advice on their holdings, typically with regard to a pre-existing portfolio of investments.

2. **Financial Planning Services.** We also provide advice in the form of a documented financial plan for a client that is tailored to their individual needs. In general, depending on the client’s individual needs, the plan addresses wealth preservation, personal planning, tax and cash flow planning, risk management (including insurance reviews), estate planning, retirement planning, business planning and reviews of investments.

We gather the data required through the use of questionnaires, interviews and shared computer programs by granting access to clients to log on to our Planning software and input their circumstances. We will not, under any circumstances, log in to clients’ outside accounts. Documents supplied by the client are carefully reviewed and a written report is prepared. Plans are provided to clients, who may implement all, none, or some of the plan at their discretion. We suggest that each client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. We do not sell any products or receive any commissions nor do we receive any referral fees from anyone to whom we recommend our clients. We will assist our clients, if asked, in trying to obtain competitive quotes for insurance and other services as needed to execute their financial plans as efficiently as possible.

3. **Investment supervisory services for retirement plans.** We provide advisory services separately or in combination for pension, profit sharing and 401(k) or similar retirement plans. Clients may choose to use any or all of the services separately or in combination.
- a. *Analysis of current retirement plans.* We will undertake an analysis of the current retirement plans. We will analyze the plan for efficiency, costs, diversification, investment selection, adequacy of investment policy statement, and other factors affecting the plan. We will create for the plan sponsor a report comparing their plan to other plans of similar size and in similar industries.
 - b. *Preparation of Investment Policy Statement and selection of investment vehicles.* After consultation with plan sponsors, we will prepare a written IPS stating the needs and goals of the plan, suggesting a policy to follow to achieve those goals. The IPS will also list the criteria for selection of investment vehicles and procedures and time intervals for monitoring of investment performance. We will review various investments for a plan sponsor and determine which of these investments are appropriate to implement within the client's IPS. Selection of investments to be recommended will be determined by the client's input and based upon the IPS.
 - c. *Monitoring of investment performance.* Investments will be monitored based upon the procedures and time period set out in an IPS. We will supervise the selection of investments for the portfolios, make recommendations for changes, and help the plan sponsor by letting them delegate some of their fiduciary responsibility to a qualified expert.
 - d. *Employee communications.* For pension, profit-sharing, and 401(k) or similar retirement plan clients where the individual participants access control of these "self-directed plans" we may provide information designed to improve the education of the plan participants. The nature and content of topics to be covered will be determined through consultation with the client under the guidelines established in ERISA section 404 (C).

As of February 11, 2022, Structured Asset Management, Inc. managed \$134,865,050 on a discretionary basis and \$4,799,432 on a nondiscretionary basis.

Item 5 – Fees and Compensation

Structured Asset Management, Inc. is a fee-only financial planning and investment management firm. The firm does not receive commissions for purchasing or selling annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that issue or sell such products.

The Firm offers three types of services within their advisory business - Investment Supervisory Services, Financial Planning Services, and Investment Supervisory Services for Retirement Plans

- each with its own fee schedule. All fees are subject to negotiation at the Firm's discretion in considerations of the complexity of the service, total assets under management, or other circumstances deemed relevant.

The standard fee schedule for Investment Supervisory Services is as follows:

Client Assets	Annual Fee (%) for all assets
On the first \$500,000	1.00%
On the next \$500,000	0.75%
On the next \$2,000,000	0.50%
On all amounts in excess of \$3,000,000	0.25%

The specific manner in which fees are charged by Structured Asset Management, Inc. is established in a client's written agreement with the Firm. The Firm bills its fees on a quarterly basis, in arrears. Clients authorize the Firm in writing to directly debit fees from client accounts. Structured Asset Management, Inc. sends the qualified custodian a notice of the amount of fee to be deducted from the client's account and sends the client a written invoice showing the amount of fee, the time period covered, the amount of assets on which the fee was based and the formulae to calculate the fee. The fee is based upon the Quarterly ending balance. Management fees shall be prorated for material capital contributions and withdrawals made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any earned, unpaid fees will be due and payable. If a client has not received a copy of the Brochure documents at least 48 hours prior to signing an agreement, the client has five business days in which to cancel the agreement, without penalty.

The standard fee schedule for Financial Planning Services is as follows:

A fixed fee of \$3,500 is charged for the first year of a financial planning engagement. In certain circumstances, we reserve the right to charge a higher fee for more complex engagements. \$1,000 is due after our agreements have been signed and we begin the intake of data into your plan. The balance of the fee is payable upon presentation of the plan and invoice. This is generally within 90 days of the contract date. The timing is dependent upon how long it takes to construct the plan. This depends upon how promptly the client can provide all the data, answer follow up questions, and have additional consultations to go over the plan inputs.

Generally financial planning fees for subsequent years are 1/2 of the initial fee but are subject to updated considerations of complexity and the estimated workload.

The standard fee schedule for Investment Supervisory Services for Retirement Plan Sponsors is:

\$0 - \$2,500,000	0.50%
\$2,500,000 - \$5,000,000	0.40%
\$5,000,000 - \$10,000,000	0.25%
>\$10,000,000	Negotiable

For new accounts, the initial quarterly payment will be based upon the assets of the plan and is due in full on the last business day of the first quarter during which the first contribution to the plan is made. Partial periods will be prorated. Unless otherwise agreed upon, we are authorized to withdraw management fees in arrears based upon the total ending value of the account in the previous quarter.

When the plan sponsor engages a service provider where Structured Asset Management, Inc. acts as investment advisor and the plan provider bills the plan quarterly in advance as stipulated in the plan's service agreement, then Structured Asset Management, Inc.'s fees are also paid quarterly in advance. If the sponsor terminates the agreement, a pro rata refund from the date of the termination to the end of the applicable calendar quarter will be made.

The fees for retirement plans are paid quarterly based upon mutual agreement with the plan sponsor with a minimum fee of \$750 dollars per quarter. Consulting fees will be billed on an hourly negotiated basis where needed but generally will be a minimum of \$1000 for a plan analysis.

Other costs and expenses. Clients will incur certain other fees and expenses that are in addition to Structured Asset Management, Inc.'s advisory fees, including brokerage commissions, custodial fees, transaction fees, and other investment-related costs and expenses typically imposed by broker-dealers, custodians and other third parties. Item 12 further describes the factors that the Firm considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Client portfolios may be invested in mutual funds. Investments in mutual funds include an embedded investment management fee paid to the fund's manager, as well as other fees and expenses associated with the mutual fund. As such, client portfolios are subject to two layers of advisory fees on the portion of their account invested in funds - fees charged by the Firm and fees charged by the fund manager. Clients are responsible for all fees and expenses charged by the fund in addition to the fee charged by the Firm. You will pay fees and costs whether you make or lose money on your investments.

Fees and expenses reduce the amount of money you can make on your investments over time. Structured Asset Management, Inc. shall not receive any portion of these commissions and other costs.

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

Structured Asset Management, Inc. 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).

Item 7 – Types of Clients

Structured Asset Management, Inc. offers portfolio management and financial planning services to individuals, high net worth individuals, trusts, estates and small businesses. Structured Asset Management, Inc. generally requires a minimum investable amount of \$500,000 for investment supervisory services. The typical concerns we deal with are investments, employee benefits, college funding, retirement planning, business issues, estate planning, risk management and cash flow planning.

We also provide investment advisory services to retirement plan sponsors.

At our sole discretion, we also may provide pro-bono planning services for clients who do not fit into our normal client profile. In this case their planning issues may be significantly different than our regular clients. The issues most often affecting pro bono clients are budgeting, Social Security, and personal planning.

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

We use fundamental analysis and technical analysis to make recommendations for client portfolios. We get our data for analysis primarily from Morningstar and Dimensional Fund Advisors. We view this to be reliable and of good quality. We use both Morningstar software and software from Dimensional Fund Advisors to analyze our strategies.

Structured Asset Management uses a portfolio approach to investment management concentrating on low cost, low turnover investments. We use software to model portfolios based upon historical returns, standard deviations and correlations between assets and asset classes. We model portfolios using the three and five factor models developed by Eugene Fama and Kenneth French. We believe the historical record has shown that over long periods of time there have been incremental returns for patient investors employing a strategy that focuses on smaller market capitalization, value-oriented stocks.

We also believe in the value of international diversification. We believe history has shown that diversifying internationally can add risk adjusted returns to an investment portfolio. However, international investing has unique risks.

We believe that small and value equities, over the long term, have higher return potential than the general stock market because they are riskier. We overweight small and value stocks in an attempt to earn additional returns over time. This is a long-term strategy. Additional returns from investing in small and value stocks are not present in all market periods. We generally counsel

investors that if they do not have a 3 to 5 year time horizon to let their investments earn returns, they should not be in the stock market. Our philosophy is that risk and return are related. In order to earn higher returns you have to take greater risks.

In the future, if there are no additional return premiums over the broad stock market from investing extra monies into these asset classes, then our strategy risks underperforming the broad markets.

We believe that managing costs, turnover, and taxes are important functions of proper portfolio management. We also believe you should periodically rebalance portfolios back to their designed parameters. We view this as a measure of discipline and risk control. The downside of rebalancing is that when markets are trending significantly in one direction we give up additional returns while trying to maintain our designed asset allocation.

Risks

Investing in securities involves risk of loss that clients should be prepared to bear. There have been significant past periods where the returns from investing in equities have been negative for multi-year periods. We believe this will happen again. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that a client's financial goals and objectives will be met. Each investment strategy also is subject to risks unique to itself. The risks below may apply depending on strategy type. Past performance is in no way an indication of future performance. Some of the principal risks that could adversely affect your investment are set forth below.

Economic & Market Conditions. Changes in economic and market conditions, including, for example, interest rates, exchange rates, inflation rates, industry conditions, competition, technological developments, political and diplomatic events and trends, tax laws and innumerable other factors, can affect portfolio investments. None of these conditions will be foreseeable or within the control of Adviser.

Stock Market Risk. There is a risk that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Equity Investments. Stocks and other equity-related instruments may be subject to various types of risk, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risk of loss. "Equity securities" may include common stocks, preferred stocks, interests in real estate investment trusts, convertible debt, equity interests in trusts, partnerships, joint ventures or limited liability companies and similar enterprises, warrants and stock purchase rights. Equity securities fluctuate in value, and such fluctuations can be pronounced. In general, stock values fluctuate in response to the activities of individual companies and in response to general market and economic conditions. Accordingly, the value of the stocks and other securities and instruments that a client holds may decline over short or extended periods.

Small-cap Investments. Investments in the stocks of smaller capitalization companies generally involve greater volatility and liquidity risks than those in larger, more established companies.

Non-U.S. / Foreign Investments. Investments in securities of non-U.S. issuers and the governments of non-U.S. countries involve special risks not usually associated with investing in securities of U.S. companies or the U.S. government, including political and economic considerations, such as greater risks of expropriation and nationalization, confiscatory taxation, difficulty in repatriating funds, social, political and economic instability and adverse diplomatic developments; the possibility of the imposition of withholding or other taxes on dividends, interest, capital gain or other income; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict investment opportunities. In addition, there may be different types of, and lower quality, information available about a non-U.S. company than a U.S. company. There is also less regulation, generally, of the securities markets in many foreign countries than there is in the United States, and such markets may not provide the same protections that are available in the United States. With respect to certain countries, there may be the possibility of political, economic or social instability, the imposition of trading controls, import duties, tariffs or other protectionist measures, various laws enacted for the protection of creditors, and greater risks of nationalization or diplomatic developments that could materially adversely affect investments in those countries. In addition, certain countries may restrict or prohibit investment opportunities in issuers or industries deemed important to national interests. Such restrictions may affect the market price, liquidity and rights of securities that may be purchased by a client. Investment in non-U.S. countries may also be subject to withholding or other taxes, which may be significant and may reduce the investment returns. Non-U.S. markets may also be affected, directly or indirectly, by trade disputes or tariffs, the effect of which may be difficult to predict. All of these non-U.S. risks are typically greater in less developed or emerging market countries.

Currency Risk. Purchasing instruments denominated in foreign currencies or engaging in currency trading has certain risks, including illiquidity, blockages by governments, political unrest, failure or inability to deliver, pressures from speculators, and other factors that can result in losses with respect to such instrument and currencies, notwithstanding any nominal returns or value. In addition, to the extent that currency risk is not hedged, changes in the values between the denominated currency of a client account and other currencies can increase or reduce the actual returns from investments denominated in other currencies. Client accounts may at times have significant currency exposure. Therefore, market movements in the underlying currencies could result in substantial losses.

Fixed Income Securities. Fixed income securities are subject to credit risk and interest rate risk. *Credit Risk* refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument, and debt obligations which are rated by rating agencies are often reviewed and may be subject to downgrade.

Interest rate risk refers to risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of adjustable rates). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending on reset terms, among other factors). Interest rate sensitivity is generally more pronounced with lower-rated and longer-term debt and becomes less predictable in instruments with uncertain payment schedules.

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. Inflation risk reflects the risk that returns on an investment, despite having a positive absolute return, do not suffice to maintain the purchasing power of the initial investment.

Reinvestment Risk. Investments are subject to the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (e.g., interest rate) due to different market conditions. This primarily relates to fixed income securities

Natural Disasters, Epidemics, Pandemics and Terrorist Attacks. Areas in which Adviser has an office or where it otherwise does business are susceptible to natural disasters (e.g., fire, flood, earthquake, storm and hurricane) and epidemics or other outbreaks of serious contagious diseases. The occurrence of a natural disaster or epidemic could adversely affect and severely disrupt the business operations, economies and financial markets of many countries (even beyond the site of the natural disaster or epidemic) and could adversely affect Adviser's investment program and its ability to do business. In addition, terrorist attacks, or the fear of or the precautions taken in anticipation of such attacks, could, directly or indirectly, materially and adversely affect certain industries in which Adviser invests or could affect the areas in which Adviser has offices or where it otherwise does business. Other acts of war (e.g., invasion, other hostilities and insurrection, regardless of whether war is declared) could also have a material adverse impact on the financial condition of industries or countries in which Adviser invests.

Cybersecurity Risk. The Firm and its service providers may be prone to operational and information security risks resulting from cyber-attacks. Cyberattacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cybersecurity breaches. Cybersecurity attacks affecting the Firm and its service providers may adversely impact clients. For instance, cyber-attacks may interfere with the processing of transactions, cause the release of private information about clients, impede trading, subject the Firm to regulatory fines or financial losses, and cause reputational damage. Similar types of cybersecurity risks are also present for issuers of securities in which clients may invest, which could result in material adverse consequences for such issuers and may cause investments in such issuers to lose value. Clients and Structured Asset Management are nonetheless subject to the risks of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damages, and loss from damage or interruption of systems. Although Structured Asset Management has established its systems to reduce the risk of cybersecurity incidents from coming

to fruition, there is no guarantee that these efforts will always be successful, especially considering that Structured Asset Management does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of Structured Asset Management, Inc. or the integrity of Structured Asset Management, Inc.’s management. Structured Asset Management, Inc. has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

William Z. Suplee IV serves on the investment committee of Efficient Advisors, a registered investment advisor located at 1801 Market Street, Ste. 1000, Philadelphia, Pa. 19103. He is a paid consultant to this advisor. His role on the investment committee is to provide guidance regarding their allocation models, security selection methodology and operational issues that impact the portfolios such as rebalancing. In this capacity Mr. Suplee provides consulting services and due diligence functions for Efficient Advisors. Mr. Suplee also acts as a solicitor for Efficient Advisors whereby he is paid a solicitation fee for Advisor’s services when he refers accounts to Efficient for qualified plan services. This may pose a potential conflict of interest in that recommendations to the Firms advisory clients to engage the services of Efficient Advisors may result in additional compensation to Mr. Suplee. Structured Asset Management, Inc. seeks to mitigate this conflict by ensuring compliance with provisions of Rule 206(4)-1 and Rule 206(4)-3 requiring explicit disclosure of compensation arrangements at the time of referral.

We do not receive compensation for recommending any other investment advisors for our clients nor do we receive any direct or indirect compensation from any parties for client referrals.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

Structured Asset Management, Inc. has adopted a policy and procedures manual for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Manual 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 Structured Asset Management, Inc. must acknowledge the terms of the Code of Ethics annually,

or as amended.

Structured Asset Management, Inc. or individuals associated with Structured Asset Management, Inc. may buy or sell securities identical to those recommended to customers for their personal accounts. They use the same basic trading strategies of all the clients as well as many of the same investments.

It is the express policy of Structured Asset Management, Inc. that no person employed by the Firm may purchase or sell any security prior to a transaction being implemented for an advisory account, thereby preventing such employees from benefiting from transactions placed on behalf of advisory accounts. As these situations represent a conflict of interest, Structured Asset Management, Inc. has established the following restrictions in order to uphold its fiduciary responsibilities:

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Structured Asset Management, Inc.'s obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Structured Asset Management, Inc. 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.

Structured Asset Management, Inc.'s clients or prospective clients may request a copy of the firm's Policies and Procedures by contacting William Z. Suplee, IV.

Item 12 – Brokerage Practices

Structured Asset Management, Inc. may select the broker(s) through which it purchases or sells securities for the discretionary separate accounts. Where the Firm has the authority to select or recommend broker-dealers for its discretionary clients and to determine the commissions to be paid, it has an obligation to seek the best execution reasonably available under the circumstances (which may or may not result in paying the lowest available commission). In doing so, the Firm will consider all factors it deems relevant such as: (i) the nature and character of the security or instrument being traded and the markets on which it is purchased or sold; (ii) the desired timing of the transaction; (iii) the Firm's knowledge of negotiated commission rates and spreads currently available; (iv) the broker's execution capability; (v) the full range of brokerage services provided; (vi) the broker's or dealer's capital strength and stability, as well as its execution, clearance, and settlement capabilities; (vii) the reasonableness of the commission or its equivalent for the specific transaction; and (viii) the broker's responsiveness.

Structured Asset Management, Inc. participates in TD Ameritrade's Institutional programs and we recommend TD Ameritrade Institutional (a division of TD Ameritrade, Inc. and TD Ameritrade Clearing, Inc., both registered broker-dealers and members of SIPC) to maintain

custody of client assets and to effect transactions in their account. We receive no commissions, fees, or rebates from TD Ameritrade.

While there is no direct link between our participation in TD Ameritrade's Institutional programs and the investment advice we give to our clients, we do receive certain economic benefits from them by participating in the programs. These benefits include:

- Receipt of duplicate client confirmations and statements
- Ability to have advisory fees deducted directly from client accounts
- Access to their institutional trading desk
- Software to execute trades, conduct research, and manage client information and account documentation
- Access to account rebalancing and trade order management software
- Ability to aggregate transactions for execution and then allocate to client accounts
- Access to mutual funds with no transaction fees and to certain institutional money Managers
- Discounts on marketing, technology, compliance and practice management and services provided by third party vendors
- Invitations to attend live and online learning opportunities and Conferences

We believe that client use of TD Ameritrade Institutional streamlines our ability to gather and manage information and implement our investment strategy, contributing to overall execution of client strategies. While our goal is always to act in our clients' best interests, our recommendation that a client maintain their account at TD Ameritrade could be based in part on the benefits we receive.

Nevertheless, Structured Asset Management, Inc. can direct client transactions to other broker-dealers upon client request and where we can establish a relationship with that broker-dealer. Structured Asset Management, Inc. is under no obligation or requirement to establish custodian or broker-dealer relationships.

Soft Dollars. As permitted under Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), an adviser may engage in the industry practice of paying higher commissions to broker-dealers who provide brokerage and research services than it does to broker-dealers who do not provide such research services, if such higher commissions are deemed reasonable in relation to the value of research services provided.

Research services are generally used in a manager's investment decision-making process. These types of transactions are commonly referred to as "soft dollar transactions." The use of client brokerage commissions to obtain research or other products or services acts as a benefit to the adviser because the adviser does not have to produce or pay for the research, products or services. Examples of research services that may be provided by broker-dealers can include economic, industry or company research reports or investment recommendations; subscriptions to financial publications or research data compilations; compilations of securities prices, earnings, dividends and similar data; computerized databases; quotation services; research or analytical computer software and services; and discussions with research personnel.

Except to the extent that the services described above for TD Ameritrade Institutional may be seen as provided as a soft dollar benefit, Structured Asset Management, Inc. does not use soft

dollars. Where Structured Asset Management, Inc. has cause to use another broker-dealer, the Firm may employ other, similar services as routinely provided by broker-dealers to facilitate account maintenance and trading.

Trade Errors. Structured Asset Management, Inc. goal is to execute trades seamlessly on behalf of clients. However, trade errors can occur for a variety of reasons. It is the Firm's policy to ensure that any trade error is identified and corrected in an expeditious manner, and that reasonable steps are taken to mitigate trading losses. Wherever possible, erroneous trades will be cancelled with the broker-dealer. If an incorrect trade entry cannot be cancelled, the Firm will promptly enter into a corrective transaction and investigate the matter to determine a resolution. The goal of error correction is to return clients to the position as if the error had not occurred (to make the client "whole") in terms of the originally intended trade, the erroneous trade, and transaction costs. However, Structured Asset Management, Inc. is responsible only for its own errors and not for the errors of others. If a trade error is caused by a third party, such as a broker-dealer, the Firm will take reasonable steps to recover from the third party the losses resulting from that error.

Structured asset management is not entitled to retain any net gains from an advisor error account trade correction. The current policy of our custodian is to distribute any net gains to the American Red Cross as a donation.

Brokerage for Client Referrals. Structured Asset Management, Inc. does not direct brokerage in exchange for or recognition of client referrals.

Directed Brokerage. Where a client directs brokerage to a particular broker-dealer, Structured Asset Management, Inc. will not seek to negotiate commission rates for the client, as these have been pre-negotiated between the client and the broker-dealer. As such, clients who direct brokerage should consider that they: (i) may pay higher commissions on some transactions than may be attainable by the Firm, or may receive less favorable execution of some transactions or both; (ii) may forego any benefit on execution costs that could be obtained for clients through negotiated volume discounts on bunched transactions; (iii) may not be able to participate in the allocation of a new issue, if the new issue shares are provided by another broker; (iv) may receive execution of a particular trade after the execution of such trade for clients who have not directed the brokerage for their accounts; and (vii) may not experience returns equal to clients who have not directed brokerage for their accounts.

Trade Aggregation & Allocation. Aggregation, or blocking, of Client transactions is used when possible in an effort to reduce overall transaction costs and is consistent with meeting our fiduciary responsibility to maximize the value of client portfolios. Aggregation is utilized only when Structured Asset Management, Inc. reasonably believes that it is advantageous to clients to do so. The allocation process for aggregated trades incorporates the specific guidelines and constraints of each of our clients. The allocation process must not advantage or disadvantage any client. The allocation decision is determined by myriad factors including, but not limited to, the position size and liquidity, rating, maturity, duration, structure, the appropriateness of a particular investment in the context of a portfolio review, and the availability of funds. Clients for whom an investment is

appropriate are allocated in a pro-rata fashion within the constraint of quantities prudently deemed to support liquidity.

Principal Trades. Structured Asset Management, Inc. does not knowingly trade on its own behalf or on behalf of its related persons with client accounts.

Cross Trades. To the extent permitted by applicable law and the applicable governing client documents, Structured Asset Management, Inc. can effect “cross transactions” between client accounts. Structured Asset Management, Inc. typically does not cross transactions and will only recommend such transactions if it reasonably believes they are consistent with the best interests of each Client involved and at prices that the Firm believes constitutes a fair valuation.

Item 13 - Review of Accounts

William Z Suplee IV reviews reports of investment supervisory client accounts on at least a monthly basis and a more detailed review of all client accounts is performed on a quarterly basis. We send to investment supervisory clients a detailed report about their investments, returns, expenses and asset allocation on a quarterly basis. Clients have the choice of receiving these reports in a written form that is mailed to them, electronically via e-mail, and/or posted to their personalized portal through our portfolio management reporting software.

Depending on the client, we would like to meet, at a minimum, on a yearly basis at which time we do a review of their current situation and update any new data. We believe that when the personal situation of clients changes that we need to have a meeting to discuss their investments, and financial plans. Any major changes in health, risk tolerance, assets, career, personal life, business or job, or cash flow normally trigger a review.

Item 14 - Client Referrals and Other Compensation

We do accept client referrals from our existing clients and other professionals. We do not compensate them for these referrals in any way or pay them any portion of fees in consideration of these referrals.

Non-cash Compensation: In addition to benefits received from TD Ameritrade described under Item 12, Brokerage Practices, we receive from various investment companies that we recommend for client portfolios access to certain resources, such as the use of analytic software, invitations to educational events, access to analysts, and marketing materials. These may be used to enhance our own analysis and/or more effectively communicate with clients. The receipt of such services and other benefits creates the potential for conflicts of interest in making recommendations to our clients. However, there is no arrangement that requires us to direct any amount of business to specific fund companies.

Item 15 - Custody

Structured Asset Management, Inc. does not maintain direct custody of client assets and requires clients to work with a qualified custodian to hold their assets. We are, however, deemed to have limited custody of client assets where our fees are directly debited by a qualified custodian from your account.

As described in detail under Item 12, Brokerage Practices, we participate in TD Ameritrade's Institutional programs and we recommend TD Ameritrade Institutional to maintain custody of client assets and to effect transactions in client accounts.

Clients should receive from their custodian detailed account statements on at least a quarterly basis. Our investment reporting may differ from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Structured Asset Management, Inc. urges you to carefully review such statements and compare such official custodial records to the account reporting that we may provide to you.

Item 16 - Investment Discretion

Structured Asset Management, Inc. currently manages investments for Investment Supervisory Services clients on either a discretionary or a nondiscretionary basis subject to the terms of the investment management agreement executed with each client. For all new investment clients we are requesting discretionary authority.

Asset allocations are set during consultation with the client and the client gives us authority to rebalance back to the parameters we establish based upon language we have in our investment policy statement. Structured Asset Management, Inc. takes discretion over the selection of the securities to be bought and sold, the amount of securities to be bought and sold, and when the transactions are made.

For Financial Planning Services and non-discretionary investment supervisory services, the Firm will only make recommendations that and each client makes the ultimate decision regarding the purchase or sale of investments.

In the case of retirement plan supervisory agreements, we would receive discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold.

In all cases where Structured Asset Management, Inc. exercises discretionary authority such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client's investments. When selecting securities and determining amounts, Structured Asset Management, Inc. observes the investment policies, limitations and restrictions of clients. Investment guidelines and restrictions must be provided to Structured Asset Management, Inc. in writing.

Item 17 - Voting Client Securities

Where granted the authority to do so in its investment management agreement with each client, Structured Asset Management, Inc. has the responsibility to exercise proxy voting authority with respect to those client accounts. Clients may retain proxy voting discretion for all or selected portfolio securities subject to the terms of their investment management agreement or by written request.

Structured Asset Management, Inc. has a fiduciary responsibility to make investment decisions that are in our clients' best interests in the context of client investment objectives and has adopted proxy voting policies and procedures pursuant to SEC Rule 206(4)-6.

Absent special circumstances, Structured Asset Management, Inc. generally will exercise its proxy voting discretion in accordance with its Proxy Voting Policies, which provides that Structured Asset Management, Inc. will review on a case-by-case basis each proposal submitted for vote to determine its impact on each client. As a result, the Firm may vote a particular proxy differently across clients. Structured Asset Management, Inc. believes that voting proxies in accordance with the following guidelines generally is in the best interests of its clients:

- Generally vote in favor of routine proposals where no corporate governance issues are implicated, including election of directors, selection of auditors, and increases in or reclassification of common stock.
- Generally vote against proposals that make it more difficult to replace members of the board, including proposals to stagger the board, cause management to be overrepresented, introduce cumulative voting or unequal voting rights, and create supermajority voting.

Although we will generally vote against proposals that are anticipated to have a negative near-term impact on client portfolio securities, it may vote for such a proposal if there are compelling long-term reasons to do so.

The proxy voting decisions of Structured Asset Management, Inc. are subject to oversight by William Z. Suplee, IV. In order to address conflicts of interest in the proxy voting process, our procedures require (a) anyone involved in the decision-making process disclose to the Firm's Chief Compliance Officer any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (b) Supervised Persons involved in the decision-making process or vote administration not reveal how the Firm intends to vote on a proposal in order to reduce any attempted influence from interested parties. If a conflict of interest arises, the involved person will not be involved in the vote.

Clients can obtain a copy of our proxy voting procedures and information regarding how we voted proxies with respect to our portfolio companies by making a written request for proxy voting information or by contacting us by telephone at the number indicated on the cover page of this brochure.

Item 18 - Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about an adviser's financial condition. Structured Asset Management, Inc. 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.