



Form ADV Part 2A
FIRM BROCHURE

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This brochure provides information about the qualifications and business practices of Sovereign Investment Advisors, LLC ("SIA"). If you have any questions about the contents of this brochure, please contact us at 480-385-2850. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Sovereign Investment Advisors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for SIA is 149040.

SIA is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 – Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated, March 10, 2021, we have the following material changes to report:

1. Maggie Tavares has succeeded April Lamb as CCO since December 2021.
2. We clarified and updated our entire brochure with an emphasis on the following sections:
 - a) Item 4 – *Advisory Business* (we clarified our services to include investment/portfolio management, selection of other advisers, and pension advisory services);
 - b) Item 5 – *Fees and Compensation* (we no longer charge on an hourly basis for any of our services; we increased our fixed fees to \$200,000; we added disclosure language relating to IRA Rollover considerations)
 - c) Item 10 – *Other Financial Industry Activities and Affiliations* (we added additional disclosures to clarify our conflicts of interests)
 - d) Item 12 – *Brokerage Practices* (we added additional disclosures to clarify our conflicts of interests)
 - e) Item 13 – *Review of Accounts* (we clarified our review process conducted by our CIO);
 - f) Item 15 – *Custody* (we added disclosure language relating to SLOAs)
 - g) Item 19 – *Additional Information* (we included additional disclosure language relating to privacy, trade errors, and class action matters).

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Item 4 – Advisory Business

Sovereign Investment Advisors, LLC (“SIA”) is a registered investment adviser based in Phoenix, Arizona. SIA is organized as a limited liability company under the laws of the State of Arizona. We have been providing investment advisory services since 2009. Sovereign Finance, LLC (“SF”) is the parent company and marketing arm for SIA. The sole owner of SIA is SF and SF is owned by Jeffrey Lamb and Morongo Band of Mission Indians. SIA is also affiliated with Sovereign Consulting, LLC (“SC”), a wholly owned consulting firm of SF, which provides tribal government clients with a broad range of consulting services designed to explicitly provide support to develop, grow and manage their economic self-sufficiency.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we", "our" and "us" refer to SIA and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm.

Investment/Portfolio Management Services

SIA’s comprehensive suite of investment advisory services includes, but is not limited to the following:

- Advise and assist with the development of asset allocation strategies and the preparation or modernization of Investment Policy Statements
- Advise and assist in the selection and engagement or termination of investment managers for the implementation of the Investment Policy
- Provide the following standard reports and communications:
 - Comprehensive Quarterly Performance Evaluation
 - Monthly summary-level portfolio performance reports
 - Weekly Market & Economic Updates
- Provide client financial educational services, as required
- Provide annual Fiduciary Practices Review to document conformity to the Global Fiduciary Standard of Excellence (“GFSE”)
- Provide ongoing administration and assistance with:
 - Investment Policy Statements adherence and follow up procedures
 - Asset allocation management and rebalancing
 - Annual investment management cost analyses
 - Ongoing manager due diligence and evaluation

We offer discretionary and non-discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf.



As part of our portfolio management services, we will customize an investment portfolio for you according to your risk tolerance and investing objectives. Once we construct an investment portfolio for you, we will monitor your portfolio's performance on an ongoing basis and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing.

If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account.

Sub-Advisory Arrangements

SIA may appoint ALPS Advisors, Inc. ("ALPS") as a sub-advisor to manage all or portion of SIA's client accounts which typically includes alternative investments. These alternative investments are made available using certain products referred to as Strategic Asset Allocations designed and created with Blackstone Multi-Asset Advisors, LLC ("BMAA"). SIA maintains a relationship with BMAA through a separate model provider agreement pursuant to which certain bundled products are made available for the benefit of SIA clients. Under this arrangement, we also have an administrative agreement with ALPS' affiliate, SS&C Technologies, Inc. ("SS&C") for back-office services which include, but are not limited to, account administration, technology, and trading. Clients are not charged any additional fees for services from ALPS. The purpose of these sub-advisory relationships is to enable certain qualified clients to obtain access to diversified alternative strategies, to provide systematic asset allocation within those strategies, and to enhance reporting and accounting of those alternative investments.

Selection of Other Advisers

We may recommend that you use the services of a third-party money manager ("TPMM") to manage all, or a portion of, your investment portfolio. After gathering information about your financial situation and objectives, we may recommend that you engage a specific TPMM or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the TPMM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will monitor the TPMM(s)¹ performance to ensure its

¹ The GFSE is established by "Prudent Practices", "Criteria" and "Substantiation", which are organized under a Four-Step Fiduciary Quality Management System. The steps are consistent with the global ISO 9000 Quality Management System standard, which emphasizes continual improvement. The steps are (1) organize, (2) formalize, (3) implement, and (4) monitor. For more information about the GFSE visit https://www.fi360.com/main/pdf/handbook_advisor.pdf.

management and investment style remains aligned with your investment goals and objectives. The TPMM(s) will actively manage your portfolio and will assume discretionary investment authority over your account. We will assume discretionary authority to hire and fire TPMM(s) and/or reallocate your assets to other TPMM(s) where we deem such action appropriate.

Pension Advisory Services

We offer pension advisory services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing advisement. These pension advisory services will generally be non-discretionary and advisory in nature. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

We may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as:

- Diversification;
- Asset allocation;
- Risk tolerance; and
- Time horizon

Our educational seminars may include other investment-related topics specific to the particular plan. We may also provide additional types of pension consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

Status - SIA is registered as an investment adviser under the Investment Advisers Act of 1940 and represents that it is not subject to any disqualification as set forth in Section 411 of ERISA. In performing fiduciary services, we are acting either as a non-discretionary fiduciary of the Plan as defined in Section 3(21) under ERISA, or as a discretionary fiduciary of the plan as defined in Section 3(38) under ERISA, as set forth in the arrangement with each plan sponsor.

Global Fiduciary Standard of Excellence

SIA is a fiduciary and as such works from a client relationship of trust. SIA's investment advisory approach is governed by the 21 best practices incorporated in the Global Fiduciary Standard of Excellence ("GFSE") developed by the Center for Fiduciary Studies (www.fi360.com).¹ These practices define how fiduciaries, both trustees and advisors, should provide oversight and management of funds. SIA's client relationships are managed to conform with the GFSE and are provided a confirmation of such at the close of each year.



SIA has achieved and continues to meet firm level certification from the Centre of Fiduciary Excellence (CEFEX).²

Types of Investments

We primarily offer advice on mutual funds, exchange traded funds (ETFs), equities, and bonds (government and corporate) as well as alternative investments. Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

Assets Under Management

As of December 31, 2021, SIA has a total of \$2,208,048,162.00 of assets under management ("AUM"), \$2,164,576,863.00 managed on a discretionary basis and \$43,471,298.00 managed on a non-discretionary basis.

Item 5 – Fees and Compensation

Investment/Portfolio Management Services

Our fee for portfolio management services is based on a percentage of your assets we manage and is set forth in the following fee schedule:

<u>Assets Under Management *</u>	<u>Annual Fee</u>
1,000,000 to 15,000,000	1.00%
15,000,001 to 75,000,000	0.50%
75,000,001 to 120,000,000	0.35%
120,000,001 or higher	0.20%

Our minimum account size is \$1,000,000 and may be waived at our sole discretion. *

Our annual portfolio management fee is billed and payable in arrears (either monthly or quarterly), based upon a percentage of the total assets under management, including money market balances on the last trading day of each calendar month or quarter.

² CEFEX®, an independent global assessment and certification organization. CEFEX works closely with investment fiduciaries and industry experts to provide comprehensive assessment programs to improve risk management for institutional and retail investors. CEFEX defines a CEFEX Certification as independent recognition of a firm's conformity to Practices and Criteria within the Standard of Excellence. It implies that a firm can demonstrate adherence to the industry's best practices and is positioned to earn the public's trust. The CEFEX Certification process requires the Candidate to undergo a five-step process, which includes: website registration and submission of a \$300 administrative fee; signing an assessment agreement and submitting an assessment fee; submitting documents for the assessment; undergoing a 1-day onsite visitation by a CEFEX Analyst to review documents and conduct interviews; and a review of the recommendation by the CEFEX Analyst and approval by the CEFEX Registration Committee. A voluntary annual audit by an independent fiduciary expert is required for SIA to retain its CEFEX Certification.

Our advisory fee is negotiable, depending on individual client circumstances.

Alternatively, and under special circumstances, we may charge an annual fixed fee for our investment management services. These fees typically range from \$15,000 to \$200,000.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least monthly or quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

You may terminate the portfolio management agreement upon 30-day written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the month or quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prompt prorated refund of those fees.

Sub-advisory arrangement

Clients are not charged fees from our sub-adviser, ALPS; rather, clients will receive an invoice from SIA for administrative fees charged by SS&C, the affiliate of ALPS, for services provided under our sub-advisory arrangement. This invoice will depend upon your invested capital and ranges up to \$1 billion at 20 annual basis points and for amounts greater than \$3 billion at 12 annual basis points.

Selection of Other Advisers

Advisory fees charged by TPMMs are separate and apart from our advisory fees. Assets managed by TPMMs will be included in calculating our advisory fee, which is based on the fee schedule set forth in the *Portfolio Management Services* section in this brochure. Advisory fees that you pay to the TPMM are established and payable in accordance with the brochure provided by each TPMM to whom you are referred. These fees may or may not be negotiable. You should review the recommended TPMM's brochure and take into consideration the TPMM's fees along with our fees to determine the total amount of fees associated with this program.

You may be required to sign an agreement directly with the recommended TPMM(s). You may terminate your advisory relationship with the TPMM according to the terms of your agreement with the TPMM.

You should review each TPMM's brochure for specific information on how you may terminate your advisory relationship with the TPMM and how you may receive a refund, if applicable. You should contact the TPMM directly for questions regarding your advisory agreement with the TPMM.

Pension Advisory Services

Our advisory fees for these customized services will be negotiated with the plan sponsor or named fiduciary on a case-by-case basis but typically mirror our fee schedule set forth in the *Portfolio Management Services* section above.

You may terminate our pension advisory agreement upon 30-day written notice to our firm in accordance with the terms of the agreement for services. The pension advisory fees will be prorated for the month or quarter in which the termination notice is given, and any unearned fees will be promptly refunded to the client.

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the Brokerage Practices section of this brochure.

IRA Rollover Considerations

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:



An employee will typically have four options:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
 - a. Employer retirement plans generally have a more limited investment menu than IRAs.
 - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
 - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
 - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 72.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
 - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Advisory Business* section above and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Item 7 – Types of Clients

SIA provides advisory services to the following types of clients:

- Native American Tribes
- Native American Corporations or other businesses not listed above
- 401K Retirement Plans
- Nonprofit entities with an explicit Native Mission
- Individuals and Families

In general, we require a minimum of \$1,000,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values of related accounts to meet the stated minimum.

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

SIA subscribes to an adaptive asset allocation process, the central objective of which is to design and implement portfolio strategies that optimize the consistency of performance required to sustain the client's mission over time. This approach has remained consistent for SIA; however, our specific investment approach has adapted within that framework to account for the dynamic nature of the investment industry. Globalization of economies, political transitions, emerging technologies, all influence market opportunities. The adaptive nature of our approach helps maintain an alignment between our investment approach, the market realities and our client's end objectives. Asset allocation recommendations are driven by the clients stated investment objectives and by a disciplined analytical fiduciary process.

While investing in securities inherently involves risk of loss which clients should be prepared to bear, it is SIA's goal to minimize exposure to undue risk for our clients while positioning their portfolios to allow for potential growth.

SIA's Investment Platform

In general, SIA clients invest for relatively extended time horizons and employ globally diversified investment strategies implemented with multiple, specialized investment managers. Client investment strategies are tailored to support defined goals and objectives.

Recognizing that no single research resource can cover the entire investment management spectrum, SIA employs the services of numerous institutional service providers in the following primary areas:

- Ongoing capital markets and economic research;
- Periodically updated capital markets projections relating to forward estimates of returns, risks and correlations for a wide range of asset classes;
- Asset allocation modeling and simulation;
- Investment management product research and due diligence on mutual funds, separate account managers, ETFs and alternative strategies;
- Negotiated institutional custody services with multiple custodians;
- Performance measurement analytics and reporting; and
- Access to a range of fully integrated investment management systems and providers.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors.

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets. Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. 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 your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of Client investments. This is also referred to as systemic risk.
- Sector risk – The chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.
- Non-diversification risk – The risk of focusing investments on a small number of issuers, industries, or foreign currencies, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.
- Equity (stock) Market Risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Fixed Income Risk – When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Interest Rate Risk – The chance that prices of fixed income securities will decline because of rising interest rates. Similarly, the income from fixed income securities can decline because of falling interest rates.
- Reinvestment Risk – The risk that interest and principal payments from a bond will be reinvested at a lower yield than received on the original bond. During periods of declining interest rates, bond payments can or will be invested at lower rates; during periods of rising rates, bond payments can or will be invested at higher rates.
- ETF and Mutual Fund Risk – The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Opportunity Cost Risk – The risk that an investor can forego profits or returns from other investments.

Recommendation of Particular Types of Securities

As disclosed under the *Advisory Business* section in this brochure, we primarily recommend mutual funds, and ETFs. However, we may recommend other types of investments as appropriate since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with that investment.

Mutual Funds and ETFs: Mutual funds and exchange traded funds (ETFs) are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

Stocks: There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to: the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better-established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Corporate debt securities: Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

Private Funds. Private funds are investment vehicles that pool capital from a number of investors and invest in securities and other instruments. Private funds include many hedge funds and private equity funds. In almost all cases, private funds are structured as a private investment vehicle that is typically not registered under federal or state securities laws. To qualify to avoid registration, issuers make the funds available only to certain sophisticated or accredited investors and do not make the funds available to the general public. Most private funds offer their securities by providing an offering memorandum or private placement memorandum known as “PPM” for short. The PPM covers important information. Investors should review this document carefully, including the risk factors, and should consider conducting additional due diligence before investing. The primary risks of private funds include illiquidity and the risks associated with the underlying investments.

Item 9 – Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

SIA, as a firm, has not had any legal or disciplinary events in the history of this Firm.

One of our employees, Mr. Courtney Monteiro was convicted of a felony involving aggravated assault resulting from an altercation whereby Mr. Monteiro caused physical injury to a male individual. The events leading up to this event were outside of Mr. Monteiro’s role with the Firm. For more information, please see Mr. Monteiro’s Form ADV Part 2B.

Item 10 – Other Financial Industry Activities and Affiliations

SIA is a subsidiary to its parent company, SF, and is affiliated with SC, a wholly owned consulting firm of SF. Mr. Lamb, along with certain SIA investment adviser representatives, provide services for SIA’s affiliate, SC, for which they receive remuneration. Such other business activities present a conflict of interest to the extent that these persons are spending time away from SIA business and receiving remuneration for servicing SC clients. This conflict also infers those members of our affiliates may recommend clients to SIA and vice-versa.

The referral arrangements we have with our affiliated entities present a conflict of interest because we may have a financial incentive to recommend our affiliates' services. While we believe that compensation charged by our affiliates are competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use our affiliates' services and may obtain comparable services and/or lower fees through other firms.

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

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

Item 12 – Brokerage Practices

We may recommend that clients establish brokerage accounts with the Schwab Institutional a division of Charles Schwab & Co., Inc. ("Schwab"), to maintain custody of clients' assets and to effect trades for their accounts. Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere. While the majority of SIA client assets are held at Schwab, some client assets are held at other custodians, such as (1) BNY Mellon (2) Northern Trust Bank (3) RBC (4) Empower Retirement Services (5) Principal (6) John Hancock.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- Capability to buy and sell securities for your account itself or to facilitate such services.
- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other clients.

Economic Benefits

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our advisory responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are generally not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

Schwab - Your Custody and Brokerage Costs

For our clients' accounts it maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Our relationship with Schwab benefits you because the overall commission rates and/or asset-based fees you pay are lower than they would be if we had not made the commitment. In addition to commission rates and/or asset-based fees Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, we use Schwab services for the benefit of our clients' accounts.

Our Interest in Schwab's Services

The availability of Schwab services benefits us because we do not have to produce or purchase them. These services give us an incentive to recommend that you maintain your account with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest.



We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality, and price of Schwab's services as discussed above and not Schwab's services that benefit only us. We do not believe that maintaining our client's assets at Schwab for services presents a material conflict of interest.

Nevertheless, you always have the right, contractually or otherwise, to go with another broker-dealer that offers to maintain custody of your assets and to effect trades for your account(s).

Research and Other Soft Dollar Benefits

Please refer to section above.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

We routinely recommend that you direct our firm to execute transactions through Charles Schwab & Co., Inc. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

Item 13 – Review of Accounts

Todd Early, Chief Investment Officer of SIA, primarily will monitor your accounts on an ongoing basis and will conduct formal account reviews at least annually to ensure the advisory services provided, and the portfolio mix, are consistent with your stated investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- Contributions and withdrawals,
- Year-end tax planning,
- Market moving events,
- Security specific events,
- Changes in client objectives or risk tolerance

In addition to the monthly/quarterly statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly reports summarizing account performance, balances, and holdings.

Item 14 – Client Referrals and Other Compensation

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Charles Schwab & Co., Inc - Institutional

In addition, we receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 - Brokerage Practices). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Item 15 – Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees when you specifically authorize us to do so. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us immediately at the telephone number on the cover page of this brochure.

Our firm, or persons associated with our firm, may affect wire transfers, such as certain ACH (Automated Clearing House) and Journal transfers, from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization or SLOA. An adviser with authority to conduct such third-party wire transfers has access to the client's assets, and therefore has custody of the client's assets in any related accounts.

However, we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as we meet the following criteria:

1. You provide a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. You authorize us in writing to direct transfers to the third party either on a specified schedule or from time to time;

3. Your qualified custodian verifies your authorization (e.g., signature review) and provides a transfer of funds notice to you promptly after each transfer;
4. You can terminate or change the instruction;
5. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. We maintain records showing that the third party is not a related party to us nor located at the same address as us; and
7. Your qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We hereby confirm that we meet the above criteria.

Item 16 – Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, and the appropriate trading authorization forms.

If you enter into a discretionary arrangement, you must grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Item 17 – Voting Client Securities

Without exception, we will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

Item 18 – Financial Information

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and we do not require the prepayment of more than \$1200 in fees six or more months in advance nor have we filed a bankruptcy petition at any time in the past ten years. Therefore, we are not required to include a financial statement with this brochure.

*On May 4, 2020, Sovereign Finance, LLC, the parent company to SIA received a Paycheck Protection Plan (PPP) Loan through the Small Business Administration (SBA) in conjunction with the relief afforded from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The firm used this loan to fund payroll for firm employees similarly situated in respective States where we are registered, and the firm has not experienced and does not anticipate any interruptions of service. The PPP Loan was forgiven on January 26, 2022, in accordance with the rules set forth by the SBA.

Item 19 – Additional Information

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, the trade error will be corrected in the trade error account of the executing broker-dealer, and you will not keep the profit.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.