



Part 2A of Form ADV: Firm Brochure

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This brochure provides information about the qualifications and business practices of New Millennium Group, LLC ("NMG"). If you have any questions about the contents of this brochure, please contact us at 801-446-9950. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. NMG is a Registered Investment Advisor. Registration as an Investment Advisor with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about NMG is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as an IARD number. The IARD number for NMG is CRD # 299249.

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## ITEM 2 – MATERIAL CHANGES

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This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The following material changes have been made since our last Annual ADV Amendment filing made on February 11, 2022:

Item 14 was amended to reflect the relationship between our Firm and SmartAsset. The Firm pays a flat fee to participate in an online matching program that seeks to match prospective advisory clients with investment advisers. The program, which is operated by SmartAsset, provides information about investment advisory firms to persons who have expressed an interest in such firms.

Item 15 was amended to describe the firm’s authority to withdraw assets from client accounts under “Standing Instructions” to move money to third party accounts as well as describe the conditions outlined in the SEC No-action letter regarding standing instructions to move money to third parties. The SEC no-action letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction (“SLOA”) is deemed to have custody.

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Compliance Officer, Tyler Glazier at 801-446-9950.

We encourage you to read this document in its entirety.

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#### ITEM 4 – ADVISORY BUSINESS

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This Disclosure document is being offered to you by New Millennium Group, LLC (“NMG” or “Firm”) about the investment advisory services we provide. It discloses information about our services and the way those services are made available to you, the client.

We are an investment management firm located in Sandy, Utah. New Millennium Group, LLC was formed on May 22, 2015. When initially founded New Millennium Group offered insurance products to clients and provided investment advisory services under an unaffiliated registered investment advisory firm. In March 2019, our firm became a Registered Investment Advisor with the following States: Utah, Arizona, California, Texas and Idaho. The firm filed for registration with the SEC on February 1, 2021. Derek Overstreet is the Managing Member and sole owner of the firm. Tyler Glazier is Chief Compliance Officer of the Firm.

We are committed to helping clients build, manage, and preserve their wealth, and to provide guidance that helps clients to achieve their stated financial goals. We specialize in retirement investing and income generation. We will offer an initial complimentary meeting upon our discretion; however, investment advisory services are initiated only after you and NMG execute an Investment Management Agreement.

#### **Investment Management Services**

We manage advisory accounts on a non-discretionary and discretionary basis. Once we determine a client’s profile, income need, and investment plan, we execute the day-to-day transactions with or without prior consent, depending on the client’s agreement with our Firm. Account supervision is guided by the client’s written profile and investment plan. We may accept accounts with certain restrictions if circumstances warrant. We primarily allocate client assets among various equities, Exchanged Traded Funds (“ETFs”), and debt securities in accordance with their stated investment objectives and income needs. All of which are considered asset allocation categories for the client’s investment strategy.

In personal discussions with clients, we determine their objectives, time horizons, risk tolerance and liquidity and income needs. As appropriate, we also review their prior investment history, as well as family composition and background. Based on client needs, we develop the client’s personal profile and investment plan. We then create and manage the client’s investments based on that policy and plan. It is the client’s obligation to notify us immediately if circumstances have changed with respect to their goals and income needs.

As determined through our firm's initial due diligence with the client, we will determine if clients are seeking an actively managed investment strategy for their account(s). Our firm will provide ongoing investment review and management services. This approach requires us to periodically review client portfolios.

With our discretionary relationship, we will make changes to the portfolio, as we deem appropriate, to meet your financial objectives. We trade these portfolios based on the combination of our market views and your objectives, using our investment philosophy and strategies as described in Item 8 of this Brochure. We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives. You will have the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities.

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that adversely affect an account's performance. This could result in capital losses in your account.

If a non-discretionary relationship is in place, calls will be placed to the client presenting the recommendation made including a rebalancing recommendation and only upon your authorization will any action be taken on your behalf. Our clients should note that being in a discretionary or non-discretionary account does not affect the management of the accounts. It is the decision of the client on what type account they elect to open with our firm – a discretionary account without prior notification of investment trades or a non-discretionary account as described above.

#### **Disclosure Regarding Rollover Recommendations**

A client or prospect leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) rollover to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). Our Firm may recommend an investor roll over plan assets to an IRA for which our Firm provides investment advisory services. As a result, our Firm and its representatives may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave their plan assets with their previous employer or roll over the assets to a plan sponsored by a new employer will generally result in no compensation to our Firm. Our Firm therefore has an economic incentive to encourage a client to roll plan assets into an IRA that our Firm will manage, which presents a conflict of interest. To mitigate the conflict of interest, there are various factors that our Firm will consider before recommending a rollover, including but not

limited to: (i) the investment options available in the plan versus the investment options available in an IRA, (ii) fees and expenses in the plan versus the fees and expenses in an IRA, (iii) the services and responsiveness of the plan's investment professionals versus those of our Firm, (iv) protection of assets from creditors and legal judgments, (v) required minimum distributions and age considerations, and (vi) employer stock tax consequences, if any. All rollover recommendations are reviewed by our Firm's Chief Compliance Officer and remains available to address any questions that a client or prospective client has regarding the oversight.

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. We have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

### **Financial Planning**

All of our investment management clients receive financial planning services. Our team strives to engage our clients in conversations around the family's goals, objectives, priorities, vision, and legacy – both for the near term as well as for future generations. With the unique goals and circumstances of each family in mind, our team offers financial planning ideas and strategies to address the client's holistic financial picture, including estate, income tax, charitable, cash flow and retirement income, wealth transfer and family legacy objectives. Our team partners with our client's other advisors (CPA, estate attorney, insurance broker, etc.) to ensure a coordinated effort of all parties toward the client's stated goals. Such services include various reports on specific goals and objectives or general investment and/or planning recommendations, guidance to outside assets and periodic updates.

Our specific services in preparing a client's formal financial plan may include:

- Review and clarification of financial goals;
- Assessment of overall financial position including cash flow and income, balance sheet, investment strategy, risk management and estate planning;
- Creation of a unique plan for each goal, including personal and business real estate, education, retirement, financial independence, charitable giving, estate planning, business succession and other personal goals;
- Development of a goal-oriented investment and income plan, with input from various advisors to our clients around tax strategy, asset allocation, asset location, expenses, risk and liquidity factors for each goal. This includes IRA and qualified plans, taxable and trust accounts that require special attention.

When both investment management or plan implementation and investment management services are offered, there is a conflict of interest since there is an incentive for us offering investment management services to recommend products or services for which our Firm receives compensation. However, our Firm will make all recommendations independent of such considerations and based solely on our obligations to consider your objectives and needs. As an investment management client, you have the right not to act upon any of our recommendations and not affect the transaction(s) through us if you decide to follow the recommendations.

### **Consulting Services**

We provide investment advice on isolated areas of concern such as estate planning, real estate, retirement planning, or any other specific topic. Additionally, we provide non-securities advice related to estate planning, insurance, real estate, and annuity. We also provide advisory & consulting services for equity or debt investments in privately held businesses. In these cases, you will be required to select your own investment managers, Custodian, and insurance companies to implement consulting recommendations. If you need brokerage and/or other financial services, we will recommend one of several investment managers, brokers, banks, Custodian, insurance companies or other financial professionals ("Firms"). You must independently evaluate these Firms before opening an account or transacting business, and have the right to effect business through any firm you choose. You have the right to choose whether to follow the consulting advice that we provide.

### **Sub-Advisory Services**

Our firm may determine that engaging the expertise of an independent sub-advisor is best suited for your account. Our firm will have discretion to utilize independent third-party investment adviser to aid in the implementation of investment strategies for your portfolio. In certain circumstances, we may allocate a portion of a portfolio to an independent third-party investment adviser ("Manager") for separate account management based upon your individual circumstances and objectives, including, but not limited to, your account size and tax circumstances. Upon the recognition of such situations, in coordination with you, we will hire a Manager for the management of those assets. These advisers shall assist our Firm in managing the day-to-day investment operations of the various allocations, shall determine the composition of the investments comprising the allocation, shall determine what securities and other assets of the allocation will be acquired, held, disposed of or loaned in conformity with the written investment objectives, policies and restrictions and other statements of each client comprising the allocation, or as instructed by our Firm.

Managers selected for your investments need to meet several quantitative and qualitative criteria established by us. Among the criteria that may be considered are the Manager's experience, assets under management, performance record, client retention,

the level of client services provided, investment style, buy and sell disciplines, capitalization level, and the general investment process.

You are advised and should understand that:

- A Manager's past performance is no guarantee of future results;
- There is a certain market and/or interest rate risk which may adversely affect any Manager's objectives and strategies, and could cause a loss in a Client's account(s); and
- Client risk parameters or comparative index selections provided to our firm are guidelines only and there is no guarantee that they will be met or not be exceeded.

Managers may take discretionary authority to determine the securities to be purchased and sold for the client. As stated in the Discretionary Advisory Agreement, our Firm and its associated persons will have discretionary authority to hire and fire the Manager. Our firm will work with the sub-advisor to communicate any trading restrictions or standing instructions to refrain from a particular industry requested by the Client. In all cases, trading restrictions will depend on the sub-advisor and their ability to accommodate such restrictions.

All performance reporting will be the responsibility of the respective Manager. Such performance reports will be provided directly to you and our firm. Disclosures will indicate what firm is providing the reporting.

Our Firm has entered into agreements with various independent Managers. All third-party Managers to whom we will refer clients will be licensed as registered investment advisors by their resident state and any applicable jurisdictions or registered investment advisors with the Securities and Exchange Commission. A complete description of the Manager's services, fee schedules and account minimums will be disclosed in the Manager's Form ADV or similar Disclosure Brochure.

We review the performance of our Managers on at least a quarterly basis. More frequent reviews may be triggered by changes in Manager's management, performance or geopolitical and macroeconomic specific events.

Our Firm only enters into only a select number of relationships with Managers. We have agreed to pay a portion of the overall advisory fee charged to our clients to the Manager.

### **Wrap Fee Programs**



Our firm does not offer a Wrap Fee Program.

### **Assets**

As of December 31, 2021, our firm manages \$158,487,570 in total assets under management. Our Firm manages \$158,487,570 on a discretionary basis and \$0 on a non-discretionary basis.

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## ITEM 5 - FEES AND COMPENSATION

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### **Investment Management Fees and Compensation**

Services under our investment management include investment advisory services and ongoing investment supervision. Our custodian charges custodial fees, redemption fees, and retirement plan and administrative fees. The brokerage transaction fees charged for securities brokerage transactions in your Account(s), are not included within our Advisory Fee. Financial planning services by our firm are included in advisory fees outlined below.

The Advisory Fee will be calculated and paid to the Advisor each calendar month in arrears based on the average daily value of the Portfolio during the calendar month (calculated based on the Portfolio's value at the end of each day). In the event of termination, any fees due to the Advisor will be deducted from the Client's account prior to termination.

Our Firm's maximum total investment advisory fees is 1.50% as a percentage of assets under management. The advisory fee is set forth in your Investment Advisory Agreement.

Additionally, our Firm will negotiate a fee of 1.00% or lower for the following scenarios:

- Clients over \$2.5 million in investable assets
- Family or employee related accounts

The client may initiate the negotiation of our advisory fees but it is ultimately agreed upon between the firm and the client. The fee is set forth in the written advisory agreement.

Unless otherwise instructed by the Client, we will aggregate related client accounts for the purposes of determining the account size and annualized fee. The common practice is often referred to as "householding" portfolios for fee purposes and may result in lower fees than if fees were calculated on portfolios separately. Our method of householding accounts for fee purposes looks at the overall family dynamic and relationship. When applicable and noted in the Investment Management Agreement, concentrated stock positions may also be excluded from the fee calculation.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. You will provide written

authorization permitting the fees to be paid directly from your account held by the qualified custodian. At our discretion, you may pay the advisory fees directly to our Firm by check. Further, the qualified custodian agrees to deliver an account statement to you on a monthly basis indicating all the amounts deducted from the account including our advisory fees.

Either party giving written or verbal notice to the other may cancel the Investment Advisory Agreement at any time for any reason. Notice given by the client shall be effective upon actual receipt by NMG at the address specified on the Investment Advisory Agreement or the then current address.

The management fee will be pro-rated to the date of termination, for the day in which the cancellation notice was given and the earned fee billed to your account as indicated in your Agreement. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets. In the event of client's death or disability, our Firm will continue management of the account until we are notified of client's death or disability and given alternative instructions by an authorized party.

*In no case are our fees based on, or related to, the performance of your funds or investments.*

#### **Financial Planning Fees**

Financial Planning services are included in the investment management fee described above.

On occasion, our firm is asked to provide financial planning services for a separate fee if a client chooses not to select our firm for its investment management services described above. In this circumstance, we will negotiate the planning fees with you. Fees may vary based on the extent and complexity of your individual or family circumstances and the amount of your assets under our management. Our fee will be agreed in advance of services being performed. The fee will be determined based on factors including the complexity of your financial situation, agreed upon deliverables, and whether or not you intend to implement any recommendations through NMG. Financial Planning fees are fixed fees only and range from \$1,000 to \$10,000. The specific fixed fee for your financial plan is specified in your planning agreement with NMG.

Typically, we complete a plan within a month and will present it to you within 90 days of the contract date, if you have provided us all information needed to prepare the financial plan. Fees are billed and payable at the time the financial plan is delivered to you.

If you choose to terminate the financial planning agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any earned portion of the fee will be billed to you based on the hours that our firm has spent on creating your financial plan prior to termination. The hourly rate used for this purpose is \$150/hour. The hourly rate would be stated in your executed Financial Planning Agreement.

We will not require prepayment of more than \$1,200 in fees per client, six (6) or more months in advance of providing any services.

*In no case are our fees based on, or related to, the performance of your funds or investments.*

#### **Sub-Advisor Fees**

As discussed in Item 4 above, there will be occasions where an independent Registered Investment Advisory firm acts as a sub-advisor to our Firm. In those circumstances, the other investment adviser manages the assets based upon the parameters provided by our Firm. Under this arrangement, the Independent Registered Investment Advisory Firm collects the client advisory fee as described above (not to exceed 1.5%) and then pays out our Firm a portion of advisory fee based on the assets under management for such services as outlined in the Agreement between our Firm and the sub-advisor.

#### **Consulting Fees**

We provide consulting services for clients who need advice on a limited scope of work. We will negotiate consulting fees with you. Fees range from \$1,000 to \$10,000 for Consulting Services and may vary based on the extent and complexity of the consulting project. Fees will be billed as services are rendered. Either party may terminate the agreement. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you as described in the Agreement and our hourly rate described above.

#### **Additional Fees and Expenses:**

In addition to the advisory fees paid to our Firm, clients also incur certain charges imposed by other third parties, such as broker-dealers, Custodian, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges include securities, transaction fees, custodial fees, fees charged by the Independent Managers, charges imposed by a ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Our brokerage practices are described at length in Item 12, below. Neither our Firm nor its supervised

persons accept compensation for the sale of securities. Further, our firm does not share in any of these additional fees and expenses outlined above.

### **Insurance Compensation**

Some of our IARs are also licensed insurance agents and sell various life insurance products, long term care and fixed annuities through our affiliated licensed insurance agency New Millennium Insurance Group, Inc. Our IARs receive compensation (commissions, trails, or other compensation from the respective product sponsors) as a result of effecting insurance transactions for clients. The advisor has an incentive to recommend insurance and this incentive creates a conflict of interest between your interests and our Firm. Clients should note that they have the right to decide whether or not to engage the services of our IARs. Further, clients should note they have the right to decide whether to act on the recommendations and the right to choose any professional to execute the advice for any insurance products through our IAR or any licensed insurance agent not affiliated with our Firm. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to avoid any conflicts of interest.

### **Administrative Services**

Through our sub-advisory arrangement, we have contracted with AE Wealth Management, LLC to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, client database maintenance, quarterly performance evaluations, payable reports, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, AE Wealth Management, LLC will have access to client information. NMG and AE Wealth Management, LLC are non-affiliated companies. AE Wealth Management, LLC receives a portion of our advisory fee for each account. Please note that the fee charged to the client will not increase due to the annual fee NMG pays to AE Wealth Management, LLC, the fee is paid from the portion of the management fee retained by our Firm.

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### **ITEM 6 - PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees) nor engage in side-by-side management.

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### **ITEM 7 - TYPES OF CLIENTS**

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We provide investment advice to individuals, high net individuals, charitable organizations, estates and trusts. We have no minimum initial account value for opening an account with our firm.

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## ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

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### ***Investment Strategies, Philosophy, and Methodology***

NMG's overall investment strategy is a dynamic process involving three basic levels. First, NMG assesses the economy and markets to determine the overall percentage allocation into stocks, bonds, and cash asset classes. Next, within these three basic classes, NMG looks for pricing inefficiencies, and / or early trends to determine what kind of securities should be held, e.g.: larger companies with undervalued assets vs smaller, rapidly growing companies; long term U.S. government bonds vs. intermediate "junk" bonds etc. Finally, once the strategy is in place, NMG tries to identify money managers who have excelled in these various niches, or individual securities are selected. Imposed over this entire strategy are the inherent restrictions of the client's risk / reward profile. Generally, NMG purchases for the longer term (over one year), but occasionally, NMG will engage in shorter term trading activities. However, NMG is not a "market timer".

To develop a complete picture of a client's investment objectives, our investment adviser representatives work one-on-one with the advisory client through the initial and on-going planning process to create an investment plan which fits the client's risk tolerance and investment objectives. Based on this information, we obtain a broad understanding of the client's investment objectives, goals, and the amount of risk the client will tolerate. To further fine tune our understanding of a client's risk tolerance, our Firm does utilize Riskalyze, a third-party vendor tool to assist in identifying the client's risk tolerance.

Riskalyze technology assists financial planners in two critical tasks: (1) measuring the risk preferences of investors, and (2) applying these preference measurements to portfolio selection. Riskalyze summarizes an investor's mean-variance risk aversion on a 99-point scale. In connection with this output, the Riskalyze tool "quantifies" the client's indicated investment risk tolerance through the illustration of expected return (plus/minus) and investment volatility (investment variance) which uses past data to calculate expected variance.

Our Firm works with Riskalyze to customize client portfolios using a combination of existing holdings and recommended allocation strategies to provide the client with the desired risk score. Once the Risk Score is identified, our Firm prepares a strategy, which is also scored by Riskalyze tools. Generally, clients are recommended a mixture of strategies with various allocations, including strategies which focus on fixed income, growth, balanced, moderate, or aggressive investments, which correlate to the client's risk score. We seek to go beyond a traditional asset allocation strategy by incorporating investments on each end of the risk spectrum.

NMG uses the following analysis methods to determine appropriate securities for client accounts: 1) Charting 2) Fundamental 3) Technical 4) Cyclical. NMG uses Morningstar,

Inc, and market research provided by the Custodian. Additionally, NMG utilizes other newsletters as well as the resources available on the internet to supplement the information obtained from the above sources.

### ***Third Party Manager Analysis***

NMG seeks to recommend an investment strategy that will give a client a diversified portfolio consistent with the client's investment objective. NMG will analyze various securities, investment strategies, and third-party investment management firms if our firm feels the expertise of a particular manager is best suited for our client. The goal is to identify a client's risk tolerance, and then find the most appropriate manager for that client.

NMG examines the experience, expertise, investment philosophies and past performance of independent third-party managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. NMG will monitor the managers' underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of the due-diligence process that is conducted on annually, NMG will survey the managers' compliance, business enterprise risks, speak directly with the manager, if accessible, or the firm's research team to determine the manager is still a recommendation of our firm's list of third party managers.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as NMG does not control the underlying investments in a managers' portfolio, there is also a risk that the manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for clients of our firm. Moreover, as NMG does not control the managers' daily business and compliance operations, NMG may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

### **Risk of Loss**

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there will be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our Firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will

predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

Investors should be aware that accounts are subject to the following risks:

**Charting Analysis Risk** - Our charting analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Technical Risk** - The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Market Risk** — Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.

**Foreign Securities and Currency Risk** — Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

**Capitalization Risk** — Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.

**Interest Rate Risk** — In a rising rate environment, the value of fixed-income securities generally declines and the value of equity securities may be adversely affected.

**Credit Risk** — Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.

**Securities Lending Risk** — Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.

**Exchange-Traded Funds** — ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets

and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."

**Performance of Underlying Managers** — We select ETFs in our portfolios. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.

**Liquidity Risk** - Liquidity risk exists when particular investments would be difficult to purchase or sell, possibly preventing clients from selling such securities at an advantageous time or price.

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#### ITEM 9 - DISCIPLINARY INFORMATION

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We do not have any legal, financial or other "disciplinary" item to report.

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#### ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

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##### **Insurance**

Some of our IARs are also licensed insurance agents and sell various life insurance products, long term care and fixed annuities through our affiliated licensed insurance agency, New Millennium Insurance Group, Inc. New Millennium Insurance Group, Inc. is under common ownership with our Firm and owned 100% by Derek Overstreet.

Because we are under common ownership and our firm's IARs are licensed Insurance agents with New Millennium Insurance Group, Inc. there is a conflict of interest to clients because our firm and our IARs receive compensation (commissions, trails, or other compensation from the respective insurance products) as a result of effecting insurance transactions for clients.

Commissions generated by insurance sales do not offset regular advisory fees. The firm and the IAR have an incentive to recommend insurance products and this incentive creates a conflict of interest between your interests and our Firm. We mitigate this conflict by disclosing to clients they have the right to decide whether or not to engage the services of our IARs or our affiliated Insurance agency. Further, clients should note they have the right to decide whether to act on the recommendations and the right to choose any professional to execute the advice for any insurance products through our IAR or any licensed insurance agent not affiliated with our Firm. We recognize the fiduciary responsibility to place the client's interests first and have established policies in this regard to avoid any conflicts of interest.

##### **Sub Advisor Relationships**

Please refer to Item 4 and Item 5 above for more information about the selection of sub-advisors used with our services. Our firm pays a portion of the advisory fee to the sub-advisor. A conflict of interest for our firm in utilizing a sub advisor is receipt of discounts



or services not available to us from other similar sub advisers. In order to minimize this conflict our firm will make our recommendations and selections of sub-advisors in the best interest of our clients.

### **Other Affiliations**

Derek Overstreet, Managing Member of the Firm, is the author of Stop Working and Start Living. Mr. Overstreet receives compensation from the sale of his books and promotion from his book through NM Marketing, LLC. NM Marketing is a separate entity used for radio advertising, television, and the book sales. All advertising that is affiliated with the firm will be reviewed and approved by the Chief Compliance Officer and retained as books and records for the firm. Mr. Overstreet's time spent on this activity is less than 5% of his time.

Our firm nor any of its management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Our firm does not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### **ITEM 11 - CODE OF ETHICS PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, and the prohibition against the use of inside information.

The Code of Ethics is designed to:

- protect our clients,
- detect and deter misconduct,
- educate personnel regarding the firm's expectations and laws governing their conduct,
- remind personnel that they are in a position of trust and must act with complete propriety at all times,
- protect the reputation of our Firm,
- guard against violation of the securities laws,
- establish procedures for personnel to follow so that we may determine whether their personnel are complying with the firm's ethical principles.

Our Firm and persons associated with us are allowed to invest, buy or sell securities, for their own accounts or to have a material financial interest in the same securities or other investments that we recommend or acquire for your account and may engage in

transactions that are the same as transactions made in your account. We recognize the fiduciary responsibility to act in your best interest and have established policies to mitigate conflicts of interest. Trades for supervised persons are traded alongside client accounts and receive the same pricing as clients if traded on the same day.

Neither our Firm nor its related persons recommend to clients, or buys or sells for client accounts, securities in which we have a material financial interest.

We have established the following restrictions in order to ensure our firm's fiduciary responsibilities:

1. A director, officer or employee of NMG shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No supervised employee of NMG shall prefer his or her own interest to that of the advisory client.
2. We maintain a list of all securities holdings of anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of NMG.
3. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where we are granted discretionary authority of the client's account.
4. We require that all supervised employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
5. Any supervised employee not in observance of the above may be subject to termination.

You may request a complete copy of our Code of Ethics by contacting us at the telephone number on the cover page of this Part 2; Attn: Chief Compliance Officer.

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#### ITEM 12 - BROKERAGE PRACTICES

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Clients must maintain assets in an account at a "qualified custodian," generally a broker-dealer or bank. We generally recommend that our clients use Fidelity Institutional Wealth Services ("Fidelity") (referred to as the "Custodian"). The Custodian is a registered broker-dealer, members SIPC, and qualified custodian. We are independently owned and operated, and unaffiliated with the Custodian. Our Custodian will hold client assets in a brokerage account and buy and sell securities as instructed. In some cases, our Firm may recommend that you establish accounts with a firm other than our recommended Custodian to maintain custody of your assets.

While we recommend that clients use our Custodian, clients must decide whether to do so and open accounts with our Custodian or any other custodian by entering into account agreements directly with them. The client opens the accounts directly with the Custodian. The accounts will always be held in the name of the client and never in NMG or the Advisors' name.

### ***How We Select Our Custodian***

We seek to recommend a custodian who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

1. Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
2. Capability to execute, clear, and settle trades (buy and sell securities for client accounts)
3. Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
4. Breadth of available investment products (stocks, bonds, exchange-traded funds [ETFs], etc.)
5. Availability of investment research and tools that assist us in making investment decisions
6. Quality of services
7. Competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate the prices
8. Reputation, financial strength, and stability
9. Prior service to NMG Advisors and our other clients
10. Availability of other products and services that benefit us, as discussed below (see Products and Services Available to Us from our Custodian)

### ***Client Brokerage and Custody Costs***

For our clients' accounts that our Custodian maintains, our Custodian generally does not charge separately for custody services. On occasion, a client may be charged fees to custody alternative investments held outside of our Custodian. We have determined that having our Custodian execute most trades is consistent with our duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see How We Select Custodian).

### ***Products and Services Available to Us from Our Custodian***

Our Custodian provide NMG Advisors and our clients with access to its institutional brokerage, trading, custody, reporting, and related services, many of which are not

typically available to our Custodian retail customers. Our Custodian also makes available various support services. Some of those services help us manage or administer our clients' accounts; others help us manage and grow our business. Our Custodian's support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us. These are considered soft dollar benefits because there is an incentive to do business with our Custodian. This creates a conflict of interest. We have established policies in this regard to mitigate any conflicts of interest. We believe that our selection of our Custodian is in the best interests of clients. NMG Advisors will at all times act in the best interest of their clients and act as a fiduciary in carrying out services to clients.

Following is a more detailed description of our Custodian's support services:

***Services That Benefit Our Clients***

Our Custodian's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through our Custodian include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Our Custodian's services described in this paragraph generally benefit our clients and their accounts.

***Services That May Not Directly Benefit Our Clients***

Our Custodian also makes available to us other products and services that benefit us but may not directly benefit our clients or their accounts. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Custodian's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at our Custodian. In addition to investment research, our Custodian also makes available software and other technology that:

1. Provide access to client account data (such as duplicate trade confirmations and account statements)
2. Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
3. Provide pricing and other market data
4. Facilitate payment of our fees from our clients' accounts
5. Assist with back-office functions, recordkeeping, and client reporting

***Services That Generally Benefit Only Us***

Our Custodian also offers other services intended to help us manage and further develop our business enterprise. These services include:

1. Educational conferences and events
2. Consulting on technology, compliance, legal, and business needs
3. Publications and conferences on practice management and business succession

4. Access to employee benefits providers, human capital consultants, and insurance providers

Our Custodian may provide some of these services themselves. In other cases, it will arrange for third-party vendors to provide the services to us. Our Custodian may also discount or waive fees for some of these services or pay all or a part of a third party's fees. Our Custodian may also provide us with other benefits, such as occasional business entertainment of our personnel.

#### ***Our Interest in Our Custodian's Services***

The availability of these services from our Custodian benefit us because we do not have to produce or purchase them. These services are not contingent upon us committing any specific amount of business to our Custodian in trading commissions. We believe that our selection of our Custodian is in the best interests of our clients.

Some of the products, services and other benefits provided by our Custodian benefit NMG Advisors and may not benefit our client accounts. Our recommendation or requirement that you place assets in our Custodian's custody may be based in part on benefits our Custodian provides to us, or our agreement to maintain certain Assets Under Management at our Custodian, and not solely on the nature, cost or quality of custody and execution services provided by our Custodian.

We place trades for our clients' accounts subject to its duty to seek best execution and its other fiduciary duties. Custodian's execution quality may be different than other Custodian.

NMG annually reviews the relationship between our Custodian, NMG and the client in order to determine if the custodial relationship is in the best interest of the client.

#### **Aggregation and Allocation of Transactions**

We may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for our clients and is consistent with the disclosures made to clients and terms defined in the client Investment Advisory Agreement. We may make trades in individual accounts (that are not aggregated with others) so that we may address that client's unique circumstances. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day.

We will aggregate trades for ourselves or our associated persons with your trades, providing that the following conditions are met:

1. Our policy for the aggregation of transactions shall be fully disclosed to our existing clients (if any) and the Custodian(s) through which such transactions will be placed;
2. We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek the best execution (which includes the duty to seek best price) for you and is consistent with the terms of our Investment Advisory Agreement with you for which trades are being aggregated.
3. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all our transactions in a given security on a given business day, with transaction costs based on each client's participation in the transaction;
4. We will prepare a written statement ("Allocation Statement") specifying the participating client accounts and how to allocate the order among those clients;
5. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the allocation statement; if the order is partially filled, the accounts that did not receive the previous trade's positions should be "first in line" to receive the next allocation.
6. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for difference of allocation is explained in writing and is reviewed by our compliance officer. Our books and records will separately reflect, for each client account, the orders of which aggregated, the securities held by, and bought for that account.
7. We will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and
8. Individual advice and treatment will be accorded to each advisory client.

### **Trade Errors**

From time-to-time we may make an error in submitting a trade order on your behalf. When this occurs, we may place a correcting trade with the Custodian of your account. If an investment gain results from the correcting trade, the gain will remain in your account unless the same error involved other client accounts that should have received the gain, it is not permissible for you to retain the gain, or we confer with you and you decide to forgo the gain (e.g. due to tax reasons). If the gain does not remain in your account the Custodian will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, we will pay for the loss. Custodian will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

### **Soft Dollars**

Soft dollars are revenue programs offered by broker-dealers/Custodian whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. Our Firm does not participate in soft dollar programs sponsored or offered by any broker-dealer/Custodian. However, we do receive certain economic benefits from the Custodian as detailed above.

#### **Brokerage Referrals**

We do not receive any compensation from any third party in connection with the recommendation for establishing an account.

#### **Directed Brokerage**

All Clients are serviced on a "directed brokerage basis", where our firm will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective account[s], unless specifically directed otherwise. We will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). In selecting the Custodian, our Firm will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

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### ITEM 13 - REVIEW OF ACCOUNTS

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#### **Account Reviews and Reviewers – Investment Supervisory Services**

Our Investment Advisor Representatives will monitor client accounts on at least a monthly basis and perform reviews with each client annually or as often as is agreed upon by the client and Advisor. All accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax or financial status. Geopolitical and macroeconomic specific events may also trigger reviews. Clients may request a review at any time.

#### **Statements and Reports**

The custodian for the individual client's account will provide clients with an account statement at least monthly. At scheduled reviews or upon request, clients receive an NMG-prepared written report detailing their current positions, asset allocation, and year-to-date performance.

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### ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

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Our Firm and its related entities do not directly or indirectly compensate any person who is not an IAR of our firm nor receive any compensation for any client referrals.

We receive an economic benefit from Fidelity in the form of the support products and services it makes available to us. These products and services, how they benefit us, and the related conflicts of interest are described above under Item 12 Brokerage Practices. The availability to us of Fidelity's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

### **Insurance**

Some of our IARs are also licensed insurance agents and sell various life insurance products, long term care and fixed annuities through our affiliated licensed insurance agency, New Millennium Insurance Group, Inc. There is a conflict of interest to clients because our firm and our IARs receive compensation (commissions, trails, or other compensation from the sale of the respective insurance products) as a result of effecting insurance transactions for clients.

The firm and the IAR have an incentive to recommend insurance products and this incentive creates a conflict of interest between your interests and our Firm. We mitigate this conflict by disclosing to clients they have the right to decide whether or not to engage the services of our IARs or our affiliated Insurance agency. Further, clients should note they have the right to decide whether to act on the recommendations and the right to choose any professional to execute the advice for any insurance products through our IAR or any licensed insurance agent not affiliated with our Firm. We recognize the fiduciary responsibility to place the client's interests first and have established policies in this regard to avoid any conflicts of interest.

### **Relationship with SmartAsset**

The Firm pays a flat fee to participate in an online matching program that seeks to match prospective advisory clients with investment advisers. The program, which is operated by SmartAsset, provides information about investment advisory firms to persons who have expressed an interest in such firms. The program also provides the name and contact information of such persons to the advisory firms as potential leads. The flat fee we pay for being provided with potential leads varies based on certain factors, including the size of the person's portfolio, and the fee is payable regardless of whether the prospect becomes our advisory client.

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## **ITEM 15 – CUSTODY**

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Custody has been defined by regulators as having access or control over client funds and/or securities. Our firm does not have *physical custody* of funds or securities, as it applies to investment advisors.

### **Deduction of Advisory Fees**



Our firm has custody of the funds and securities as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee. For all accounts, our firm has the authority to have fees deducted directly from client accounts. Our firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least monthly. You should carefully review those statements and are urged to compare the statements against reports received from our Firm. When you have questions about your account statements, you should contact our Firm or the qualified custodian preparing the statement. Please refer to Item 5 for more information about the deduction of advisor fees.

#### **Standing Letters of Authorization – Third Parties**

While our Firm does not maintain physical custody of client assets (which are maintained by a qualified custodian, as discussed above), we are deemed to have custody of certain client assets if given the authority to withdraw assets from client accounts, as further described below under "Standing Instructions". All our clients receive account statements directly from their qualified custodian(s) at least quarterly upon opening of an account. We urge our clients to carefully review these statements. Additionally, if our firm decides to send its own account statements to clients, such statements will include a legend that recommends the client compare the account statements received from the qualified custodian with those received from our firm. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our Firm has adopted the following safeguards in conjunction with our custodians:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.

- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

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#### ITEM 16 – INVESTMENT DISCRETION

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For discretionary accounts, prior to engaging our Firm to provide investment advisory services, you will enter a written Agreement with us granting the firm the authority to supervise and direct, on an on-going basis, investments in accordance with the client's investment objective and guidelines. In addition, you will need to execute additional documents required by the Custodian to authorize and enable NMG, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell or exchange securities in and for your accounts. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange and trade any stocks, bonds or other securities or assets and (2) determine the amount of securities to be bought or sold and (3) place orders with the custodian. Any limitations to such discretionary authority will be communicated to our Firm in writing by you, the client.

The limitations on investment discretion held by NMG for you are:

1. For discretionary accounts, we require that we be provided with authority to determine which securities and the amounts of securities to be bought or sold.
2. Any limitations on this discretionary authority shall be in writing within the Investment Advisory Agreement. You may change/amend these limitations as required. All limitations shall be made in writing to the firm.

In some instances, we may not have discretion on an account. We will discuss all transactions with you prior to execution or you will be required to make the trades if in an employer sponsored account.

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#### ITEM 17 – VOTING CLIENT SECURITIES

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We will not vote proxies on your behalf. You are welcome to vote proxies or designate an independent third-party at your own discretion. You designate proxy voting authority in

the custodial account documents. You must ensure that proxy materials are sent directly to you or your assigned third party. We do not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies. Clients can contact our office with questions about a particular solicitation by phone at 801-446-9950.

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#### ITEM 18 – FINANCIAL INFORMATION

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We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.