

Item 1: Cover Page

Kershner Strategic Opportunity Advisors, LLC

Form ADV Part 2A Brochure March 7, 2022

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This brochure provides information about the qualifications and business practices of Kershner Strategic Opportunity Advisors, LLC. If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer, Andrew Tollemache, at the telephone number or email address listed above. 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. Kershner Strategic Opportunity Advisors, LLC is a registered investment adviser, but registration does not imply a certain level of skill or training.

Additional information about Kershner Strategic Opportunity Advisors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov and by searching for CRD#309646.

Item 2: Material Changes

In this Item, Kershner Strategic Opportunity Advisors, LLC is required to identify and discuss material changes since the last time this brochure was updated. Since filing its last annual updating amendment on March 26, 2021, there are no material changes to report.

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Item 4: Advisory Business

- A. Kershner Strategic Opportunity Advisors, LLC (“Adviser” or “KSOA”) is a Delaware limited liability company formed in June 2020, with a business address at 1825-B Kramer Lane, Suite 200, Austin, TX 78758. Adviser is a wholly-owned subsidiary of Kershner Trading Group, LLC (“KTG”), which, in turn, is 95.75% owned by the Andrew S. Kershner Trust (Andrew S. Kershner and Susan H. Graf, co-trustees). Adviser is registered with the SEC as an investment adviser pursuant to the federal Investment Advisers Act of 1940, as amended (the “Advisers Act”).
- i. Andrew S. Kershner is the Founder and Chief Executive Officer of KSOA as well as the Founder, Chief Executive Officer and Chairman of KTG. He has over 25 years of proprietary trading and investment experience, with both KTG as well as ProTrader Securities.
 - ii. Andrew Tollemache is KSOA’s Chief Compliance Officer. Mr. Tollemache has over 20 years of experience in the electronic trading business, having been a trader for 10 of those years. Prior to joining the Kershner organization, Andrew was part of the Execution Services Group at TD Ameritrade and served as Senior Options Principal for ProTrader Securities.
 - iii. Kenny Lissak is KSOA and KTG’s Director of Trading. Mr. Lissak joined KTG in July 2016. He has over 30 years of hedge fund experience, including being an original partner at SAC Capital.
 - iv. Jon B. Sanderson is the Chief Financial Officer of both KSOA and KTG, having joined KTG in June 2017. Jon is responsible for finance, accounting and human resources. Prior to joining the Kershner organization, his roles have been in the securities industry where his experience includes serving as CFO of Sterne Agee Group, Inc. and Managing Director and Controller of Morgan Keegan & Company, Inc. Prior to these roles, he was in public accounting with Ernst & Young. He earned a Bachelor of Professional Accountancy from Mississippi State University, and is a licensed CPA.
- B. Adviser is a boutique investment firm that provides discretionary investment management services, tailored to its client’s needs. The firm provides portfolio management services to institutional investors and family offices. Adviser was formed in an effort to leverage KTG’s extensive experience managing Mr. Kershner’s proprietary assets. In particular, KTG has long utilized a unique approach in managing Mr. Kershner’s assets, which involves the recruitment of “star traders,” each of whom are, in turn, allocated a percentage of KTG’s assets for active management. Guided by Mr. Kershner, KTG’s traders are entrusted with a varying amount of capital and autonomy depending on their experience and trading performance. KTG believes that the best trading environment is one where knowledge and ideas are shared so that winning trading and risk management practices can be institutionalized within KTG. Having employed this approach under the umbrella of KTG solely for the management and benefit of his own proprietary assets, Mr. Kershner founded KSOA with the goal of making the human capital, trading strategies, technology, and processes—previously only available to his proprietary accounts—available to select outside investors.
- C. Adviser utilizes actively managed investment strategies largely involving domestic US equities that seek to capitalize on temporary market imbalances. Services range from actively managed stock and ETF portfolios to ones constructed with options and other instruments. Adviser provides investment management services based on investment guidelines and restrictions that are developed in consultation with the client, or in accordance with the mandate selected by the client.
- D. Adviser will tailor its services to its clients’ needs and objectives. Before formalizing a client relationship, Adviser will conduct an initial consultation with client with the goal of understanding

the client's financial needs, and requirements. Adviser may employ futures and currencies or other instruments for the intended purpose of obtaining and/or adding exposure to various asset classes as well as for hedging purposes.

- E. Adviser does not participate in any wrap fee programs.
- F. As of December 31, 2021, Adviser managed \$94,000,000 in assets on a discretionary basis.

Item 5: Fees and Compensation

- A. Adviser is compensated for its advisory services primarily by fees charged based on a client's assets under management with Adviser, as well as by a performance fee for clients that are considered "qualified clients" as such term is defined by Rule 205-3 under the Advisers Act. Fees charged for asset management services are negotiable. As such, some clients may be charged differently based on their situation, needs, the complexity of the program or investments they are in, as well as the size of their account. Each client's specific fee schedule is included as part of the investment management agreement signed by Adviser and the client.

Adviser generally charges a management fee of 1.0% of assets under management. For accounts of qualified clients, Adviser also generally charges a performance fee of 30%.

- B. Adviser's standard practice is to assess its asset management fees on a monthly basis, in arrears. This management fee is calculated on the net liquidating value of the account at the close of the last day of the month. This fee will be deducted from the client's account in the following month with an invoice sent to both the custodian or broker and the client. Performance fees will also be assessed similarly by assessing the amount due at the end of the month and invoicing the custodian or broker as well as the client in the following month. The client may request in writing an alternate method of payment from our standard practice. Adviser encourages clients to actively review statements received from their custodian. Depending on accounting methods our statements may differ from custodial statements. Clients that believe that an error has occurred or have a question relating to a fee or statement should inform Adviser in writing as soon as the error or question arises.
- C. In addition to the fees charged by Adviser, clients will incur brokerage and other transaction costs. Please refer to Item 12: Brokerage Practices, for further information on such brokerage and other transaction-related practices. Clients will also typically incur additional fees and expenses imposed by independent and unaffiliated third-parties, which can include qualified custodian fees, mutual fund or exchange traded fund fees and expenses, mark-ups and mark-downs, spreads paid to market makers, wire transfer fees, check-writing fees, early-redemption charges, certain deferred sales charges on previously-purchased mutual funds, margin fees, charges or interest, IRA and qualified retirement plan fees, and other fees and taxes on brokerage accounts and securities transactions. These additional charges are separate and apart from the fees charged by Adviser.
- D. If Adviser or client terminates the advisory agreement before the end of a quarterly billing period, Adviser's fees will be prorated through the effective date of the termination. The pro rata fees earned through the effective date of the termination will be billed to the client.
- E. Neither Adviser nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

Item 6: Performance-Based Fees & Side-By-Side Management

Adviser charges a performance fee for qualified clients (as such term is defined by Rule 205-3 under the Advisers Act), which is a fee based on a share of capital gains or capital appreciation of the assets of a qualified client. This performance fee is in addition to the management fee described in Item 5 above, and is generally 30%.

Performance-based compensation arrangements create a conflict of interest as they create an incentive for Adviser to recommend investments that carry a higher degree of risk to the client. Adviser mitigates this conflict of interest by selecting investments that it believes to be appropriate for clients in accordance with Adviser's long-term investment strategy, and by fully disclosing its performance fee in this brochure and in its management agreement with such qualified clients.

To the extent that Adviser manages accounts for qualified clients that are charged a performance fee as well as accounts for non-qualified clients that are not charged a performance fee, Adviser engages in what is known as side-by-side management. This creates a conflict of interest because Adviser has an incentive to favor accounts for which Adviser receives a performance-based fee. Adviser addresses this conflict of interest by always acting in the best interests of all clients as a fiduciary, by dedicating the same time, care and attention to accounts that are charged a performance fee and accounts that are not, and by fully disclosing its practices in this brochure.

Item 7: Types of Clients

Adviser generally provides its services to institutional investors and family office clients. Adviser has no absolute minimum. With that said, our preferred account minimum for managed strategies is \$1,000,000. Accounts that fall below this minimum may be accepted at our discretion.

Item 8: Methods of Analysis, Investment Strategies & Risk of Loss

- A. Adviser utilizes several strategies, methods, and models to make investment decisions, dispense investment advice, and develop recommendations. Adviser's investment analysis methods are based on a foundation of research. This research includes the sourcing and analysis of data on macroeconomic factors, market climate, market conditions, historical data, and business fundamentals. Adviser employs these methods and strategies to meet the goals, plans, and needs of its clientele. Adviser's methods primarily include fundamental analysis, and, to a lesser extent, technical analysis, quantitative and cyclical analysis. Our approach may consider economic factors and market conditions. Our research may be drawn from a multitude of sources including (but not limited to): reporting agencies, financial publications, data vendors, exchanges, financial reports, regulatory filings, prospectuses, and rating services. The following describes the methods of analysis and investment strategies utilized on behalf of clients with regards to formulating and dispensing investment advice as well as managing investment assets.
 - i. Adviser will seek to primarily investigate the value of an asset. Our assessment will focus on an asset's intrinsic value as well as any cash flow. In regards to debt instruments, we will consider the issuer, its yield, price, and duration. In regards to investments in companies, assessments will be made of its management, industry, liabilities, business model, earnings, and financial reports.

- ii. Adviser will also utilize technical analysis to further our investigations on an investment. We will endeavor to uncover supply and demand impacts on prices as well as a review of volume at certain levels. A study of past prices during certain events and market cycles will be beneficial in identifying market opportunities, trends, and correlations.
 - iii. Adviser's quantitative investment approach utilizes proprietary analytical systems. In our opinion, intensive data analysis is needed to keep abreast of market conditions. Data analysis requires data from various sources. Data related to the market and assets can be immense, and gleaning insights from them can be complex. By utilizing our proprietary quantitative systems, we will seek to gather pertinent information needed for superior investment management. Furthermore, these systems will generally be used to identify optimal periods to initiate our options overlay and standalone strategies as well as other possible investment opportunities.
- B. Investing in securities involves the risk of loss. Clients should be aware of the potential for losses and should be prepared to bear the risk of loss. Adviser employs several strategies across a multitude of asset classes with various risk levels. Adviser will engage in long term holdings, short term trading, short selling, margin transactions, and derivatives trading (including but not limited to: uncovered strategies, covered strategies, cash-secured, and/or spreading strategies). Our utilization of margin, options, and short sales on behalf of our clients may increase the risk of loss, and clients should be aware of these risks as they may experience larger losses as a result of being invested in these strategies than they would have without their use. Some strategies will not be offered to some clients as they may not be suitable for all clients. Adviser will consider the client's goals, financial plans, risk tolerance, investment time horizon, and objectives when implementing strategies.
- i. Portfolio Turnover: The Adviser will engage in short-term trading. Short-term trading refers to the practice of selling investments held for a short time, ranging from several months to less than a day. The objective of short-term trading is to take advantage of what the Adviser believes are changes in a market, industry or individual company. Short-term trading increases an account's transaction costs, which could affect the account's performance,
 - ii. Day Trading: Day trading can lead to large and immediate financial losses. Day trading involves aggressive trading, and generally a commission will be due on each trade. The total daily commissions paid on trades will add to losses or significantly reduce earnings. Day trading on margin or short selling may result in losses beyond the initial investment. Day trading also requires in-depth knowledge of the markets and trading techniques and strategies. Under certain market conditions, it may be difficult or impossible to liquidate a position quickly at a reasonable price. This can occur, for example, when the market for an instrument suddenly drops, or if trading is halted due to recent news events or unusual trading activity. The more volatile an instrument is, the greater the likelihood that problems may be encountered in executing a transaction. In addition to normal market risks, there may be losses due to system failures.
 - iii. Long Term Holdings: Adviser will also purchase securities on behalf of its clients and hold them for periods of a year or longer. Adviser will typically employ this strategy under a multitude of conditions, including a failure to exploit perceived dislocations under Adviser's imbalance/rebalance strategy. Risk of holding an asset can include without limitation: not reaching a profit by targets or milestones, not realizing any profit, having a short-term profit opportunity that is missed, or a decline in value from the onset. Long term purchases are risky and do not get safer with the passage of time.
 - iv. Short Selling: Adviser's investment strategies include the use of short selling. Short selling involves borrowing a stock that the seller does not own. This borrowed stock is essentially a loan whereby collateral is posted. Stock borrowed will be required to be returned to the lender and a fee will be assessed on the position until it is returned. A borrow fee or stock loan fee will be charged by the brokerage firm for lending stock and

rates can vary from security to security. This fee can impact returns and should be recognized as not only a potential cost, but also a risk involved with short selling. Adviser also utilizes strategies by which a short options position is initiated. The short or writing of an option position can result in an assigned position or substantial losses due to an adverse move in the underlying security. Short selling involves a unique risk whereby the loss can be larger than the initial investment. Risk of loss can be substantial as prices typically have no cap or ceiling and losses can mount quickly and continue to occur. If a client has a short position in an instrument that has risen, collateral requirements can change and if not met the brokerage can forcibly liquidate the position. If a large number of liquidations occur in a short period coinciding with large purchases or institutional buyers, a short squeeze can occur quickly and losses can be substantially greater. Another risk of having a short position is the potential liability for dividend payments. Adviser will endeavor to be prudent and disciplined in its short-selling efforts but all risk and unforeseen events that may impact a securities value cannot be modeled for or planned for.

- v. Derivatives Transactions: Adviser may utilize derivatives instruments on behalf of clients. This includes options on stocks and ETFs, Indexes, and LEAPS. Derivatives are named as such because they derive their value from an underlying asset. Derivatives trading strategies that we utilize may include without limitation: uncovered strategies, covered strategies, cash-secured, and/or spreading strategies. Strategies utilized can be standalone trades, spreads, or part of a more complex options overlay strategy. Derivatives instruments or instruments based on derivative instruments may experience more volatility than other instruments or the underlying assets they are based on. Risks associated with derivative investments or instruments may include liquidity and volatility. When volatility expands the bid/ask spread of instruments may widen dramatically affecting the ability to enter or exit at favorable prices or prices close to the theoretical value and thus may have an impact on clients' accounts. If the liquidity of assets dries up, normal available bids and offers may dissipate. These risks may dramatically impact the prices of derivatives and the price at which one can enter or exit a position and thus may result in a negative impact on returns. Derivatives instruments can involve the use of margin and may require cash, cash equivalents, or securities to be posted as collateral. Derivatives can involve the use of leverage and can result in a loss larger to an initial starting balance.
- vi. Margin. Our discretionary clients where appropriate will have access to margining and Adviser will employ strategies that utilize margin. Adviser's self-directed clients, where appropriate, will also have access to the use of margin and need to comply with brokerage margin rules. Margin involves the use of leverage and can compound losses. The use of portfolio margin can involve larger leverage than a Regulation T margin account and can further magnify losses up to and including a loss larger than the initial or starting balance. Please carefully read your margin risk disclosure statement and documents for applicable details. Margin handbooks are available through the brokerage or a written request. Clients need to recognize borrowing costs related to margin and that they can negatively impact returns.

- C. Adviser employs several investment strategies in various manners, across multiple asset classes and instruments. There are numerous risks associated with these strategies. The following will outline some of the various risks associated with our services. Clients need to be aware that all investment carries some degree of risk and returns are not guaranteed. Long- or short-term holdings do not ensure or guarantee either success or returns. This list is comprehensive but not exhaustive, and may be limited in nature and may not include all possible risk, potential risk, or unforeseen events that may or may not occur.

- i. Market Risk: Market risk is the possibility of loss in an asset or the value of an investment due to a multitude of factors that can affect the performance of the markets

that a client may have exposure to. These factors may include without limitation: equity risk, exchange rate risk, commodity risk, and interest rate risk. Market risk is at the forefront of our approach. Adviser will endeavor to diversify the client's assets, but the risk in its entirety cannot be eliminated. Adviser will from time to time look for ways to transfer or reduce risk by several methods including but not limited to hedging strategies and non-correlated asset purchases and/or sales.

- ii. Investment Risk: Investment risk involves the probability of loss relative to the expected return on a particular investment. Adviser will make a multitude of investments in various asset classes and instruments on the client's behalf. These investments can vary in risk to reward ratios. Adviser will endeavor to be regimented and disciplined with regards to analyzing risk-to-reward ratios. With this said the risk of loss is a probable event as investments can experience unpredictability and times of volatility. Investments can experience unforeseen events and risk can arise suddenly with the ongoing potential to quickly and continuously change the risk profile of any investment at any given time.
- iii. Hedging: Available hedging methods and/or instruments may not be available or available at favorable prices, rendering them inefficient, unnecessary, or ineffective. Risk cannot always be eliminated nor predicted, but it is our goal, where permissible and possible, to attempt to reduce or transfer risk when appropriate. Adviser employs several hedging strategies that will attempt to reduce the risk of loss associated with an asset by utilizing another investment instrument. Adviser will often under hedge a position as to not limit upside potential but this action does not afford full downside protection. Hedging often employs short term strategies and transactions that may have negative tax consequences associated with them.
- iv. Risk associated with Securities: Common stocks incur periods of volatility and uncertainty. Large moves up or down are not unusual in stocks in a short period. Stocks are sensitive to interest rates, taxes, government regulations, commodity prices, management, and the industry sector they are in. Exchange traded funds (ETF) are open-end investment companies. ETFs have many risks, first and foremost being market risk. Next, being a tax risk. Tax treatments are based on holding periods as well as the make-up of an ETF, which can include derivatives or physical holdings e.g. the ETF GLD (the SPDR Gold Trust) may be considered an investment based on holding physical gold. Physical gold holding may be considered by the IRS a "collectible" and as such might be taxed at a higher rate no matter the holding period. One should always consider consulting a tax adviser or accountant as to what investments get what tax treatments and what tax issues may arise, or what tax consequences one may be subject to as a result of taking a short- or long-term position in a derivative, ETF, stock, commodity, futures contract or a combination. Adviser nor its associated persons are tax advisers nor tax representatives and do not dispense tax or accounting advice. ETFs from the time to time are shuttered or shut down. The closures of ETFs typically involve the liquidation of assets/positions and typically result in a cash payment to shareholders. This action may adversely affect shareholders of the ETF. In a liquidation process, a shareholder may realize a capital gain as well as experience transaction and legal cost. ETFs may also experience tracking risk. Some ETFs are based on derivatives and can experience mispricing. These derivatives may include futures contracts. Futures contracts may experience contango, where a situation arises in which the front-month contracts are priced less than longer-dated contracts. As a result, when the fund initiates a roll (selling one contract and buying a later-dated contract). Nearer term contracts may continue to decline against further dated contracts or further dated contracts can appreciate further against current prices. Thus, when the roll commences, it may result in the equivalent of selling an asset at a lower price to then repurchase it at a higher price, resulting in an unintended drag on the performance of the fund. Next are a few risks associated with leveraged ETFs. Leveraged ETFs are often based on derivative instruments and thus may reprice adversely. Expenses, transactions, and underlying investments may cause

the ETF to not perform as expected, and, in our opinion, leveraged ETFs are meant for short term trading, not long term holding.

- v. Leverage Transactions Risk: ETFs, margined stock positions, and derivative instruments may involve the use of leverage. Leverage involves the use of margin, small cash deposits, or collateral to initiate a position. Leverage may give financial flexibility, increase cash flow, magnify returns or expand assets, but also may substantially increase risk, magnify losses, and result in a loss greater than a starting balance and trigger a margin call.
- vi. Active Trading Risk: Adviser will engage in active trading for itself and its clients. Active trading may lead to higher transaction costs that may affect performance and have tax consequences.
- vii. Model and Software Risk: Adviser employs several proprietary models, utilizes licensed models and software, and uses outside advisors for research, models, and analysis. Financial modeling is a complex and comprehensive process, but from time to time has limitations or flaws based on certain assumptions or inputs. These models are based on inputs from data and its parameters are variable. These models are utilized in conjunction with algorithms and programming languages as well as various equipment and software. Due to the complex nature of these interactions, errors and incorrect results may occur or be obtained from said models from time to time. Investments and decisions are often made based on the results and readouts from these models and errors can be carried forward from errors originating in data, equations, programming, and/or software utilized. While Adviser has experience utilizing these models and software, these models and software need to be updated and adjusted from time to time and are reliant on accurate data and research. Errors may occur from time to time, and this may or may not have an economic impact adversely on the client's accounts. Adviser will endeavor to keep abreast of model requirements, software updates and/or changes, algorithms, programming languages, model assumptions, as well as the mathematical equations behind them. We will do this in an effort to eliminate, reduce, or minimize errors.
- viii. Currency Risk: Investments made in international assets, in assets denominated in a foreign currency, or in a company with operations or dependent on goods in services originating in foreign countries may be subject to risk relating to exchange rates. The decline or appreciation of a foreign currency in relation to the US dollar may have an adverse economic impact on these investments.
- ix. Emerging Market Risk: Adviser will make investments in emerging market securities on behalf of clients. Emerging markets describe investing in developing countries. Emerging markets may undergo faster economic growth or decline than in developed countries. Depending on the stage of development emerging market securities can experience large periods of volatility due to economic, environmental, exports, imports, and government changes. The government in emerging markets can have unstable political scenes that can dramatically alter or impact asset prices during times of unrest or uncertainty. Investments in emerging markets are often subject to currency risk. Adviser will monitor these risks on an ongoing basis for revising investment thesis or plans.
- x. Sector Risk: Sectors are often impacted by events that affect a large portion of companies in that industry. Concentration in a sector can result in prices in those assets falling in value at the same time. Adviser will endeavor to monitor for sector risk and may rotate in and out of sectors on the client's behalf depending on industry events, political events, legal updates, economic conditions/environment. Concentrations in companies of certain sectors may occur and correlated losses may result.
- xi. Corporation/Business Risk: Corporations, both public and private, have a risk of decline or failure. A decline in profitability or a decline in the expected profitability can negatively impact the value of both the equity and debt of a company. Client's assets are tied to these values and have a risk of loss associated with a decline in the value of either debt to equity holdings of a company.

- xii. Inflation Risk: Inflation is a function of supply and demand. During this time, demand as well as prices for goods may rise. The supply of money may rise and outweigh demand. Adviser will endeavor to seek to minimize cash holdings during inflationary periods. Adviser may reassess international holdings during this time.
- xiii. Deflation Risk: Deflation is another function of supply and demand. Increased supply of products or the decrease in the supply of money or a decrease in the liquidity of credit markets may have deflationary effects. These events may occur during an economic contraction. Consumers may delay purchases and borrowings and this may impact corporate earnings and profits. As profits and earnings fall, so may the price and the value of those assets, thus clients may experience losses associated with these investments. Adviser will endeavor to look for short opportunities as well as defensive positions to stabilize returns during economic contractions. Adviser may increase cash holdings in deflationary periods. Adviser may reassess international holdings during this time.
- xiv. Cybersecurity Risk: There is a risk to the firm of an unauthorized breach and access to the client's information this may include a data breach from a cyber-attack or intrusion. Adviser will strive to utilize policies and procedures to minimize the risk of a client's private information being obtained or released. This may involve the use of technology security software and connections as well as periodic cybersecurity audits.
- xv. Concentration Risk: Adviser will make investments on a client's behalf and from time to time that may involve a concentrated portfolio. This may be more prevalent where Adviser is only managing a portion of a client's overall portfolio in conjunction with another or outside adviser. This account may be utilized to gain exposure to a certain asset class or desired correlation their current adviser does not have access to or experience with. Due to this concentration, a client's account can experience large losses as assets within certain sectors, industries, or asset classes as they tend to correlate. Asset classes often move together or experience similar sensitivities to certain events and thus may affect their liquidity, price, and/or value.
- xvi. Interest Rate Risk: Debt and equity investments have interest rate sensitivity. Fluctuations in interest rates will often impact debt instruments, assets based on debt instruments, corporation's ability to borrow, and the cost of borrowing. Client's investments that are invested in these instruments or derivatives of these instruments may be impacted by a change in interest rates. Clients need to be aware of this risk as it may have a material impact on their investments as interest rates often do change and can negatively impact asset values.
- xvii. Credit Risk: Credit risk is the possibility of a loss associated with a borrower's inability to repay a debt or to meet a contractual obligation. Some investments made on behalf of clients may be based on instruments with exposure to credit risk. Primarily, we recognize three types of credit risk: credit spread risk, default risk, and downgrade risk. Credit spread is the difference between a risk-free alternative such as a US treasury bond and another debt security. Credit spreads often fluctuate due to changes in the market and economy. In difficult or uncertain economic times these spreads may widen and can vary from security to security, and some spreads offered may not be enough to justify the risk of default. Default risk is the risk associated with a borrower's ability to meet its contractual obligation to make payments in accordance with the agreed terms. Downgrade risk is the risk related to the potential of a downgrade in the rating of an issuer.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Adviser's advisory business or the integrity of Adviser's management.

Item 10: Other Financial Industry Activities & Affiliations

- A. Some management persons and other representatives of KSOA are also currently registered representatives of Kershner Securities, LLC, Member FINRA, an affiliated registered broker-dealer (CRD#147653) (“Kershner Securities”). Specifically, KSOA’s CEO Andrew S. Kershner (CRD# 3140661), CCO Andrew Tollemache (CRD# 2979712), CFO Jon B. Sanderson (CRD# 2060740), and Vice President Shayne L. Young (CRD# 2053616) are all registered representatives of Kershner Securities. Kershner Securities is a wholly-owned subsidiary of KTG, and, as such, is under common control with Adviser. Whenever any such representative recommends that a client purchase a security product through a broker-dealer, the representative is recommending a product on which he or she will generally receive a commission. Not all of our representatives are licensed to make all of these types of recommendations, nor do all representatives who are licensed to recommend these products do so for all clients. This relationship between Adviser and Kershner Securities creates a material conflict of interest, whereby Adviser and its representatives are incentivized to refer as many KSOA clients as possible to Kershner Securities, and Kershner Securities is incentivized to accept all such clients referred. In an effort to mitigate this conflict of interest, Adviser will carefully determine client suitability for trading via Kershner Securities and ensure that such trading is consistent with the objectives of these clients, before recommending or referring such persons to Kershner Securities.
- B. Neither Adviser nor any of its management persons are registered, or 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.
- C. KTG is a 51% equity owner of Fifth Lane Capital, LP (“Fifth Lane”), an investment adviser registered with the SEC. While Fifth Lane primarily acts as investment manager to the Fifth Lane Partners Fund, LP, it also acts as a discretionary manager over separate account assets. Fifth Lane is controlled by its General Partner, Fifth Lane Capital GP, LLC, an entity in which KTG has no stake.
- D. Adviser does not have any other relationship or arrangement with any related person listed below (beyond those discussed above) that is material to its advisory business or to clients:
- i. broker-dealer, municipal securities dealer, or government securities dealer or broker
 - ii. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
 - iii. other investment adviser or financial planner
 - iv. futures commission merchant, commodity pool operator, or commodity trading advisor
 - v. banking or thrift institution
 - vi. accountant or accounting firm
 - vii. lawyer or law firm
 - viii. insurance company or agency
 - ix. pension consultant
 - x. real estate broker or dealer
 - xi. sponsor or syndicator of limited partnerships
- E. Adviser will not select, recommend, and/or refer clients to, other outside advisers.

Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

- A. Adviser has adopted a code of ethics that will be provided to any client or prospective client upon request. Adviser's code of ethics describes the standards of business conduct that Adviser requires of its supervised persons, which is reflective of Adviser's fiduciary obligations to act in the best interests of its clients. The code of ethics also includes sections related to compliance with securities laws, reporting of personal securities transactions and holdings, reporting of violations of the code of ethics to Adviser's Chief Compliance Officer, pre-approval of certain investments by access persons, and the distribution of the code of ethics and any amendments to all supervised persons followed by a written acknowledgement of their receipt.
- B. Neither Adviser nor any of its related persons recommends to clients, or buys or sells for client accounts, securities in which Adviser or any of its related persons has a material financial interest.
- C. From time to time, Adviser or its related persons will invest in the same securities (or related securities such as warrants, options or futures) that Adviser or a related person recommends to clients. This has the potential to create a conflict of interest because it affords Adviser or its related persons the opportunity to profit from the investment recommendations made to clients. Adviser's policies and procedures and code of ethics address this potential conflict of interest by prohibiting such trading by Adviser or its related persons if it would be to the detriment of any client and by monitoring for compliance through the reporting and review of personal securities transactions. In all instances Adviser will act in the best interests of its clients.
- D. From time to time, Adviser or its related persons will buy or sell securities for client accounts at or about the same time that Adviser or a related person buys or sells the same securities for its own (or the related person's own) account. This has the potential to create a conflict of interest because it affords Adviser or its related persons the opportunity to trade either before or after the trade is made in client accounts, and profit as a result. Adviser's policies and procedures and code of ethics address this potential conflict of interest by prohibiting such trading by Adviser or its related persons if it would be to the detriment of any client and by monitoring for compliance through the reporting and review of personal securities transactions. In all instances Adviser will act in the best interests of its clients.

Item 12: Brokerage Practices

- A. Adviser considers several factors when recommending a custodial broker-dealer for client transactions and determining the reasonableness of such custodial broker-dealer's compensation. Such factors include the custodial broker-dealer's industry reputation and financial stability, service quality and responsiveness, execution price, speed and accuracy, reporting abilities, and general expertise. Assessing these factors as a whole allows Adviser to fulfill its duty to seek best execution for its clients' securities transactions. However, Adviser does not guarantee that the custodial broker-dealer recommended for client transactions will necessarily provide the best possible price, as price is not the sole factor considered when seeking best execution. After considering the factors above, Adviser generally recommends Weeden & Co., L.P. (now Piper Sandler & Co.) (the "Broker") as an introducing broker to Goldman Sachs & Co. LLC (the "Custodian") the custodial broker-dealer for client accounts.
 - i. Adviser may receive research and other benefits in connection with client securities transactions, which are known as "soft dollar benefits". The custodial broker-dealer(s)

recommended by Adviser may provide certain products and services that are intended to directly benefit Adviser, clients, or both. Such products and services include (a) an online platform through which Adviser can monitor and review client accounts, (b) access to proprietary technology that allows for order entry, (c) duplicate statements for client accounts and confirmations for client transactions, (d) invitations to the custodial broker-dealer(s)' educational conferences, (e) practice management consulting, and (f) occasional business meals and entertainment. The receipt of these products and services creates a conflict of interest to the extent it causes Adviser to recommend the Broker as opposed to a comparable broker-dealer. Adviser addresses this conflict of interest by fully disclosing it in this brochure, evaluating the Broker based on the value and quality of its services as realized by clients, and by periodically evaluating alternative broker-dealers to recommend.

- ii. Adviser does not consider, in selecting or recommending custodial broker-dealers, whether Adviser or a related person receives client referrals from a custodial broker-dealer or third-party.
 - iii. Adviser does not routinely recommend, request, or require that a client direct Adviser to execute transactions through a specified custodial broker-dealer.
- B. Adviser retains the ability to aggregate the purchase and sale of securities for clients' accounts with the goal of seeking more efficient execution and more consistent results across accounts. Aggregated trading instructions will not be placed if it would result in increased administrative and other costs, custodial burdens, or other disadvantages. If client trades are aggregated by Adviser, such aggregation will be done so as to not disadvantage any client and to treat all clients as fairly and equally as possible.

Item 13: Review of Accounts

- A. Andrew S. Kershner, the Adviser's founder and CEO, monitors client accounts on an ongoing basis. While the frequency of review will be dependent on various factors, clients' accounts will be reviewed at a minimum of quarterly per year.
- B. The custodial broker-dealer for client's account will send account statements and reports directly to clients no less frequently than quarterly. Such statements and reports will be mailed to clients at their address of record or delivered electronically, depending on the client's election. If agreed to by Adviser and client, Adviser or a third-party report provider will also send clients reports to assist them in understanding their account positions and performance, as well as the progress toward achieving financial goals.

Item 14: Client Referrals and Other Compensation

- A. No one other than its clients provide an economic benefit to Adviser for providing investment advice or other advisory services to clients. However, as described above in Item 12, the custodial broker-dealer(s) recommended for client accounts provides certain products and services that are intended to directly benefit Adviser, clients, or both.
- B. Neither Adviser nor a related person directly or indirectly compensates a person who is not Adviser's supervised person for client referrals.

Item 15: Custody

Adviser is deemed to have limited custody over client accounts since Adviser's management fees are deducted directly from such accounts. At no time will Adviser accept full custody of client funds or securities in the capacity of a custodial broker-dealer, and at all times client accounts will be held by a third-party qualified custodian as described in Item 12, above.

If a client receives account statements from both the custodial broker-dealer and Adviser or a third-party report provider, client is urged to compare such account statements and advise Adviser of any discrepancies between them.

Item 16: Investment Discretion

Adviser accepts discretionary authority to manage securities accounts on behalf of clients only pursuant to the mutual written agreement of Adviser and the client through a power-of-attorney, which is typically contained in the management agreement signed by Adviser and the client. Clients may place reasonable limitations on this discretionary authority so long as it is contained in a written agreement and/or power-of-attorney.

Item 17: Voting Client Securities

- A. Adviser does not have and will not accept authority to vote client securities.
- B. Clients will receive their proxies or other solicitations directly from their custodial broker-dealer or a transfer agent, as applicable, and should direct any inquiries regarding such proxies or other solicitations directly to the sender.

Item 18: Financial Information

- A. Adviser does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.
- B. Adviser does not have discretionary authority or custody of client funds or securities, require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.