

Item 1 Cover Page



Wrap Fee Program Brochure

March 15, 2023

This wrap fee program brochure provides information about the qualifications and business practices of Excel Securities & Associates. If you have any questions about the contents of this brochure, please contact us at 585-424-1234 or britt@excelsecurities.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Excel Securities & Associates, Inc. is a registered investment adviser with the Securities and Exchange Commission ("SEC"). The term registration does not imply a certain level of training or skill.

Additional information about Excel Securities & Associates, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

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Item 2 Material Changes

There have been no material changes to Excel's advisory offerings since our last ADV annual update!

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Item 4 Services, Fees and Compensation

Excel Securities, & Associates, Inc. is an investment advisor registered with the Securities and Exchange Commission (SEC). Excel Securities & Associates, Inc. provides investment management services to its clients (individually, a “Client”).

As of December 31, 2022, Excel manages \$300,866,360 on a discretionary basis, and \$43,391,580 on a non-discretionary basis.

Advice is based on each client’s financial situation, as well as detailed information about personal circumstances, such as age, investment time horizon, risk tolerance, expectations, goals, investment restrictions, etc. In determining whether to establish an account, a client should be aware that the overall cost to the Client of Advisory Services may be higher or lower than the Client may incur by purchasing separately the types of securities available through the Advisory Services. In order to compare the cost of the Advisory Services with unbundled services, the Client should consider the turnover rate in the investment strategies, trading activity in the account, standard advisory fees, and brokerage commissions that would be charged at other broker-dealers and investment advisors.

Excel offers three Advisory Wrap Programs further described below. The Client authorizes Excel Securities & Associates, Inc. to debit the advisory fee directly from the Client’s investment account. If insufficient cash is available to pay such fees, securities in the amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance.

FB Advisory version 1 (FB1)

Effective 5/1/2017 the FB Advisory wrap program is a discretionary advisory offering and all new agreements will be discretionary in nature. The Investment Advisor Representative that established the client relationship is named as the account Investment Adviser Representative (IAR) and portfolio manager, to provide ongoing account management. Client’s will work closely with their IAR to identify and document their profile and establish risk / return expectations. The IAR will use the profile data provided to make appropriate portfolio choices on behalf of the customer. The IAR will monitor the account and the recommended portfolio. Periodically, a thorough account review will be performed by the IAR and the results will be communicated to the client. Account reviews are designed to measure and report the effectiveness of the investment choices with respect to the customer’s stated profile, goals, and account objectives. Periodic performance reports are used as a component of the account reviews. Effective January 1 2014 this program employs a performance reporting tool made available by Albridge. Excel does not manage, produce, or influence in any way the output of the performance reporting.

Managed ETF Portfolios (METF)

The Managed ETF Portfolios are a fully discretionary wrap program which leverages publicly available research provided by industry recognized third parties in the creation and maintenance of the program portfolios. The client provides full trading authority to Excel to allocate the account according to the selected model.

The program has eleven models that range from 100% fixed income to 100% equity. Excel monitors drift from the model and periodically rebalances the account back to the model allocations. The program is now offered in two unique versions:

1. METF Blackrock Strategic Allocation models
2. METF Vanguard (CRSP) Models

Morningstar Managed Portfolios (MMP)

The Morningstar Managed Portfolios are a set of ten portfolios sub advised by Morningstar Investment Management. There are five portfolios ranging from conservative to aggressive investment objectives. Each of the five models is offered in a tax sensitive and non-tax sensitive version. The Morningstar Investment Management team of analysts provide the portfolio

asset allocations, select the portfolio holdings, and provide ongoing portfolio monitoring and guidance. Excel's team trades the portfolios, manages the program billing and all interaction with program account owners.

Program Fees and Related Costs

Clients electing a wrap fee program are charged an advisory fee expressed as an annual percent of their account value. These fees are billed monthly in advance and include the cost of asset manager fees, advisory services, trading costs, and performance reporting. In addition to the billed monthly advisory fee, wrap accounts may encounter additional non-billed expenses resulting from the internal mutual fund, ETF, and investment product expenses. All account types are subject to paper surcharges which can be avoided by electing electronic delivery of these items. All tax qualified accounts such as IRAs are subject to annual maintenance fees.

Sell transactions are subject to section 31 transaction fees. See <https://www.sec.gov/fast-answers/answerssec31htm.html> for more information on these fees. Section 31 fees will appear on the transaction confirmation as a transaction fee.

Other customer elected activities may result in additional charges. You should make inquiry around the cost of elective activities such as overnight delivery of checks or documents, electronic funds transfers to other financial institutions, check writing related costs, and other activities not related to the investment advisory services.

A portion of the fee collected from client is paid to the Investment Advisor Representative for his / her role in servicing the client account. The amount paid to Investment Advisor Representative varies based on contractual agreements between the Investment Advisor Representative and Excel. The fee charged to client accounts is negotiable and many factors can affect the ultimate level of fees charged to client, but fees cannot exceed the maximum fees displayed below.

Minimum & Maximum Program Fee as % of Assets

Assets Under Management	FB1	METF	MMP
Minimum Account Size	0	\$25,000	\$25,000
Maximum Annual Fee %	1.50%	1.50%	1.50%

A portion of the program fee is retained by Excel to offset related program expenses such as, but not limited to, transaction fees for trade related activity, performance reporting fees, account maintenance fees, and technology costs related to account monitoring. Client may be able to purchase separately the services rendered in these wrap programs for less than the cost of participating in the wrap program. The ability to do so depends on factors such as the level of brokerage activity occurring in the program account, the ability to purchase certain services separately such as performance reporting, the value of the account, and the complexity of account strategies being employed.

The portion of the program fee paid to the Investment Advisor Representative may be different between the wrap fee programs described in this brochure and may differ from other Excel sponsored advisory offerings. Additionally, the possibility exists that the amount earned by the Investment Advisor Representative could be greater if a non-advisory product is recommended. As such an Investment Advisor Representative may have an economic incentive to recommend one program or product over the other. Each of Excel's representatives has acknowledged our Code of Ethics and has agreed to be bound by this code. Among other things the Code of Ethics states that Excel and its employees have "an affirmative duty of utmost good faith to act solely in the best interest of its clients."

Item 5 Account Requirements & Types of Clients

The Managed ETF Portfolios and the FB Advisory portfolios have a \$25,000 minimum account size. Generally, the three wrap fee programs discussed here are used by individuals and trusts. Excel acts as the portfolio manager for the METF

Portfolios and the MMP portfolios while Lockwood Advisors acts as the Portfolio manager on the MAC Advisory program. The MAC offering closed to new investor 4/1/18. Effective 1/1/2018 the FB Advisory platform is a discretionary offering by default. Excel offers FB Advisory version 3 (FB3) for non-discretionary account relationships.

Item 6 Portfolio Manager Selection

FB Advisory

The FB1 program is a discretionary program by default and the Investment Advisor Representative acts as the portfolio manager. The standards used to evaluate results are actual results relative to appropriate industry benchmarks and blended benchmarks. Material variances from appropriate benchmarks will prompt Excel to investigate the reasons for such departures and take any actions deemed appropriate based on the findings and circumstances.

Managed ETF Portfolios

The METF portfolios follow the publicly available portfolio guidance provided by Blackrock and Vanguard. Both of these offerings are ETF based offerings and each of the portfolios are intended to track the performance and risk attributes of a blend of indices with the same ratio of stocks, bonds, and other assets. Material departure from the intended outcomes will prompt Excel to investigate the reasons for such departures and take any actions deemed appropriate based on the findings and circumstances.

Morningstar Managed Portfolios (MMP)

Each of the portfolios offered in the MMP program are sub-advised by Morningstar Investment Management and made available to our customers through a definitive licensing agreement. This offering blends both actively managed mutual funds and passively managed ETFs in an effort to take advantage of active management in asset sectors where added portfolio value can be achieved. Material variances from appropriate benchmarks will prompt Excel to investigate the reasons for such departures and take any actions deemed appropriate based on the findings and circumstances.

Item 7 Client Information

Excel provides Morningstar Investment Management account meta data including account number, account value, advisor number, and portfolio selection. This data is used for determination of fees owed to Morningstar and as a means of providing targeted marketing support to Excel's IARs. Excel does not share customer information with Blackrock or Vanguard regarding customers using our METF programs.

Item 8 Client Contact with Portfolio Manager

Client contact with portfolio manager can be readily facilitated by contacting the Investment Advisor Representative on the account.

Item 9 Additional Information

Disciplinary Information

Excel Securities & Associates, Inc. has no pending or prior legal or disciplinary events that we believe are material to a client's evaluation of Excel Securities & Associates, Inc. advisory business or management. Certain Excel related IARs have disclosure items that can be reviewed by visiting www.adviserinfo.sec.gov.

Other Financial Industry Activities and Affiliations

EXCEL is an independent investment advisor and a registered Broker Dealer. It is the Broker Dealer for the majority of accounts for which we provide advisory services. Currently, all of the Excel IARs are also Registered Representatives with FINRA. This is not a requirement, but it can create a conflict of interest because certain transactions may generate more commissions than would result from the same transaction in an Advisory account.

Alternatively, an Advisory account may result in fees that exceed the dollar value of the same activity in a commissionable setting. It is prudent to fully assess the forward-looking needs, and assess the fees and charges associated under each relationship type, Advisory or Brokerage.

Excel, as a Broker Dealer, maintains a fully disclosed clearing relationship with Pershing LLC. In its capacity as clearing agent, Pershing provides custody for all of Excel Advisory accounts. Through its affiliated companies Pershing also provides a variety of technological and operational systems that facilitate the reporting and oversight functionalities necessary to effectively perform our Advisory obligations. Pershing and Lockwood Advisors are wholly owned affiliates of the Bank of New York Mellon. As the size and scope of Excel's business with Bank of New York Mellon and all related companies grows, the potential exists for Excel to obtain enhanced pricing across its related businesses. This may be perceived as a conflict of interest and is disclosed here so that clients may assess the relevance. Many of the EXCEL Advisor representatives also maintain insurance licenses and may engage in the sale of various insurance products. Some insurance products such as variable annuities and variable insurance are supervised by EXCEL, and other non- variable types may be sold through insurance brokers unrelated to EXCEL. These insurance activities are not offered on an advisory basis, and the commissions and fees generated by this activity can cause a conflict of interest to the Advisory relationship. This is disclosed here so that clients may assess the relevance.

Code of Ethics

EXCEL has adopted a Code of Ethics designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940. The code establishes rules of conduct for all employees of EXCEL and is designed to, among other things; govern personal securities trading activities in the accounts of employees. The Code is based on the principle that EXCEL and its employees owe a fiduciary duty to EXCEL's advisory clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or perceived conflicts of interest or any abuse of their position of trust and responsibility. EXCEL will provide a copy of our Code of Ethics to any client or prospective client upon request.

EXCEL and its related people are prohibited from recommending or selling investments to clients for which EXCEL or its related persons have a material financial interest.

Occasionally, EXCEL advisors may elect to invest in the same securities or related securities that have been recommended to clients. This can create a perceived conflict of interest when the price received or paid for a particular investment by EXCEL or its Advisors is superior to the price obtained by the client.

With the exception of persons in supervisory roles, EXCEL's Advisor Representatives do not have the ability to monitor what other EXCEL Investment Advisor Representatives are recommending or transacting. EXCEL does not attempt to

average price transactions in same security, same side of market, in the same day across all EXCEL clients. Our efforts on this front are limited to accounts participating in the METF or Morningstar program offerings. All accounts within the same allocation model of these two offerings are traded as aggregate transactions and receive the average transaction price for each security transacted.

EXCEL monitors trade activity to identify violations of its policies and Code of Ethics so that it may address items as they arise. The full text of Excel Securities & Associates Code of Ethics Policy is available upon request.

Review of Accounts

Each client Advisory account is reviewed on a periodic basis by the associated Investment Advisor Representative.

Minimally, the review will examine the current account holdings and make determination as to whether or not the portfolio is consistent with the needs of the client in accordance with their client profile provided at the time of account opening or in subsequent updates to that information.

The process of this review evaluates the following items and makes determinations with respect to the appropriateness of the results given your investor profile.

- The mix of assets being employed (Asset Allocation)
- The actual returns versus appropriate benchmarks (Performance)

The client is provided communication informing them of the review findings and any recommendations.

For accounts using the MAC program, Lockwood regularly reviews the adequacy of the investments made available in each of their portfolios and makes changes as they deem necessary. The Investment Advisor Representative on the account will perform periodic reviews to assess the continued appropriateness of the portfolio selection relative to client profile as may be updated from time to time.

For accounts using the MMP (Morningstar Managed Portfolio) program, Morningstar Investment Management regularly reviews the adequacy of the investments made available in each of their model portfolios and informs Excel of portfolio changes as they deem necessary. Excel manages the account association with the selected model. The Investment Advisor Representative on the account will perform periodic reviews to assess the continued appropriateness of the portfolio selection relative to client profile as may be updated from time to time.

Financial Information

Excel Securities & Associates, Inc. is required to disclose any financial condition that is reasonable likely to impair our ability to meet contractual commitments to Clients. We are not subject to any financial commitment that impairs our ability to meet any contractual and fiduciary commitment to our clients.