

Cover Page - Item 1

**Form ADV Part 2A Brochure**

**Strategic Advocates, LLC**

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**March 22, 2023**

Strategic Advocates, LLC is a registered investment adviser. An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Strategic Advocates, LLC. If you have any questions about the contents of this brochure, please contact us at (435) 754-7888. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Strategic Advocates, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The firm's CRD/IARD number is 316858.

## Material Changes - Item 2

The purpose of this page is to inform you of any material changes since the previous version of this brochure.

On March 22, 2023, we submitted our annual updating amendment for fiscal year 2022. There were no material changes to report.

If you would like to receive a complete copy of our current brochure free of charge at any time, please contact us at (435) 754-7888 or at [Brad@wealth-advocates.com](mailto:Brad@wealth-advocates.com).

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#### **Advisory Business - Item 4**

Strategic Advocates, LLC (hereinafter "Strategic Advocates") is a registered investment advisor based in Logan, Utah. We are a limited liability company organized under the laws of the State of Utah. We have been providing investment advisory services since 2022. Bradley R. Harsch, James P. Jenkins and John R. Mickelson are the principal owners of Strategic Advocates.

You may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who is an officer, an employee, and all individuals providing investment advice on behalf of our firm. Where required, such persons are properly registered as investment adviser representatives.

Currently, we offer the following investment advisory services, personalized for each individual client:

- **Financial Planning Services**
- **Portfolio Management Services**
- **Retirement Plan Consulting Services**

#### **Financial Planning Services**

Strategic Advocates offers various financial planning related services, which assist clients in the management of their financial resources. Financial planning services are based upon an analysis of the client's individual needs beginning with one or more information gathering consultations. Once the firm has collected and analysed all documentation gathered during these consultations, Strategic Advocates provides a written financial plan designed to achieve the client's financial goals and objectives. Strategic Advocates then assists clients in developing a strategy for the successful management of income, assets, and liabilities. In general, financial planning services may include any one or all of the following:

- **Cash Flow Analysis** – Assessment of present financial situation by collecting information regarding net worth and cash flow statements, tax returns, insurance policies, investment portfolios, pension plans, employee benefit statements, etc. The firm advises on ways to reduce risk; and, to coordinate and organize records and estate information.
- **Retirement Analysis** – Identification of long-term financial and personal goals and objectives including advice for accumulating wealth for retirement income or appropriate distribution of assets following retirement. Tax consequences and implications are identified and evaluated.
- **Insurance Analysis** – Includes risk management associated with advisory recommendations based on a combination of insurance types to meet your needs, e.g., life, health, disability, and long-term care insurance. This will necessitate an analysis of cash needs of the client's family at death, income needs of surviving dependents, and potential disability income needs.
- **Portfolio Analysis/Investment Planning** – Presentation of investment alternatives, including asset allocation and its effect on the client's portfolio; evaluation of economic and tax characteristics of existing investments as well as their suitability for the client; and, identification and evaluation of tax consequences and their implications.
- **Education Savings Analysis** – Alternatives and strategies with respect to the complete or partial funding of college or other post-secondary education.
- **Estate Analysis** – Advising clients with respect to property ownership, distribution strategies, estate tax reduction, and tax payment techniques.
- **Tax Analysis and Planning** – The goal of tax planning is to arrange your financial affairs so as to minimize your taxes. There are three basic ways to reduce your taxes, and each basic method might have several variations. You can reduce your income, increase your deductions, and take advantage of tax credits.

The recommendations and solutions are designed to achieve the client's desired goals, subject to periodic evaluation of the financial plan, which may require revisions to meet changing circumstances. Financial plans are based on your financial situation based on the information provided to the firm. We should be notified promptly of any change to your financial situation, goals, objectives, or needs.

Clients can also request financial planning services that cover a specific area, such as retirement or estate planning, asset allocation analysis, manager due diligence, and 401(k) platform due diligence. Clients may choose to accept or reject our recommendations. If you decide to proceed with our recommendations, you may do so by engaging us for investment advisory services or by using any investment adviser, broker dealer, or insurance provider you choose.

#### **Portfolio Management Services**

Strategic Advocates provides discretionary, and in limited cases, non-discretionary portfolio management services to our clients. Discretionary portfolio management means we will make investment decisions and place buy or sell orders in your account without contacting you. These decisions would be made based upon your stated investment objectives. If you wish, you may limit our discretionary authority by, for example, setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing. If you have engaged us for non-discretionary portfolio management services, Strategic Advocates will obtain your approval prior to executing any transactions in your account(s).

Portfolio management clients also receive ongoing ad-hoc financial advice regarding routine financial matters and questions regarding topics such as budgeting/cash flow management, insurance coverage, and basic retirement planning. This portion of our portfolio management services is entirely non-discretionary in nature – you will make all final investment decisions and be responsible for implementation and monitoring of all investments held outside of the account(s) we directly manage on your behalf at the custodian. Our ad-hoc financial advice is not intended to replace broad-based financial planning and we will not provide you with a written financial plan or report as part of our portfolio management services. Clients wishing to receive broad-based financial planning services or a written financial plan may only do so by entering a separate and distinct written financial planning agreement with our firm.

Our investment advice is tailored to meet our clients' needs and investment objectives. If you decide to hire our firm to manage your portfolio, we will meet with you to gather your financial information, determine your goals, and help you decide how much risk you should take in your investments. The information we gather will help us implement an asset allocation strategy that will be specific to your goals, whether we are actively investing for you or simply providing you with advice. We should be notified promptly of any change to your situation, goals, objectives, or needs.

Strategic Advocates does not specialize in specific types of securities. We can advise clients on all types of securities, such as exchange listed equities, over the counter equities, foreign issues, American depository receipts, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (including mutual funds and exchange traded funds), US Government securities, options contracts on securities and/or commodities, structured products, private placements, private equity instruments, and interests in partnership investing in real estate. Additionally, will provide advice on existing investments you may hold at the inception of the advisory relationship or on other types of investments for which you ask advice.

Our asset allocation models are diversified among investment styles and/or asset classes and are developed and managed by us based on research conducted by our firm. Once the client portfolio is constructed, Strategic Advocates provides continuous supervision of the portfolio as changes in the market conditions and client circumstances may require. Investments and allocations are determined based upon the clients' predefined objectives, risk tolerance, time horizons, financial horizons, financial information, and other various suitability factors. Further restrictions and guidelines imposed by clients may affect the composition and performance of a client's portfolio. As such, different clients of our firm may have significant differences in their asset allocation.

For these reasons, performance of one client's portfolio might not be identical with another client's even if both clients have similar risk parameters. We review the clients' financial circumstances and investment objectives on a regular basis and make adjustments to clients' portfolios or allocation models as may be necessary in an effort to achieve the desired results. At all times, our firm requires each Associated Person to uphold their fiduciary duty by providing advice that in our judgement is in the client's best interest.

If you engage us for portfolio management services, we will monitor your portfolio's performance on a continuous basis, and rebalance the portfolio whenever necessary, as changes occur in market conditions and/or your financial circumstances.

In addition, where requested by you, we may also provide you with recommendations regarding the investment of certain "held-away" assets (e.g., investments held in employer sponsored retirement accounts, qualified tuition plans, or variable annuity sub-accounts). For these accounts, we will typically be limited to advising you as to the allocation of your holdings among the various investment options made available by the product sponsor, issuer, or custodian. This advice is complimentary, and you will make all final investment decisions and be responsible for the implementation and monitoring of all assets contained in your held-away accounts.

#### *Recommendation of Independent Managers*

As part of our overall portfolio management strategy, we may use one or more Independent Managers to manage all or a portion of your portfolio. All Independent Managers recommended by our firm must either be registered as investment advisors or exempt from registration requirements. These Independent Managers may specialize in traditional or alternative investments, such as private equity investments, private credit markets, or hedge funds. Factors that we take into consideration when making our recommendations include, but are not limited to, the following: the Independent Manager's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will periodically monitor the Independent Manager's performance to ensure its management and investment style remains aligned with your investment goals and objectives. We retain the right to hire and fire Independent Managers and the right to reallocate client assets to other model portfolios at the same Independent Manager. The fees charged by Independent Managers are separate and distinct from the fees charged by our firm. Such fees will be clearly listed in the Portfolio Management Agreement. In some cases, we will debit the fee charged by the Independent Manager on behalf of the Independent Manager. In other cases, the Independent Manager will debit their fee directly for your account.

#### **Retirement Plan Consulting Services**

Strategic Advocates provides several retirement plan consulting related services. While the primary clients for these services will be pension, profit sharing and 401(k) plans, Strategic Advocates will also offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. Retirement plan consulting services are comprised of the following components. Clients may choose to use any or all of the following services:

- Assistance with the development and/or review and revision of an Investment Policy Statement ("IPS") as requested.
- Provision of recommendations on appropriate investments that have a level of risk commensurate with the anticipated return, seeing to it that risk is minimized through diversification, and ensuring that the Plan has sufficient liquidity to meet its cash flow requirements.
- Assistance with the selection of a qualified default investment alternative ("QDIA") and determination of the continuing suitability of a QDIA.
- Assistance with on-going monitoring and make recommendations regarding the replacement of the Plan's investments and investment providers.
- Assistance with the monitoring of investment options by preparing quarterly reports that document investment performance, consistency of fund management, and conformance to any guidelines set forth in the IPS and will notify you with any recommendations.
- Analysis of the fees and expenses associated with the investments and the service providers and recommend changes when warranted.

- Ongoing and continuous discretionary investment management with respect to the asset classes and investments for the Plan in accordance with the Plan's investment policies and objectives. This service is described in more detail in the Portfolio Management Services section above.
- Monitor investments by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and determine whether to maintain or remove and replace investment options.
- Meetings with clients on a periodic basis to discuss the reports and investment decisions.

These services are designed to assist plan sponsors in meeting their management and fiduciary obligations to Participants under ERISA. Pursuant to adopted regulations of the U.S. Department of Labor, we are required to provide the Plan's responsible plan fiduciary (the person who has the authority to engage us as an investment adviser to the Plan) with a written statement of the services we provide to the Plan, the compensation we receive for providing those services, and our status (which is described below).

The services we provide to your Plan are described above, and in the service agreement that you have previously signed. Our compensation for these services is described below, in Item 5, and also in the retirement plan Consulting Agreement. We do not reasonably expect to receive any other compensation, direct or indirect, for the services we provide to the Plan or Participants, unless the plan sponsor directs us to deduct our fee from the plan or directs the plan record-keeper to issue payment for our fee out of the plan. If we receive any other compensation for such services, we will (i) offset the compensation against our stated fees, and (ii) we will promptly disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

Other retirement plan consulting services are available on request. All of our retirement plan consulting services, whether general or customized, will be outlined in an Agreement that shows the services that will be provided and the fees that will be charged for those services.

Strategic Advocates is registered as an investment advisor and represents that it is not subject to any disqualification as set forth in Section 411 under the Employee Retirement Income Security Act ("ERISA"). To the extent Strategic Advocates performs Fiduciary Services, Strategic Advocates is acting as a fiduciary of the Plan as defined in Section 3(21) or Section 3(38) under ERISA.

Strategic Advocates may also perform the following non-Fiduciary services:

- Assistance with the education of the participants in the Plan about general investment principles. Client understands that Strategic Advocates' assistance in participant investment education shall be consistent with and within the scope of the definition of investment education of Department of Labor Interpretive Bulletin 96-1. As such, Strategic Advocates is not providing fiduciary advice (as defined in ERISA) to the participants. Strategic Advocates will not provide individualized investment advice concerning the prudence of any investment or combination of investment for a particular participant or beneficiary under the Plan.
- Assistance with group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees.

Strategic Advocates may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between Strategic Advocates and client.

#### **Rollover Services Disclosure**

In conjunction with the advisory services offered, we may provide education or recommendations related to the rollover of an employer sponsored retirement plan. A plan participant leaving employment has several options. Each choice offers advantages and disadvantages, depending on desired investment options and services, fees and expenses, withdrawal options, required minimum distributions, tax treatment, and the investor's unique

financial needs and retirement plans. The complexity of these choices may lead an investor to seek assistance from us.

When our firm or our Associated Person(s) recommend an investor roll over plan assets into an Individual Retirement Account ("IRA"), we and our Associated Person(s) may earn an asset-based fee as a result. However, no compensation is received if assets are retained in the plan. Thus, we have an economic incentive to encourage an investor to roll plan assets into an IRA. In most cases, your fees and expenses will increase because fees will apply to assets rolled over to an IRA and ongoing services will be extended to these assets.

Further, you may incur other levels of fees and expenses, including, but not limited to, investment-related expenses imposed by other service providers and mutual fund managers not affiliated with us, as well as other fees and expenses charged by the custodian, third-party administrator, and/or record-keeper. We make no representations or warranties relating to any costs or expenses associated with the services provided by any third parties, and you understand that these fees are in addition to the fee paid to us for the rollover advice.

In cases where we provide you with rollover advice as defined by the Department of Labor, which may also include setting up and/or completing the rollover transaction, we do not serve as a custodian, and we do not provide legal or tax advice to you. In addition, we do not have any responsibilities or potential liabilities in connection with assets not related to the rollover and investments that are not managed by us.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are 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. The way we make money creates some conflicts with your interests. In accordance with various rules and regulations, we must act in your best interest and we must not put our interests ahead of your interests. Additionally, we must: meet a professional standard of care when making investment recommendations (give prudent advice); never put our financial interests ahead of yours when making recommendations (give loyal advice); avoid misleading statements about conflicts of interest, fees, and investments; follow polices, and procedures designed to ensure that we give advice that is in your best interest; charge no more than is reasonable for our services; and give you basic information about any conflicts of interest.

We rely on all information you provide to us, whether financial or otherwise, without independent verification. We request that you promptly notify us in writing of any material change in the financial and other information provided to us, and to promptly provide any such additional information as may be reasonably requested by us.

Due to the volatile and unpredictable nature of financial markets, we do not guarantee any future performance, any specific level of performance, or the success of any recommendations or strategies that we may take or recommend for you, or the success of our overall recommendations. Investment recommendations are subject to various market, currency, economic, political, and business risks, and that investment decisions will not always be profitable.

**Wrap Fee Programs**

We do not sponsor, manage, or participate in any wrap fee programs.

**Assets Under Management**

As of March 8, 2023, we manage approximately \$266,959,658 in client assets on a discretionary basis and \$0 in client assets on a non-discretionary basis.



#### **Fees and Compensation - Item 5**

##### **Financial Planning Services Fees**

For stand-alone financial planning services, Strategic Advocates charges a negotiable fixed fee of up to \$25,000 or an hourly fee of up to \$1,000/hour. Prior to engaging Strategic Advocates to provide financial planning services, clients will be required to enter into a written financial planning agreement. The financial planning agreement will set forth the terms and conditions of the engagement and will describe the scope of the services to be provided.

Fee payment arrangements may be negotiated with the client on a case-by-case basis. Fees are payable as invoiced and all such arrangements will be clearly set forth in the financial planning agreement signed by the client and the firm.

Either party may terminate the financial planning agreement by written notice to the other. In the event the client terminates Strategic Advocates' financial planning services, the balance of any prepaid, unearned fees (if any) will be promptly refunded to the client. Strategic Advocates does not require the prepayment of over \$1,200, six or more months in advance.

##### **Portfolio Management Services Fees**

Strategic Advocates charges a fee based on a percentage of assets under management. This fee is deducted from the client's account held at the custodian. The client authorizes Strategic Advocates to debit the fee from the client's account. If requested by the client, we may also invoice the client directly for the payment of fees in lieu of a direct deduction from the client's account.

Strategic Advocates charges an annual management fee of up to 2.25% of assets under management. The fee is negotiable and the exact fee paid by you will be stated in the client agreement signed by you and us.

The annual fee is billed monthly or quarterly, in advance or in arrears, depending on the payment arrangement negotiated with the client and set forth in the client Agreement. Fees will be assessed pro rata in the event the Agreement is executed at any time other than the first day of a billing period. Fees will be adjusted for any deposits or withdrawals during the quarter. We may deduct the fee from a single, client-designated account to facilitate billing.

At the inception of investment management services, the first pay period's fees will be calculated on a pro-rata basis. You may terminate the client Agreement upon 30-days' written notice to our firm. If your fee is payable in arrears, you will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only in proportion to the number of days in the pay period for which you are a client. Where fees are payable in advance, Strategic Advocates will issue a pro-rated refund of any pre-paid unearned advisory fee based on the number of days remaining in the billing period after the termination date.

As paying agent for our firm, your custodian will deduct the investment advisory fee directly from your account. The fee is deducted only when you have given us written authorization permitting the fees to be paid directly from your account. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. We encourage you to review the statement(s) you receive from the qualified custodian for accuracy. If you have questions about your statements, or if you did not receive a statement from the qualified custodian, please call our office number located on the cover page of this brochure.

##### **Retirement Plan Consulting Services Fees**

The fees and compensation charged by Strategic Advocates is negotiated independently with each Plan Sponsor in order to consider the varying, unique characteristics or requirements of each plan. Primary determinants of the negotiated fee may include but are not limited to the:

- Amount of plan assets,
- Number of employees / participants,
- Number of plan sponsor locations, and
- Special plan sponsor considerations or requirements.

Delivery of compensation or fees to Strategic Advocates is dependent upon on the invoicing or fee assessment frequency (monthly, quarterly) and policies ("arrears" or "in advance") of the Plan Provider/Platform utilized by the Plan Sponsor. The exact fee and fee payment method will be clearly listed in the pension consulting agreement signed by the client and the Strategic Advocates.

Either party to the advisory agreement may terminate the agreement upon 30-days' written notice to the other party. The fees will be prorated for the quarter in which the termination notice is given, and any unearned fees will be refunded to the client.

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

We allow Associated Persons servicing the account to negotiate the exact investment management fees within the range disclosed in our Form ADV Part 2A Brochure. As a result, the Associated Person servicing your account may charge more or less for the same service than another Associated Person of our firm. Further, our annual investment management fee may be higher than that charged by other investment advisors offering similar services/programs.

All fees paid to Strategic Advocates for investment advisory services are separate and distinct from the fees and expenses charged to shareholders by investment companies, such as unit investment trusts, mutual funds or exchange traded funds. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge. Clients should also note that money market accounts offered by the qualified custodian are subject to internal expenses that are charged to shareholders.

You could invest in a mutual fund directly, without the services of Strategic Advocates. In which case, you would not receive the advice provided by Strategic Advocates, which is designed, among other things, to assist you in determining which mutual fund or funds are most appropriate to your financial condition and objectives. Accordingly, you should review both the fees charged by the funds and the fees charged by Strategic Advocates to fully understand the total amount of fees to be paid by you to evaluate the advisory services being provided. Although Strategic Advocates uses its best efforts to purchase lower cost mutual fund shares when available, some mutual fund companies do not offer institutional classes to us or they do not offer funds that do not pay 12b-1 distribution fees.

You will also incur custodial fees, transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through which your account transactions are executed. Please see Item 12 – Brokerage Practices for further information on brokerage and transaction costs. We do not share in any portion of the fees or charges imposed by the broker-dealer or custodian. Where suitable, we will recommend no-load mutual funds. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this Disclosure Brochure.

**Cash Positions.** Strategic Advocates treats cash and cash equivalents as an asset class. Accordingly, unless otherwise agreed in writing, all cash and cash equivalent positions (e.g., money market funds, etc.) are included

as part of assets under management for purposes of calculating Strategic Advocates' advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Strategic Advocates may maintain cash and/or cash equivalent positions for defensive, liquidity, or other purposes. While assets are maintained in cash or cash equivalents, such amounts could miss market advances and, depending upon current yields, at any point in time, Strategic Advocates' advisory fee could exceed the interest paid by the client's cash or cash equivalent positions.

**Periods of Portfolio Inactivity.** Strategic Advocates has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Strategic Advocates will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when Strategic Advocates determines that changes to a client's portfolio are neither necessary nor prudent. Notwithstanding, unless otherwise agreed in writing, Strategic Advocates' annual investment advisory fee will continue to apply during these periods, and there can be no assurance that investment decisions made by Strategic Advocates will be profitable or equal any specific performance level(s).

**Billing on Margin.** Unless otherwise agreed in writing, the gross amount of assets in the client's account, including margin balances, are included as part of assets under management for purposes of calculating the firm's advisory fee. Clients should note that this practice will increase total assets under management used to calculate advisory fees which will in turn increase the amount of fees collected by our firm. This practice creates a conflict of interest in that our firm has an incentive to use margin in order to increase the amount of billable assets. At all times, the firm and its Associated Persons strive to uphold their fiduciary duty of fair dealing with clients. Clients are free to restrict the use of margin by our firm. However, clients should note that any restriction on the use of margin may negatively impact an account's performance in a rising market.

Any material conflicts of interest between you and our firm, or our employees are disclosed in this Disclosure Brochure. If at any time, additional material conflicts of interest develop, we will provide you with written notification of the material conflicts of interest or an updated Disclosure Brochure.

Note: Information related to tax or legal consequences that is provided as part of overall portfolio management service is for informative purposes only. Clients are instructed to contact their tax professionals or attorneys for tax or legal advice.

#### **Compensation for the Sale of Investment Products**

##### Compensation for the Sale of Securities

Certain Associated Persons of Strategic Advocates are registered representatives of Cambridge Investment Research Inc. ("Cambridge"), a licensed full-service securities broker-dealer under federal and state securities laws. Cambridge is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). In their capacities as registered representatives, these persons are eligible to receive commission-based compensation in connection with purchasing and selling securities for your accounts, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives, is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm, who are registered representatives, have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. As a matter of general policy, we aggressively discourage activities that put your interests anywhere but first. Additionally, we have instituted compliance procedures and a code of ethics that requires our Associated Persons to uphold their fiduciary duty by acting in the best interest of the client.

**Clients of our firm have the option to purchase investment products that we recommend through other brokers and agents that are not affiliated with our firm.**

**Associated Persons of Strategic Advocates will not accept commissions for securities transactions placed in fee based advisory accounts managed by Strategic Advocates.**

Compensation for the Sale of Insurance Products

Certain Executive officers and other Associated Persons of Strategic Advocates are licensed as independent insurance agents. These persons are eligible to earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs.

**Clients of our firm are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.**

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

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

Types of Clients - Item 7

We generally offer investment advisory services to individuals, pension and profit-sharing plans and participants, trusts, estates, charitable organizations, corporations, investment advisers and other business entities.

Strategic Advocates generally requires a minimum account size of \$100,000 for advisory accounts. However, from time-to-time, in its sole discretion, Strategic Advocates may accept smaller accounts based on various criteria, such as anticipated future assets, related accounts, and other factors.

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

We may use one or more of the following methods of analysis and/or investment strategies when providing investment advice to you:

- *Fundamental Analysis* – involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The primary risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

- *Technical Analysis* – technical analysis is a technique that relies on the assumption that current market data (such as charts of price, volume, and open interest) can help predict future market trends, at least in the short term. It assumes that market psychology influences trading and can predict when stocks will rise or fall. Technical trading models are mathematically driven based upon historical data and trends of domestic and foreign market trading activity, including various industry and sector trading statistics within such markets. Technical trading models, through mathematical algorithms, attempt to identify when markets are likely to increase or decrease and identify appropriate entry and exit points. The primary risk of technical trading models is that historical trends and past performance cannot predict future trends, and there is no assurance that the mathematical algorithms employed are designed properly, updated with new data, and can accurately predict future market, industry, and sector performance.
- *Charting Analysis* – Charting analysis involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index, or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends. The primary risk of charting analysis is that it 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.

We may use one or more of the following investment strategies when advising you on investments:

- *Long Term Purchases* – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.
- *Short Term Purchases* – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.
- *Option Writing* – an option is the right either to buy or sell a specified amount or value of a particular underlying investment instrument at a fixed price (i.e. the "exercise price") by exercising the option before its specified expiration date. Options giving you the right to buy are called "call" options. Options giving you the right to sell are called "put" options. When trading options on behalf of a client, we generally use covered options. Covered options involve options trading when you own the underlying instrument on which the option is based. Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.
- *Trading* – securities are sold within 30 days. The principal type of risk associated with trading is market risk. There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income

derived may fall as well as rise and investors may not recoup the original amount invested. Other factors, such as changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and government, economic or monetary policies, may affect investments as well. Additionally, trading is speculative. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument markets and such intervention (as well as other factors) may cause these markets to move rapidly.

- *Short Sales* - securities transaction in which an investor sells securities that were borrowed in anticipation of a price decline. The principal type of risk associated with short selling is that the investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price, but if the price of the shares increase, the potential losses are unlimited.
- *Margin Transactions* – margin strategies allow an investor to purchase securities on credit and to borrow on securities already in their custodial account. Interest is charged on any borrowed funds for the period that the loan is outstanding. When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your broker-dealer. If you intend to borrow funds in connection with your account, you will be required to open a margin account, which will be carried by the broker-dealer of your account. The securities purchased in such an account are the broker-dealer's collateral for its loan to you. If the securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and, as a result, a brokerage firm is required to take action, such as issue a margin call and/or sell securities or other assets in your accounts, in order to maintain necessary level of equity in the account. It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin Account that may be established as a part of our advisory services and held by your broker-dealer. These risks include the following:
  1. You can lose more funds than you deposit in your margin account.
  2. The broker-dealer can force the sale of securities or other assets in your account.
  3. The broker-dealer can sell your securities or other assets without contacting you.
  4. You may not be able to choose which securities or other assets in your margin account are liquidated or sold to meet a margin call.
  5. The broker-dealer may move securities held in your cash account to your margin account and pledge the transferred securities.
  6. You may not be entitled to an extension of time on a margin call.

**Investing in securities involves risk of loss that clients should be prepared to bear.**

The investment advice provided along with the strategies suggested by Strategic Advocates will vary depending on each client's specific financial situation and goals. This brief statement does not disclose all of the risks and other significant aspects of investing in financial markets. In light of the risks, you should fully understand the nature of the contractual relationship(s) into which you are entering and the extent of your exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed would be appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

**Recommendation of Particular Types of Securities:** As disclosed under the "Advisory Business" section in this Brochure, we provide advice on various types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of

security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

**General Investment Risk:** All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments in which you intend to invest.

**Loss of Value:** There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and governmental economic or monetary policies.

**Interest Rate Risk:** Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes.

**Credit Risk:** Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

**Foreign Exchange Risk:** Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation, and other economic and political conditions. If the currency in which a security is denominated appreciates against the US Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

**Risks Associated with Investing in Equities:** Investments in equities generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**Risks Associated with Investing in Mutual Funds:** Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. In addition, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns.



**Risks Associated with Investing in Exchange Traded Funds (ETF):** Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

**Risks Associated with Investing in Private Funds:** Private investment funds are not registered with the Securities and Exchange Commission and may not be registered with any other regulatory authority. Accordingly, they are not subject to certain regulatory restrictions and oversight to which other issuers are subject. There may be little public information available about their investments and performance. Moreover, as sales of shares of private investment companies are generally restricted to certain qualified purchasers, it could be difficult for a client to sell its shares of a private investment company at an advantageous price and time. Since shares of private investment companies are not publicly traded, from time to time it may be difficult to establish a fair value for the client's investment in these companies.

**Risks Associated with Investing in Options:** Transactions in options carry a high degree of risk. A relatively small market movement will have a proportionately larger impact, which may work for or against the investor. The placing of certain orders, which are intended to limit losses to certain amounts, may not be effective because market conditions may make it impossible to execute such orders. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

**Risks Associated with Investing in Alternative Investments:** We may recommend to qualified clients the use of alternative investments such as investments in real estate, private equity, or hedge funds. We may also recommend a direct investment into a private company. Investments in such "alternative assets" are generally illiquid, which will impair the ability of the client to exit such investments in times of adversity. Alternative investments may utilize highly speculative investment techniques, including leverage, highly concentrated portfolios, senior and/or subordinated securities positions, control positions and illiquid investments. In addition, they may utilize derivative instruments to attempt to hedge the risks associated with certain of their investments. Transactions in such derivative instruments may expose the assets of investment funds to the risks of material financial loss, which may in turn adversely affect the financial results of the client.

**Risks Associated with Investing in Structured Products:** Certain structured products enable the investor to acquire interests in a pool of securities without the brokerage and other expenses associated with individually holding the same securities, investors in structured products generally pay their share of the structured product's administrative and other expenses. Although it is difficult to predict whether the prices of assets underlying structured products will rise or fall, these prices (and, therefore, the prices of structured products) will be influenced by the same types of political and economic events that affect issuers of securities and capital markets generally. If the issuer of a structured product uses shorter-term financing to purchase longer-term securities, the issuer may be forced to sell its securities at below-market prices if it experiences difficulty in obtaining short-term financing, which may adversely affect the value of the structured products. Certain structured products may be thinly traded or have a limited trading market.

**Leveraged and Inverse ETF Risk:** A leveraged ETF generally seeks to deliver multiples of the daily performance of the index or benchmark that it tracks. An inverse ETF generally seeks to deliver the opposite of the daily performance of the index or benchmark that it tracks. Inverse ETFs often are marketed as a way for investors to profit from, or at least hedge their exposure to, downward-moving markets. Some ETFs are both inverse and leveraged, meaning that they seek a return that is a multiple of the inverse performance of the underlying index. To accomplish their objectives, leveraged and inverse ETFs use a range of investment strategies, including swaps, futures contracts and other derivative instruments. Leveraged, inverse, and leveraged inverse ETFs are more volatile and riskier than traditional ETFs due to their exposure to leverage and derivatives, particularly total return



swaps and futures. At times, we will recommend leveraged and/or inversed ETFs, which may amplify gains and losses.

Most leveraged ETFs are typically designed to achieve their desired exposure on a daily (in a few cases, monthly) basis, and reset their leverage daily. A "single day" is measured from the time the leveraged ETF calculates its net asset value ("NAV") to the time of the leveraged ETF's next NAV calculation. The return of the leveraged ETF for periods longer than a single day will be the result of each day's returns compounded over the period. Due to the effect of this mathematical compounding, their performance over longer periods of time can differ significantly from the performance (or inverse performance) of their underlying index or benchmark during the same period of time. For periods longer than a single day, the leveraged ETF will lose money when the level of the Index is flat, and it is possible that the leveraged ETF will lose money even if the level of the Index rises. Longer holding periods, higher index volatility and greater leverage all exacerbate the impact of compounding on an investor's returns. During periods of higher Index volatility, the volatility of the Index may affect the leveraged ETF's return as much as or more than the return of the Index itself. Therefore, holding leveraged, inverse, and leveraged inverse ETFs for longer periods of time increases their risk due to the effects of compounding and the inherent difficulty in market timing. Leveraged ETFs are riskier than similarly benchmarked ETFs that do not use leverage. Non-traditional ETFs are volatile and not suitable for all investors. Positions in nontraditional ETFs should be monitored closely due to their volatile nature and inability to track the underlying index over an extended period of time.

**Illiquid securities:** Illiquid securities involve the risk that investments may not be readily sold at the desired time or price. Securities that are illiquid, that are not publicly traded, and/or for which no market is currently available may be difficult to purchase or sell, which may impact the price or timing of a transaction. An inability to sell securities can adversely affect an account's value or prevent an account from taking advantage of other investment opportunities. Lack of liquidity may cause the value of investments to decline and illiquid investments may also be difficult to value. A client may not be able to liquidate investment in the event of an emergency or any other reason.

Certain investment strategies used by our firm may invest in illiquid asset vehicles, such as private equity and real estate. Investment in an illiquid asset vehicle poses similar risks as direct investments in illiquid securities. In addition, investment in an illiquid asset vehicle will be subject to the terms and conditions of the illiquid asset vehicle's investment policy and governing documents that often include provisions that may involve investor lock-in periods, mandatory capital calls, redemption restrictions, infrequent valuation of assets, etc. In addition, investments in illiquid securities or vehicle may normally involve investment in non-marketable securities where there is limited transparency. If obligated to sell an illiquid security prior to an expected maturity date, particularly with an infrastructure investment, they may not be able to realize fair value. Investments in illiquid securities or vehicles may include restrictions on withdrawal rights and shares may not be freely transferable.

**Cybersecurity Risks:** Our firm and its service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate, however, unintentional events may have similar effects. Cyber-attacks may cause losses to clients by interfering with the processing of transactions, affecting the ability to calculate net asset value or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose our firm to civil liability as well as regulatory inquiry and/or action. In addition, clients could be exposed to additional losses as a result of unauthorized use of their personal information. While our firm has established business continuity plans, incident response plans and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cyber security risks also are present for

issuers of securities in which we invest, which could result in material adverse consequences for such issuers and may cause a client's investment in such securities to lose value.

**Pandemic Risk:** In December 2019, a new strain of coronavirus (also known as, and hereinafter referred to as "COVID-19") originated in Wuhan, China, and quickly spread to infect many people in the city and surrounding area. In some cases, COVID-19 causes severe illness and even death. Since its discovery, COVID-19 has spread throughout China and to several other countries, significantly impacting their economies. Various measures are being taken by countries, including the United States, both on a macro country-wide level and a local level, to combat the virus and its spread. Some of these measures include quarantines, travel bans, bans on public events, bans on large public gatherings, closures of public venues (e.g., restaurants, concert halls, museums, theaters, schools and stadiums) or shelter-in-place orders. The World Health Organization publicly characterized COVID-19 as a pandemic. The President of the United States declared the COVID-19 outbreak a national emergency. The Center for Disease Control has stated a risk exists of a pandemic in the United States. In such a situation, the effect on the economy and on the public will likely be severe. There are no comparable recent events in the United States which may provide guidance as to the effect of the spread of COVID-19 and a potential pandemic on the business, financial condition and results of operations of a client's investments. Therefore, there is considerable uncertainty of COVID-19's potential effect, which could have a material adverse effect on the clients and on the business, financial condition and results of operations of the firm.

#### Disciplinary Information - Item 9

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or of the integrity of our management. Neither we nor our management persons have a history of reportable material legal or disciplinary events.

#### Other Financial Industry Activities or Affiliations - Item 10

Neither Strategic Advocates nor any of its management persons is registered as a futures commission merchant, a commodity trading adviser, or a commodity pool operator, nor do the parties have an application pending or otherwise in process for the purpose of seeking registration as any of these types of firms. Further, none of our management persons are registered as or currently seeking registration as associated persons of any of these types of firms.

##### Securities Brokerage Activities

Certain Associated Persons of Strategic Advocates are registered representatives of Cambridge Investment Research Inc. ("Cambridge"), a licensed full-service securities broker-dealer under federal and state securities laws. Cambridge is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). In their capacities as registered representatives, these persons are eligible to receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives, is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm, who are registered representatives, have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. As a matter of general policy, we aggressively discourage activities that put your interests anywhere but first. Additionally, we have instituted compliance procedures and a code of ethics that requires our Associated Persons to uphold their fiduciary duty by acting in the best interest of the client. **Clients of our firm have the option to purchase investment products that we recommend through other brokers and agents that are not affiliated with our firm. Additionally, we have implemented internal policies to ensure that Associated**

**Persons of Strategic Advocates will not accept commissions for securities transactions placed in fee based advisory accounts managed by Strategic Advocates.**

Insurance Brokerage Activities

Certain Executive officers and other Associated Persons of Strategic Advocates are licensed as independent insurance agents. These persons are eligible to earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm, who are insurance agents, have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs.

**Clients of our firm are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.**

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

**Description of Our Code of Ethics**

Strategic Advocates has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes Strategic Advocates' policies and procedures developed to protect client's interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the Code;
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of Strategic Advocates' Code of Ethics is available upon request to our firm at (435) 754-7888 or at [Brad@wealth-advocates.com](mailto:Brad@wealth-advocates.com).

**Interest in Client Transactions**

Please refer to Compensation for the Sale of Securities in Items 5 and 10 above for information about recommendations of securities in which related persons have material financial interests and for information regarding the conflicts of interest associated with such practices.

**Personal Trading Practices**

At times, Strategic Advocates and/or its Advisory Representatives may take positions in the same securities as clients. This is considered a conflict of interest with clients. Strategic Advocates and its Advisory Representatives will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to client trades, however, we will uphold our fiduciary responsibilities to our clients. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (e.g., a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Alternatively, Accounts owned by our firm or persons associated with our firm may participate in block trading with client accounts; however, they will not be given preferential treatment. Mutual fund purchases are not subject to these policies because the transactions are executed at net asset value at the end of the trading day.

#### **Brokerage Practices - Item 12**

We recommend and request clients to implement trades and maintain custody of assets through discount brokers. We will recommend the services of Charles Schwab & Co., Inc. ("Schwab") and Fidelity Institutional Wealth Services and/or its affiliate, National Financial Services LLC (collectively "Fidelity"). These firms are independent and unaffiliated SEC-registered broker-dealers and members of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). These firms offer us services that include custody of securities, trade execution, clearance, and settlement of transactions.

##### **Research and Other Soft Dollar Benefits received from Schwab**

Strategic Advocates has an institutional custodial relationship with Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC. Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. We are independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and will buy and sell securities in your account(s) upon our instructions. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and you will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you.

##### *Your Custody and Brokerage Costs*

Schwab generally does not charge you separately for custody services, but is compensated by charging commissions or other fees on trades that it executes or that settle into your Schwab account. In addition to commissions, Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. Clients who have opened a Wrap Program account do not pay any separate fees to Schwab because Strategic Advocates' fee is inclusive of all fees paid to Schwab.

##### *Research and Other Soft Dollar Benefits*

Although not considered "soft dollar" compensation, Strategic Advocates may receive some economic benefits from Schwab Advisor Services in the form of access to its institutional brokerage, trading, custody, reporting and related services, many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Below is a detailed description of Schwab's support services:

*Services that Benefit You:* Schwab'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 Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

*Services that May Not Directly Benefit You:* Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;

- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

*Services that Generally Benefit Only Us:* Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

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

Additionally, we have received certain transition assistance benefits from Schwab to help us pay for certain start-up costs, software purchases, and compliance assistance services. Clients should be aware of this conflict and take it into consideration in making a decision whether to custody their assets with firms recommended by our firm. Our firm addresses this conflict of interest by evaluating and recommending that clients use Schwab's services based on the benefits that such services provide, rather than the transition assistance made available to our firm. We consider Schwab's suite of services when recommending that Clients maintain accounts with Schwab. Clients should, however be aware of this conflict of interest and take it into consideration when deciding whether to custody their assets in an advisory account at Schwab.

#### **Research and Other Soft Dollar Benefits received from Fidelity**

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

*Services that May Not Directly Benefit You:* Fidelity also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include limited scope investment research. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Fidelity. In addition to investment research, Fidelity also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

#### **Brokerage for Client Referrals**

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

#### **Directed Brokerage**

Persons providing investment advice on behalf of our firm who are registered representatives of Cambridge would normally be required to recommend Cambridge to you for brokerage services. These individuals are subject to applicable industry rules that restrict them from conducting securities transactions away from Cambridge unless Cambridge provides the representatives with written authorization to do so, which Cambridge has done in this

case. Therefore, although these individuals would generally be limited to conducting securities transactions through Cambridge, in this instance, as noted above, they will generally recommend Schwab and Fidelity. It may be the case that Schwab and Fidelity charge higher transaction costs and/or custodial fees than another broker charges for the same types of services. However, if transactions were executed through Cambridge these individuals (in their separate capacities as registered representatives of Cambridge) could earn commission-based compensation as a result of placing the recommended securities transactions through Cambridge. This practice would present a conflict of interest because these registered representatives would have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as we recommend. However, if you do not use the recommended broker we may not be able to accept your account. See the Fees and Compensation section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

#### **Block Trades**

We combine multiple orders for shares of the same securities purchased for discretionary advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. Generally, accounts will pay a fixed transaction cost regardless of the number of shares transacted. In certain cases, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

We do not block trade for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.

### **Review of Accounts - Item 13**

#### **Portfolio Management Account Reviews**

Strategic Advocates monitors client account holdings on a continuous basis and conducts formal account reviews at least annually. Accounts are reviewed by the Associated Person assigned to the account. Reviews may be conducted in person or over the phone.

Additional reviews may be offered in certain circumstances. Triggering factors that may stimulate additional reviews include, but are not limited to, changes in economic conditions, changes in the client's financial situation or investment objectives, or upon client request.

A written financial plan produced as a result of a financial planning engagement is a snapshot in time and no ongoing reviews are conducted, unless you have engaged us for periodic updates. We recommend a plan review at least annually.

Clients will receive statements directly from their account custodian(s) at least quarterly. Strategic Advocates may also provide performance reports as requested by the client.

#### Client Referrals and Other Compensation - Item 14

Strategic Advocates has a brokerage and clearing arrangement with Schwab and Fidelity and the firm will receive additional benefits from these firms in the form of electronic delivery of client information, electronic trading platforms, institutional trading support, proprietary and/or third-party research, continuing education, practice management advice, and other services provided by custodians for the benefit of investment advisory clients. Please refer to item 12 above for more information about the receipt of additional benefits from broker-dealers/account custodians.

Strategic Advocates does not currently have any client referral agreements.

#### Custody - Item 15

We do not have physical custody of any of your funds and/or securities. However, we are deemed to have custody over your funds or securities because of the fee deduction authority granted by the client.

With respect to third party standing letters of authorization ("SLOA") where a client grants us authority to direct custodians to disburse funds to one or more third party accounts, we are deemed to have custody pursuant to Rule 206(4)-2 (the "Custody Rule"). We have taken steps to have controls and oversight in place to comply with the no-action letter issued by the SEC on February 21, 2017 (the "SEC no-action letter"). We are not required to comply with the surprise examination requirements of the Custody Rule if we comply with the representations noted in the SEC no-action letter. Where our firm acts pursuant to a SLOA, we believe we are making a good faith effort to comply with the representations noted in the SEC no-action letter. Additionally, since many of the representations noted in the SEC no-action letter involve the qualified custodian's operations, we will collaborate closely with our custodian(s) to ensure that the representations are met.

Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account. You should carefully review account statements for accuracy. If you have questions regarding your account or if you did not receive a statement from your custodian, please contact us at (435) 754-7888 or at [Brad@wealth-advocates.com](mailto:Brad@wealth-advocates.com).

#### Investment Discretion - Item 16

Strategic Advocates offers Portfolio Management Services on a discretionary or non-discretionary basis. For discretionary services, clients must grant discretionary authority in the management agreement. Discretionary authority extends to the types and amounts of securities to be bought and sold in client accounts. However, our firm does not retain discretionary authority to select the broker/dealer used for transactions, or commission rates paid.

Apart from the ability to withdraw management fees, Strategic Advocates does not have the ability to withdraw funds or securities from the client's account. The client provides Strategic Advocates discretionary authority via a limited power of attorney in the management agreement and in the contract between the client and the custodian.



If you wish, you may limit our discretionary authority, for example, by setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

If you have engaged us for non-discretionary portfolio management services, Strategic Advocates will obtain your approval prior to executing any transactions in your account(s).

#### Voting Client Securities - Item 17

Strategic Advocates does not vote proxies. It is the client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

#### Financial Information - Item 18

We are required in this Item to provide you with certain financial information or disclosures about Strategic Advocates', financial condition. Strategic Advocates does not require the prepayment of over \$1,200, six or more months in advance. Additionally, Strategic Advocates has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and it has not been the subject of a bankruptcy proceeding.

#### Requirements of State-Registered Advisers - Item 19

**This section is not applicable because our firm is SEC registered.**

#### Strategic Advocates, LLC Privacy Notice

This notice is being provided to you in accordance with the Securities and Exchange Commission's rule regarding the privacy of consumer financial information ("Regulation S-P"). Please take the time to read and understand the privacy policies and procedures that we have implemented to safeguard your nonpublic personal information.

##### **INFORMATION WE COLLECT**

Strategic Advocates, LLC (Strategic Advocates) must collect certain personally identifiable financial information about its customers to provide financial services and products. The personally identifiable financial information that we gather during the normal course of doing business with you may include:

- information we receive from you on applications or other forms;
- information about your transactions with us, our affiliates, or others;
- information we receive from a consumer reporting agency.

##### **INFORMATION WE DISCLOSE**

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted or required by law, or as necessary to provide services to you. In accordance with Section 248.13 of Regulation S-P, we may disclose all of the information we collect, as described above, to certain nonaffiliated third parties such as our attorneys, accountants, auditors and persons or entities that are assessing



our compliance with industry standards. We enter into contractual agreements with all nonaffiliated third parties that prohibit such third parties from disclosing or using the information other than to carry out the purposes for which we disclose the information.

**Regulation S-AM:** Under Regulation S-AM, we are prohibited from using eligibility information that we receive from an affiliate to make a marketing solicitation unless:

1. the potential marketing use of that information has been clearly, conspicuously and concisely disclosed to the consumer;
2. the consumer has been provided a reasonable opportunity and a simple method to opt out of receiving the marketing solicitations; and
3. the consumer has not opted out.

Associated Persons of our firm may use eligibility information obtained from clients to make insurance marketing solicitations. Please contact us at (435) 754-7888 or at [Brad@wealth-advocates.com](mailto:Brad@wealth-advocates.com) if you do not want our Associated Persons to use your information to make marketing solicitations.

**Regulation S-ID:** Regulation S-ID requires our firm to have an Identity Theft Protection Program (ITPP) that controls reasonably foreseeable risks to customers or to the safety and soundness of our firm from identity theft. We have developed an ITPP to adequately identify and detect potential red-flags to prevent and mitigate identity theft.

#### **CONFIDENTIALITY AND SECURITY**

We restrict access to nonpublic personal information about you to those Employees who need to know that information to provide financial products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

#### **ACCURACY**

Strategic Advocates strives to maintain accurate personal information in our client files at all times. However, as personal situations, facts and data change over time; we encourage our clients to provide feedback and updated information to help us meet our goals.