

# *Retirement Income Strategies, LLC*

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## *Part 2A of Form ADV Disclosure Brochure*

*March 2, 2023*

This brochure provides information about the qualifications and business practices of Retirement Income Strategies, LLC. If you have any questions about the contents of this brochure, please contact us at 608.208.1800. 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.

Retirement Income Strategies, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Retirement Income Strategies, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## *Material Changes*

Retirement Income Strategies, LLC (“RIS, we, us, our, ours”) has made the following updates since the initial filing in January 2022:

- Updated Regulatory Assets Under Management in “Services, Fees and Compensation.”
- Removed references to Kalos Capital, Inc. throughout this brochure since Mr. Finfrock is no longer associated with Kalos Capital, Inc. in any capacity.
- We raised our minimum opening account size to \$500,000.

We send a summary of any material changes to our brochures to our clients (“you, your, yours”) by April 29th of each year. Any summaries of changes include the date of our last annual update of our brochure.

If you would like a copy of our most current brochure or a brochure covering any of our other services described under “Other Advisory Business”, you may request one by contacting Kristian L. Finfrock, Chief Compliance Officer at 608.208.1800 or [kristian@ri-strategies.com](mailto:kristian@ri-strategies.com). We will provide you with a new brochure at any time without charge.

Additional information about us is available via the SEC’s website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). This website also provides information about any persons affiliated with RIS who are registered as investment adviser representatives (“your Financial Professional” or “advisory representative”) of RIS. Information on your advisory representative can be found in our brochure supplements.

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## ***Services, Fees and Compensation***

### ***Advisory Services***

Retirement Income Strategies, LLC was formed in 2012 and its principal owner/officer is Kristian Finfrock.

We offer investment advisory services on both a wrap and a non-wrap basis to you directly. For detailed information on a wrap program, please refer to ADV Part 2A, Appendix 1 which can be requested at no charge to you. With a wrap fee program, any commissions, brokerage or transaction fees are included in the fee that you pay to us and may be higher than what you would pay in a non-wrap account. With a wrap account, we receive at least a portion of the fees charged as our compensation. We do not manage wrap fee accounts any differently than we do non-wrap accounts. As of this filing, we do not have any regulatory assets under management. We also offer financial planning and consulting services as a separate charge which is detailed in the Financial Planning Agreement. We either consult with you directly to obtain detailed financial information and other pertinent data. In providing investment advice to you and all of our clients, we consider:

- your financial situation,
- risk tolerance,
- investment horizon,
- liquidity needs,
- tax considerations,
- financial goals,

- income (current and potential),
- portfolio size,
- net worth,
- investment objectives, and
- any other issues important to your state of affairs.

Certain of our Financial Professionals directly manage client portfolios. Assets are allocated within a mix of securities that include:

- equities,
- bonds,
- mutual funds, and
- exchange traded funds.

Securities and sector allocations are selected with the aid of fundamental analysis. Your assets may be managed to an allocation model.

You should notify us promptly if there are any changes in your financial situation or investment objectives. You should also notify us if you wish to impose any reasonable restrictions upon the management of your account.

As of December 31, 2022, the firm had Regulatory Assets Under Management of approximately \$98 million.

### ***Fees and Compensation***

We accept new clients on a fee-only basis. Our fee is calculated based upon the average daily balance of the assets over the prior month.

Broker-dealers and other financial institutions that hold client accounts are

referred to as custodians. Your custodian determines the values of the assets in your portfolio. Fees for the initial quarter are based on the value of your cash and securities on the date the custodian receives them and are prorated based upon the number of calendar days in the calendar quarter that our agreement is in effect.

You must authorize us in writing to have the custodian/broker-dealer pay us directly by charging your account. One-twelfth of the annual fee is charged each calendar month. Your custodian/broker-dealer will provide you with statements that show the amount paid directly to us. You should review and verify the calculation of our fees. Your custodian/broker-dealer does not verify the accuracy of fee calculations.

Typically, you must pay our advisory fees in arrears of receiving our services. Should you terminate the advisory agreement we have entered into within five (5) business days from the date the agreement is executed, you will receive a full refund of any fees paid.

Should either one of us terminate the advisory agreement we have entered into before the end of a billing period, any earned fees that have not yet been deducted from your account will be billed by us in accordance with the terms in the Investment Advisory Agreement. The amount you will be invoiced is calculated by determining the average daily balance of the assets up to the date of termination and multiplying by the

advisory fee (%) and dividing by 12. This amount, which equals the amount we earned for the partial month, is billed and the fees are deducted from your account.

We typically have an account minimum of \$500,000 but we reserve the right to accept accounts with fewer assets. We may charge accounts that do not meet minimum asset thresholds a nominal fee on a quarterly basis.

You should note that the same (or similar) services as those described above may be available from other sources at a lower cost to you.

Our fee schedule for advisory services is as follows:

Fee Schedule *	
<u>Account Size</u>	<u>Advisory Fee</u>
\$0 – \$250,000	1.25%
\$250,001 - \$500,000	1.125%
\$500,001 - \$1,000,000	1.00%
\$1,000,001 - \$2,000,000	0.875%
Above \$2,000,000	0.75%

*\* Does not apply to financial planning services*

#### *Financial Planning Fee Schedule:*

We charge either a \$350/hour rate or a fixed fee within the range of \$1500 - \$10,000 which is mutually agreed to in advance and detailed in the Financial Planning Agreement.

Financial Planning fees may be paid upon signing the Financial Planning Agreement, at the time of the delivery of the financial plan or in increments

detailed in the Agreement. The payment option is agreed to by both the client and the Adviser.

At the sole discretion of Adviser, above fees may be discounted in consideration of specific client situations.

The fee that you pay for a fee-based account does not include payment of all brokerage commissions and other trading costs of transactions effected through TD Ameritrade, nor does it include any financial planning fees. Such brokerage commissions, mark-ups or markdowns, and other costs would be charged to you in addition to the advisory fee. Where applicable, you will be required to pay other charges such as:

- custodial fees,
- SEC fees,
- internal fees and expenses charged by mutual funds or exchange traded funds (“ETFs”), and
- other fees and taxes on brokerage accounts and securities transactions.

Mutual fund companies, ETFs, and variable annuity issuers charge internal fees and expenses for their products. These fees and expenses are in addition to any advisory fees charged by us. Complete details of these internal fees and expenses are explained in the prospectuses for each investment. You are strongly encouraged to read these explanations before investing any money. You may ask us any questions you have about fees and expenses.

If you purchase mutual funds through the custodian/broker-dealer, you may pay a transaction fee that would not be charged if the transactions were made directly through the mutual fund company. Also, mutual funds held in accounts at brokerage firms may pay internal fees that are different from funds held at the mutual fund company.

While you may purchase shares of mutual funds directly from the mutual fund company without a transaction fee, those investments would not be part of our advisory relationship with you. This means that they would not be included in our investment strategies, investment performance monitoring, or portfolio reallocations.

Your Financial Professional may recommend our wrap program to you and, as a result of your participation in this program, will receive a portion of the fee charged by us. These payments may be made as long as you participate in the program and can be greater than other forms of compensation had you paid separately for investment advice, brokerage and other services provided to you as part of a wrap fee program. As a result, your Financial Professional has a financial incentive to recommend this program over other programs or services that may be available to you.

### ***Account Requirements and Types of Clients***

As a condition for starting and maintaining an advisory relationship, we

generally require a minimum portfolio size of \$250,000. We, at our sole discretion, may accept clients with smaller portfolios based upon certain factors including:

- anticipated future earning capacity,
- anticipated future additional assets,
- account composition,
- related accounts, and
- pre-existing client relationships.

We provide advisory services primarily to individuals. We also provide services to high net worth individuals, pension and profit sharing plans, and charitable organizations.

### ***Portfolio Manager Selection and Evaluation***

Certain of our advisory representatives act as portfolio managers for these accounts. Information about the individual managing your account may be found in the Brochure Supplement provided with this disclosure brochure (ADV Part 2B).

### ***Other Advisory Business***

We provide the following services in addition to those described above under “Services, Fees and Compensation”. Please contact your Financial Professional if you are interested in receiving the disclosure brochures that describe these services and their associated fees in greater detail.

### ***Affiliated Advisory Services***

Certain of our other advisory representatives directly manage client portfolios on a wrapped basis through various custodians. Assets are allocated within a mix of securities that include:

- equities,
- bonds,
- mutual funds,
- exchange traded funds,
- interval funds, and
- direct participation programs (“DPP”s).

Securities and sector allocations are selected with the aid of fundamental analysis and the review of independent research, news sources and rating services. Assets are typically managed to an allocation model. Detailed information about this program and the relevant disclosure brochures are available upon request and will be provided to you prior to opening such an account.

### ***Financial Planning***

We can prepare and provide you with a written financial plan designed to help you achieve your financial goals and investment objectives. The preparation of such a plan will necessitate that you provide us with personal data such as:

- family records,
- budgeting,
- personal liability,
- estate information and
- additional financial goals.

The financial plan will include any or all of the following as requested or directed by you and agreed to by contract:

- asset protection,
- tax planning,
- business succession,
- strategies for exercising stock options,
- cash flow,
- education planning,
- estate planning and wealth transfer,
- charitable gifting,
- long-term care and disability planning,
- retirement planning,
- insurance planning, and
- risk management.

We do not provide accounting or legal advice. Should you choose to implement the recommendations contained in the plan, we suggest that you work closely with your attorney, accountant, insurance agent, and stockbroker. A separate Financial Planning Agreement will be executed, if applicable.

#### Performance-Based Fees

Performance-based fees are designed to give a portion of the returns of an investment to the investment adviser as a reward for positive performance. The fee is generally a percentage of the profits made on the investments. We do not charge performance-based fees on any of our client accounts.

#### Methods of Analysis, Investment Strategies and Risk of Loss

Individual securities are selected with the aid of fundamental analysis and the review of independent research, news sources and rating services. Fundamental analysis is a method of evaluating a company that has issued a security by attempting to measure the value of its underlying assets. It entails studying overall economic and industry conditions as well as the financial condition and the quality of the company's management. Earnings, expenses, assets, and liabilities are all important in determining the value of a company. The value is then compared to the current price of the issuing company's security to determine whether to purchase, sell or hold the security.

Our investment strategies may include long-term and short-term purchases and sales. You may place reasonable restrictions on the strategies to be employed in your portfolio and the types of investments to be held in your portfolio.

All investments involve risks that can result in loss:

- loss of principal,
- a reduction in earnings (including interest, dividends and other distributions), and
- the loss of future earnings.

Additionally, these risks include:

- market risk,
- interest rate risk,



- issuer risk, and
- general economic risk.

There are also risks specific to value investing. Although these investments may appear undervalued at one time, their prices can still drop along with the market. On the other hand, it can be difficult to find enough undervalued securities in a rising market to fully diversify portfolios, because prices can still rise along with the market.

Although we manage your portfolio in a manner consistent with your risk tolerances, we cannot guarantee that our efforts will be successful. You should be prepared to bear the risk of loss.

### *Voting Client Securities*

Retirement Income Strategies, LLC does not take any action or render any advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which assets of the account may be invested under this program. We arrange with your custodian for you to receive proxy materials and other notices concerning securities in your account.

In addition, we do not render any advice or take any action on your behalf with respect to securities or other investments held in the account, or the issuers thereof, which become the subject of any legal proceedings, including those under the Federal bankruptcy laws.

## ***Investment Discretion***

We offer our advisory services on a discretionary basis. This means that we do not need advance approval from you to determine the type and amount of securities to be bought and sold for your accounts. We also have the ability to choose the broker-dealer through which transactions will be executed and negotiate the commissions you pay. However, we do not have the ability to withdraw funds from your account (other than to withdraw our advisory fees which, may only be done with your prior written authorization.)

This discretion is used in a manner consistent with the stated investment objectives for your account, if you have given us written authorization to do so. We only exercise discretion in accounts where we have been authorized by you. This authorization is typically included in the investment advisory agreement you enter into with us.

We may also offer our advisory services on a non-discretionary basis. This means that we need advance approval from you to determine the type and amount of securities to be bought and sold for your accounts.

## ***Client Information Provided to Portfolio Managers***

We work with you to identify your investment goals and objectives as well as risk tolerance in order to create an

initial portfolio allocation designed to complement your financial situation and personal circumstances. We obtain this information from you initially, annually, and as you inform us of any changes.

### ***Client Contact with Portfolio Managers***

You have ready access to your Financial Professional who can schedule a meeting with your portfolio manager. Portfolio managers are not required to be available for unscheduled or unannounced visits or calls by clients.

### ***Additional Information***

#### *Disciplinary Information*

We have not been the subject of any legal or disciplinary events that would be material to your evaluation of our business or the integrity of our management.

#### *Other Financial Industry Activities and Affiliations*

Mr. Finrock maintains a state licensed insurance agency. The agency sells fixed annuities, life and health products.

Our advisory representatives are also licensed as registered representatives with Mr. Finrock's insurance company. They may also be licensed as insurance agents with various insurance companies. These arrangements present a conflict of interest because they create an incentive to make recommendations based upon

the amount of compensation your Financial Professional can receive rather than based upon your needs. Selection of specific programs, products, or investments may also result in an increase in the total fees and commissions received by the related entities.

Our Associated Persons receive compensation for these services that they may provide away from our supervision. This compensation would be in addition to the advisory and other fees that we may receive.

You are in no way obligated to utilize the products or services of the insurance companies.

As previously noted, we will explain the specific costs associated with any recommended investments with you upon request. We also recommend no-load and load-waived mutual funds to further reduce conflicts of interest. You have the option to purchase investment and insurance products through other brokers or agents who are not affiliated with us.

#### *Code of Ethics; Participation or Interest in Client Transactions and Personal Trading*

We have adopted a Code of Ethics ("Code") to address the securities-related conduct of our advisory representatives and employees. The Code includes our policies and procedures developed to protect your interests in relation to the following:

- the duty at all times to place your interests ahead of ours;
- that all personal securities transactions of our advisory representatives and employees be conducted in a manner consistent with the Code and avoid any actual or potential conflict of interest, or any abuse of an advisory representative's or employee's position of trust and responsibility;
- that Financial Professionals may not take inappropriate advantage of their positions;
- that information concerning the identity of your security holdings and financial circumstances are confidential; and
- that independence in the investment decision-making process is paramount.

We will provide a copy of the Code to you or any prospective client upon request.

We may buy or sell securities for our firms that we also recommend to clients. Your Financial Professional and our employees are also permitted to buy or sell the same securities for their personal and family accounts that are bought or sold for your account(s). The personal securities transactions by us, your Financial Professional, and our employees may raise potential conflicts of interest when they trade in a security that is:

- owned by you or
- considered for purchase or sale for

you.

We have adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our firm, advisory representatives and employees to act in your best interest,
- prohibit favoring one client over another, and
- provide for the review of transactions to discover and correct any same-day trades that result in RIS, an advisory representative or employee receiving a better price than a client.

Retirement Income Strategies' advisory representatives and employees must follow our procedures when purchasing or selling the same securities purchased or sold for you.

### Review of Accounts

Your portfolio positions are reviewed at least quarterly by the portfolio managers. Transactions are reviewed on a daily basis by our Compliance Manager. Further account reviews may be triggered by potential change including analyst reports, company news, fund management change and interest rate movement.

You have 24/7 access to online account information that includes current positions, unrealized gains and losses, realized gains and losses, allocation

information, transaction history, and other additional account data. You may also elect to receive your account statements quarterly in paper form for a nominal fee.

Your Financial Professional will periodically review reports provided by the unaffiliated investment advisers. Your Financial Professional will contact you periodically to:

- review your financial situation and objectives,
- communicate information to the unaffiliated investment adviser managing the account as warranted, and
- to assist you in understanding and evaluating the services provided by the unaffiliated investment adviser.

You are expected to notify us of any changes in your financial situation, investment objectives, or account restrictions. You may also directly contact the unaffiliated investment adviser managing the account or sponsoring the program.

#### Brokerage Practices, Client Referrals and Other Compensation

We do not currently have any arrangements in place where we pay third parties for client referrals.

We do not have any soft dollar arrangements with any third parties.

You may direct us in writing to use a particular broker-dealer to execute some

or all of the transactions for your account. If you do so, you are responsible for negotiating the terms and arrangements for the account with that broker-dealer. We may not be able to negotiate commissions, obtain volume discounts, or best execution. In addition, under these circumstances a difference in commission charges may exist between the commissions charged to clients who direct us to use a particular broker or dealer and other clients who do not direct us to use a particular broker or dealer.

We participate in the Institutional advisor program (the “Program”) offered by TD Ameritrade Institutional, a division of TD Ameritrade, Inc. (“TD Ameritrade”), member FINRA/SIPC/NFA.

Therefore, we recommend that the broker-dealer/custodian for your account be TD Ameritrade. We are independently owned and operated and not affiliated with TD Ameritrade. Our use of TD Ameritrade is, however, a beneficial business arrangement for us. Information regarding the benefits of this relationship is described below.

In recommending TD Ameritrade as custodian and as the securities brokerage firm responsible for executing transactions for your portfolios, we consider at a minimum TD Ameritrade’s:

- relationship with us,
- financial strength,
- reputation,
- reporting capabilities,
- execution capabilities,
- pricing, and
- types and quality of research.

The determining factor in the selection of TD Ameritrade to execute transactions for your accounts is not the lowest possible transaction cost, but whether TD Ameritrade can provide what is in our view the best qualitative execution for your account.

TD Ameritrade provides us with access to its institutional trading and custody services, which includes:

- brokerage,
- custody,
- research, and
- access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

We are not required to place a minimum volume of transactions or maintain a minimum dollar amount of client assets to receive these services.

TD Ameritrade does not charge separately for holding our clients' accounts but may be compensated by you through other transaction-related fees associated with the securities transactions it executes for your accounts.

TD Ameritrade also makes available to us other products and services that benefit us but do not benefit you directly. Some of these products and services assist us in managing and administering our client accounts, such as software and other technology that:

- provide access to account data such as:
  - duplicate trade confirmations,
  - bundled duplicate account statements, and
  - access to an electronic communication network for client order entry and account information;
- facilitate trade execution, including:
  - access to a trading desk serving advisory participants exclusively and
  - access to block trading which provides the ability to combine securities transactions and then allocate the appropriate number of shares to each individual account;
  - provide research, pricing information and other market data;
  - facilitate payment of our fees from client accounts; and
  - assist with back-office functions, record keeping and client reporting; and
  - receipt of compliance publications.

TD Ameritrade also makes available to us other services intended to help us manage and further develop our business. These services may include:

- consulting,
- publications and conferences on practice management,
- information technology,

- business succession,
- regulatory compliance, and
- marketing.

TD Ameritrade may also make available or arrange for these types of services to be provided to us by independent third parties. TD Ameritrade may discount or waive the fees it would otherwise charge for some of the services it makes available to us. It may also pay all or a part of the fees of a third party providing these services to us. Thus, we receive economic benefits as a result of our relationship with TD Ameritrade, because we do not have to produce or purchase the products and services listed above.

Because the amount of our compensation or the products or services we receive may vary depending on the custodian/broker-dealer we recommend being used by our clients, we have a conflict of interest in making that recommendation. Our recommendation of specific custodian/broker-dealers may be based in part on the economic benefit to us and not solely on the nature, cost or quality of custody and brokerage services provided to you and our other

clients. We nonetheless strive to act in your best interests at all times.

Commissions and other fees for transactions executed through the custodian/broker dealer may be higher than commissions and other fees available if you use another custodian/broker-dealer firm to execute transactions and maintain custody of your account. We believe, however, that the overall level of services and support provided to our clients by TD Ameritrade outweighs the benefit of possibly lower transactions cost which may be available under other brokerage arrangements.

Many of the services described above are used to benefit all or a substantial number of our accounts, including accounts not maintained at through TD Ameritrade. We do not attempt to allocate these benefits to specific clients.

#### Financial Information

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you and we have not been the subject of a bankruptcy proceeding.