

## Item 1: Cover Page

### ADV Part 2A of Form ADV Investment Advisor Brochure



**Synergy Financial Group, LTD**  
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February 28, 2023

This Form ADV Part 2A ("Brochure") provides information about Synergy Financial Group, LTD and its business for the use of clients and prospective clients. If you have any questions about the contents of this Brochure, please contact us using one of the methods listed above. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration of an investment advisor and does not imply any certain level of skill or training.

Additional information about our firm is available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2. Material Changes**

Synergy Financial Group, LTD is required to advise clients and prospective clients of any material changes to our Firm Brochure (“Brochure”) from our last annual update dated February 25, 2022.

Clients will receive an annual summary of any material changes to this and subsequent Brochures no later than April 30<sup>th</sup>, which is 120 days after our fiscal year-end. At that time, we will offer a copy of our most current Disclosure Brochure. We will also promptly provide ongoing disclosure information about material changes, as necessary.

Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our Brochure.

Material Changes: NONE

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## Item 4. Advisory Business

Synergy Financial Group, LTD dba Synergy FG in California (“we,” “us,” “our,” or “Synergy”) was formed by and is 100% owned by Palash Islam.

We provide comprehensive financial planning and discretionary investment management services to a variety of clients, including individuals, trusts, estates, charitable organizations, and small businesses. Advice is provided through consultation with you and will include determination of financial goals and objectives, identification of financial issues, investment management, tax and estate planning, insurance review, education funding, retirement planning and cashflow management.

### Types of Advisory Services

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

We provide continuous management of client assets based on your individual needs and circumstances. Through one-on-one discussions with you, we determine your individual goals and objectives, time horizon, risk tolerance and liquidity needs. As appropriate, we may also discuss and review with you your prior investment history and intergenerational planning and wealth transition issues. Through these discussions, we develop a portfolio allocation designed to match your specific circumstances. We then manage assets according to that allocation, which will change over time as both your own situation and the broader markets change.

We manage assets on a discretionary basis, although you may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

As noted in Item 7 below, our portfolio management services are most appropriate for clients with at least \$10 million in investible assets. For clients under that threshold, and who do not require financial planning services, we offer investment solutions through our Launch program ([synergyfg.com/launch](https://synergyfg.com/launch)). Launch offers 3 customized portfolios as described more fully in Item 8 below. While we do not impose a minimum fee for our Launch program, we believe these services are most appropriate for clients with at least \$500,000 of investible assets.

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

A comprehensive financial plan outlines your objective, clarifies your goals, sets your priorities, and serves as the compass that guides every financial decision you make.

Using discovery conversations, we discuss your thoughts, needs, and concerns regarding retirement, investing, education, taxes, insurance, estate issues, and giving. With a thorough understanding of your objectives, we are able to formulate a plan that includes an integrated set of strategies based on established planning and investment techniques.

Once your initial plan is developed, we work with you to systematically implement your strategies. We periodically review and measure your progress to remain aligned with your plan. This process keeps our understanding of your situation fresh and allows us to update your plan as needed.

Planning and plan implementation are much more than just an investment portfolio. A comprehensive plan (along with on-going issues or projects), may include but not be limited to:

- ◆ Analysis of your net worth
- ◆ Cash flow projections
- ◆ Retirement planning

- ◆ Educational savings
- ◆ Estate planning needs
- ◆ Risk management (insurance and appropriate levels of coverage for your family)
- ◆ Tax management and planning

Synergy does not provide tax advice or estate planning. We encourage you to consult your accountant and attorney for specific implementation on such matters.

You will receive a plan that includes certain projections based on output from our planning software and/or other available resources. All reports, financial statement projections, and other data are intended for your use in assessing and implementing your financial plan. As a result, the statements or other materials should not be considered complete financial statements. As you know, the more accurate the data provided to us the better the output in your plan. Of course, we do not have responsibility to verify the data you provide as information necessary to complete your plan. We are, by our written agreement we have with you, authorized to rely on this data and information.

We strongly urge our you to contact us promptly if there are changes to your financial situation or life situation (marriage, divorce, inheritance, pregnancy, etc.) that can impact your goals, objectives or personal situation. These events may cause us to review, evaluate and/or revise your financial plan. The result can be changes in previous recommendations or advice.

Financial plan recommendations often differ between projected and actual results, as events or circumstances are not predictable, do not occur as expected, or occur with different results than expected. Our analysis is highly dependent upon certain economic assumptions that you make about the future. We advise our clients as to the consistency (over time) of your personal assumptions (in the context of historical data); however, we do not express assurances on the accuracy or reasonableness of your personal assumptions. You are ultimately responsible for the accuracy of the information and personal data provided to us to generate your financial plan.

### ***Third-Party Managers***

As appropriate, we may utilize the service of a third-party money manager, an unaffiliated investment advisor, to manage a portion of your assets. We typically engage an outside manager in a sub-advisory relationship, which means the agreement is between Synergy and the third-party manager rather than between you and the other manager.

In situations where we select an outside manager to manage a portion of your overall portfolio, that manager is chosen based on your investment goals for your specific circumstances. The other manager will manage that portion of your portfolio allocated to them and will have discretionary authority over those specific assets.

Through our advisory agreement with you, we retain the discretionary authority to engage new managers or to replace managers for your portfolio. Advisory fees for third-party managers selected on your behalf are distinct, separate, and in addition to, our management fees. A detailed description of the sub-advisors' services and fees is provided in their disclosure Brochure.

### ***ERISA Accounts and our Fiduciary Role***

In recommending that any client roll over retirement plan assets to our management, we have a conflict of interest. Before making any such recommendation we review your existing investment options, fees and expenses, and your overall investment objectives. We only make the recommendation once we've determined that doing so is in your best interest.

As an investment advisor we are a fiduciary to all our clients. We explicitly acknowledge that we also may act as a “fiduciary” under ERISA with respect to our investment advisory recommendations.

### **Participation in Wrap Fee Programs**

We do not offer or participate in a Wrap fee program.

### **Important Information for Retirement Investors**

When we recommend that you rollover retirement assets or transfer existing retirement assets (such as a 401(k) or an IRA) to our management, we have a conflict of interest. This is because we will generally earn additional revenue when we manage more assets. In making the recommendation, however, we do so only after determining that the recommendation is in your best interest. Further, in making any recommendation to transfer or rollover retirement assets, we do so as a “fiduciary,” as that term is defined in ERISA or the Internal Revenue Code, or both. We also acknowledge we are a fiduciary under ERISA or the Internal Revenue Code with respect to our ongoing investment advisory recommendations and discretionary asset management services, as described in the advisory agreement we execute with you. To the extent we provide non-fiduciary services to you, those will be described in the advisory agreement.

### **Regulatory Assets Under Management**

As of January 31, 2023, we managed a total of \$157,114,647, of which \$156,557,751, was on a discretionary basis and \$556,896 on a non-discretionary basis..

## **Item 5. Fees & Compensation**

### ***Investment Management Fees***

Our investment management services are provided according to the fee table below. We do not impose a minimum fee; however, we believe our services are most appropriate for clients with at least \$10,000,000 of investable assets.

<b>Assets Under Management</b>		<b>Maximum Annual Rate</b>
First	\$500,000	1.50%
Additional assets from	\$500,000 to \$1,000,000	1.25%
Additional assets from	\$1,000,001 to \$2,000,000	1.15%
Additional assets from	\$2,000,001 to \$5,000,000	1.00%
Additional Assets from	\$5,000,001 to \$20,000,000	.90%
Additional assets from	\$20,000,001 and above	.80%

Fees are payable quarterly in advance on the first day of the calendar quarter based upon the market value of your account(s) at the end of the previous quarter. Our fees are negotiable and will be deducted directly from your account(s) pursuant to the written agreement between us. If there is insufficient cash in your account to pay fees, an equal balance of securities in your portfolio may be sold to pay our fee. In calculating our advisory fees, we rely on valuations provided by the custodians holding the assets. The custodians describe their specific policies in the disclosures printed on account statements and other communications.

For accounts funded during a calendar quarter, our fee will be pro-rated for the number of days remaining in the quarter and included in the first full quarter fee billing. For accounts terminated during a calendar quarter, we will refund any pre-paid but unearned investment management fees promptly based on the termination provisions in our written agreement.

Your custodian will send you a statement no less frequently than quarterly reflecting all transactions in your account(s) as well as the advisory fees paid. We encourage you to verify the accuracy of the fee calculation and contact us with any questions.

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

We charge a fixed fee for our financial planning services. Our fees range from \$5,000 - \$15,000 and are based on the scope and complexity of the services as detailed in the agreement between us. Our financial planning fees are negotiable at our discretion. You are under no obligation to implement your financial plan through Synergy.

We require pre-payment of our financial planning fees along with an executed agreement before we begin work on your plan. Notwithstanding the previous sentence, we do not charge more than \$1200 in fees, 6 or more months in advance.

You may terminate your financial planning agreement, without penalty, at any time upon written notice. At the time of termination, any prepaid fees will be prorated based on the amount of work completed as of the date notice of termination is received and any unearned fees will be promptly refunded (generally within 30 days).

### ***Selection of Other Advisors***

As indicated in Item 4 above, we may use a third-party manager directly or that is available to us on either the Pershing Advisor Solutions or Charles Schwab Institutional platform to manage all or a part of your portfolio. In these situations, you will receive the Form ADV Part 2A and/or Part 2A Appendix of that manager which will describe their fees, advisory services, advisory practices, and conflicts of interest. The Agreement between us gives us discretion to change the third-party manager without your prior approval. The fees you pay the third-party manager are separate and in addition to the fees you pay Synergy. We do not share in the advisory fee you pay directly to the third-party manager. Advisory fees that you pay to the third-party manager are established and payable in accordance with the Form ADV Part 2 or other equivalent disclosure document provided by each third-party manager. These fees may or may not be negotiable. You should review the recommended third-party manager's brochure for information on its fees and services.

### ***Other Fees and Charges***

Synergy fees are exclusive of custodial brokerage commissions, transactions fees, and other related costs and expenses which you will incur. Your custodian/broker-dealer charges separate transaction and administrative fees as described in Item 12 of this brochure. These expenses include custodial fees, deferred sales charges, odd-lot differentials, interest on margin accounts, borrowing charges on securities sold short, transfer taxes, wire transfer and electronic fund fees, or other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Synergy's management fee. We do not receive any portion of the commissions, fees, and costs charged by a fund company or your custodian/broker-dealer.

In addition to statements we provide, you will receive statements directly from these broker-dealers, custodians or mutual funds or other investments you hold. While we take measures to ensure the fees charged are accurate, we strongly urge you to compare these statements for accuracy.

### ***Outside Compensation***

Palash Islam, Synergy's managing principal is a licensed insurance agent with various insurance carriers. This creates a conflict of interest and gives Mr. Islam an incentive to recommend insurance products based on the compensation received. Clients are under no obligation to purchase insurance products through Mr. Islam. For additional details about these arrangements, please see Item 10 below as well as ADV 2B for Mr. Islam.

## **Item 6. Performance-Based Fees & Side-By-Side Management**

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in client accounts ("performance-based fees"). This item is not applicable to our business.

## **Item 7. Types of Clients & Account Requirements**

We provide services to the following types of clients: individuals, trusts, estates, charitable organizations, and small businesses.

We do not impose a minimum fee; however, we believe our services are most appropriate for clients with at least \$10,000,000 of investable assets. For our Launch program, we believe these services are most appropriate for clients with at least \$500,000 of investable assets.

## **Item 8. Methods of Analysis, Investment Strategies & Risk of Loss**

### ***Methods of Analysis***

In the formulation of our investment advice, we use both technical and fundamental analysis as well as asset allocation. Technical analysis focuses on past market movements and applies that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company, though a key assumption is the market price of a security at any given point accurately reflects all available information and represents the true value of the security. Technical analysis also assumes that price changes are not random. Risk is inherent in the fact that a poorly managed or financially unsound company may underperform regardless of market movement. Further, the trend assumptions may be inaccurate and there is no guarantee that the price of a security will actually move in the direction an identified trend or pattern would suggest.

Fundamental analysis is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to an unfavorable investment decision.



In addition to focusing on securities selection, we attempt to identify an appropriate proportion of equity securities, fixed income securities, and cash suitable to your investment goals and risk tolerance. A risk of asset allocation is that you may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the proportions of different asset types will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for your individual situation.

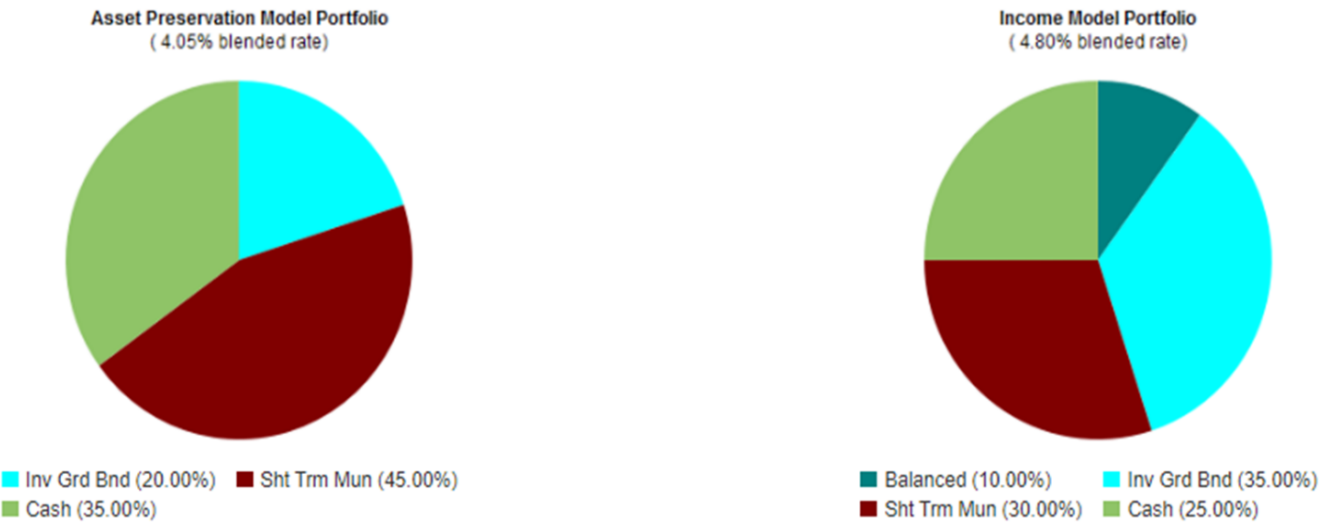
In situations where we select a third-party manager to manage a portion of your portfolio, the third-party manager is chosen with the goal of meeting the particular investment goal that we have determined is suitable for your circumstances. As with internally managed portfolios, we continually review your portfolio managed by the third-party manager and will make changes to a strategy or select another manager as appropriate and based on your needs, goals and objectives.

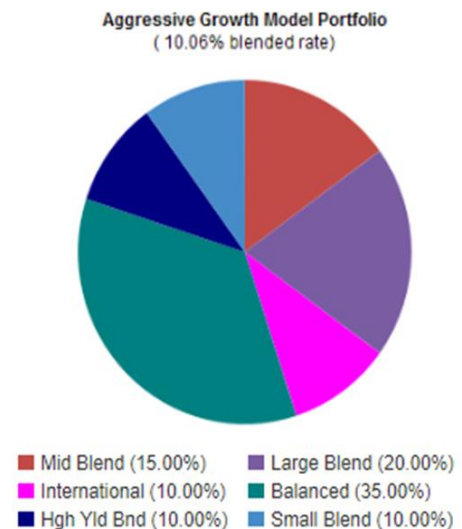
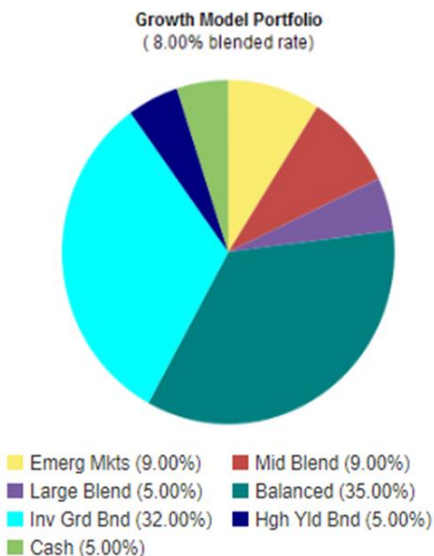
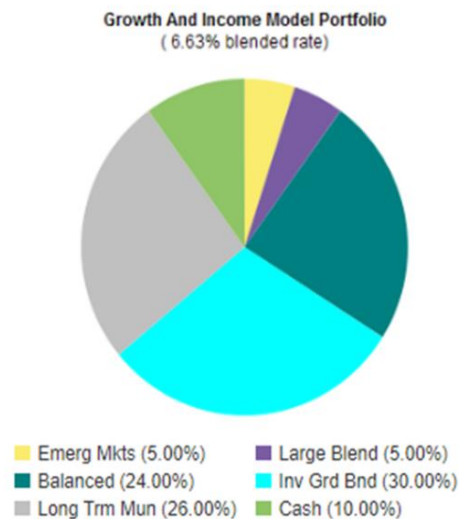
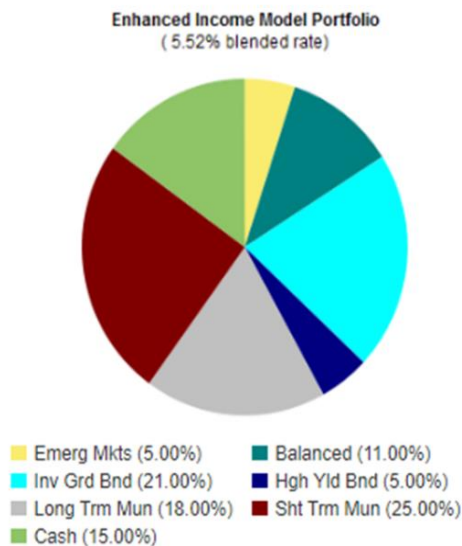
**Investment Strategies**

Synergy has developed asset allocation models and investment strategies, with input from industry software, as part of our investment process. The purpose of these models and strategies is to create a foundation for your investment portfolio(s) based on your individual risk tolerance, investment timeframe, and specific investment goals. These models provide recommended percentage allocation ranges for specific asset classes based on risk tolerance. Our risk tolerance models typically range from aggressive to conservative, with several levels in between. We then tailor our investment model to fit your individual needs and goals. The risks associated with these models reflect risks similar to that of asset allocation strategies – your portfolio(s) may not participate in sharp increases in a particular security, industry or market sector. Another risk is that your actual holdings may deviate from the model over time and if not corrected, may no longer be appropriate for your individual goals and needs.

We determine the asset allocation for your portfolio(s) to ensure the appropriate mix in light of your investment objectives and risk tolerance as outlined in your financial plan. We periodically review and rebalance portfolios to maintain your target allocation.

Standard portfolio classifications are as follows, although we customize your allocation as/when necessary:





As described in Item 4 above, for clients with less than \$10 million in investible assets, we offer 3 portfolio strategies: Income, Growth and Income, and Growth. Each of these strategies are customized for the current environment and include derivatives, institution grade real estate, private equity and other direct investments, in addition to ETF's, and state specific Municipal Bonds.

### ***Risk of Loss***

All investing involves risks that clients must be prepared to bear. While losses can and will occur, we generally recommend a broad and diversified allocation of equities, fixed income, and to a smaller degree, ETFs and mutual funds, thereby reducing specific risks associated with a concentrated or undiversified portfolio. Below are some of the risks present with investing generally, as well as some key risks of different types of investments. In general, investing in securities with concentrated exposures to particular asset class, a particular sector, or one or a select few markets involves greater risk than portfolios that reflect greater diversification.

**Counterparty Risk.** This is the risk that the other party to a contract will not fulfill its contractual obligations. Clients investing in debt instruments and in structured products are typically exposed to greater counterparty risk than investors in liquid equities, for example.

**Credit Risk.** This is the risk that an issuer will default in the payment of principal and/or interest on a security. The price of a bond depends in large part on the issuer's credit rating, or perceived ability to pay its debt obligations. Consequently, increases in an issuer's credit risk may negatively impact the value of a bond and often affect equity pricing as well.

**Equity-Related Securities.** Prices of common stock react to the economic conditions of the company that issued the security; industry and market conditions; as well as other factors and may fluctuate widely. Investments related to the value of stocks may rise and fall based on an issuer's actual and anticipated earnings, changes in management, the potential for takeovers and acquisitions, and other economic factors. Similarly, the value of other equity-related securities, including preferred stock, warrants and options may also vary widely. Market conditions may affect certain types of stocks (such as large-cap or technology-related) to a greater extent than other types of stocks. If the stock market declines, the value of a portfolio will also likely decline and, although stock values can rebound, there is no assurance that values will return to previous levels.

**Exchange-Traded Funds.** Exchange-traded funds ("ETFs") are funds bought and sold on a securities exchange that attempt to track the performance of a specific index (such as the S&P 500), a commodity, or a basket of assets (such as a set of technology-focused, country-specific, or other sector-specific stocks). The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in its being more volatile than the underlying securities. ETFs have management fees that increase their costs. ETFs are also subject to other risks, including: the risk that their prices may not correlate perfectly with changes in the underlying index (tracking error); the risk that the ETF will trade at prices that differ, sometimes materially, from the ETF's net asset value; and illiquidity risk, especially for narrowly-focused ETFs, including the risk of possible trading halts.

**Fixed-Income Securities.** Prices of fixed income instruments (e.g., bonds) can exhibit some volatility and change daily. Investments in fixed income instruments present numerous risks, including credit, interest rate, reinvestment and prepayment risk, all of which affect the price of the instruments. For instance, a rise in interest rates will generally cause the price of bonds to go down. If the security is held to maturity and the issuer does not default, you should receive the face amount of the bond at the maturity date, as well as stated interest payments while the bond is held. In this case, the change in price prior to maturity may not affect you. If you need to sell prior to maturity, however, you would likely experience a loss. Where your fixed income exposure is through bond funds or fixed-income ETFs, the fund or ETF does not itself "mature," although different issues held by the fund/ETF will mature and will experience price fluctuations. You are therefore highly dependent on the manager's ability to accurately anticipate the impact of rate changes and to appropriately manage the portfolio to achieve both adequate returns and reasonable risk. The US has experienced a prolonged period of historically low interest rates; future increases in rates could have a material negative impact on the value of current fixed income holdings. In addition, the value of fixed income instruments may decline in response to events affecting the issuer, its credit rating or any underlying assets backing the instruments.

**Foreign Market Risk.** The securities markets of many foreign countries, including emerging countries, have substantially less trading volume than the securities markets of the United States, and securities of some foreign companies are less liquid and more volatile than securities of comparable United States companies. As a result, foreign securities markets may be subject to greater influence by adverse events generally affecting the market, by large investors' trading significant blocks of securities, or by large dispositions of securities, than as it is in the United States. Further, many foreign governments are less stable than that of the United States. There can be no assurance that any significant, sustained instability would not increase the risks of investing in the securities markets of certain countries. Synergy typically gains exposures to foreign markets through ETFs or mutual funds, as well as investing

directly in foreign securities. The limited liquidity of some foreign markets may affect our ability to acquire or dispose of securities at a price and time we believe is advisable. We may also obtain exposure to international markets through debt instruments with multi-national banks. These securities pose the risks associated with domestic fixed-income securities, as well as the risks posed by foreign securities.

**Inflation Risk.** When inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation. This affects all investments, but longer-term fixed income securities are particularly susceptible.

**Liquidity Risk.** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not. Certain instruments may have no readily available market or third-party pricing. Some private placements, for example, have virtually no secondary market. Interval funds offer periodic purchase and/or redemptions through the issuer, subject to specific restrictions. Reduced liquidity may have an adverse impact on market price and the ability to sell particular securities when necessary to meet cash needs or in response to a specific economic event, such as the deterioration of creditworthiness of an issuer. Reduced liquidity in the secondary market for certain securities may also make it more difficult to obtain market quotations based on actual trades for the purpose of valuing the security. You should invest in illiquid (or relatively illiquid) assets only to the extent you have adequate other liquid assets available to fund current and ongoing cash requirements.

**Market Risk.** The price of any security, including stocks, bonds, ETFs, or mutual funds may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a particular security's underlying circumstances. For example, political, economic and social conditions may trigger market events.

**Manager Risk.** Third-party managers who have been successful in the past may not be successful in the future, and they may deviate from their stated investment mandate or strategy. Because we do not control the third-party manager, we may not be able to fully identify internal control weaknesses or fully evaluate the accuracy of representations made by such managers when performing due diligence on them or relying on the due diligence provided by others. Although clients receive disclosures about third-party managers, in light of our discretionary authority to hire and fire these managers, clients are largely dependent on our ongoing assessment and monitoring. While we do consider conflicts of interest carefully in selecting third-party managers and generally would not choose managers whose business practices pose material conflicts for our clients, we do not have the same level of insight into conflicts of third parties that we have for our own business.

**Mutual Funds.** These are professionally managed investments that pool money from multiple investors to purchase securities. Mutual funds may be broad-based (e.g., focused on the market overall, or focused on large-capitalization companies), or they can be more narrow in scope, such as those focused on the technology industry or the securities of specific country. The risks of mutual funds are generally connected to the risks of the underlying securities they hold. Mutual funds do not trade on an exchange but are priced daily based on the net asset value of the securities held in the fund. Investors buy or sell fund shares based on that end-of-day price.

**Private Placements and Illiquid Investments.** Where we believe it to be suitable for you, we may occasionally recommend private-placed securities. Private placements (unregistered securities) are exempt from registration under federal securities laws, may have limited or no transparency as to the underlying investments, and are generally available only to "accredited" or "qualified investors," who are assumed to be sophisticated purchasers who have little or no need for liquidity from such investments, and are able to withstand the loss of some or all of their investment. Limitations on withdrawal rights and non-tradability of interests create higher liquidity risk, and such securities should be viewed as long-term investments. Clients using these products and strategies must be

able to tolerate this illiquidity by reserving sufficient resources to meet all obligations. Expenses related to private placements may be a higher percentage of net assets than traditional investment strategies. The duration of private fund investments with longer-term securities are more sensitive to interest rates and include the possibility of more volatility than other investments. This is not an exclusive list of potential or actual risks in any particular private placement and additional important information is found in the specific security's offering materials. You must receive and read the offering materials before investing and execute any required subscriptions documents. The investment sponsor determines whether to accept a specific investment. Synergy is not able to exercise its discretionary authority with respect to private placements.

**Real Estate Risk.** We may recommend securities that hold real estate or are focused on the real estate industry. Risks associated with real estate generally include: local, national and international economic conditions; the supply and demand for properties; the financial conditions for tenants, buyers and sellers of properties; changes in interest rates; changes in environmental laws or regulations, planning laws and other governmental roles and fiscal and monetary policies; changes in real property tax rates; negative developments in the economy that depress travel and retail activity; uninsured casualties; force majeure acts, terrorist events, under-insured or uninsurable losses; and other factors that are beyond the reasonable control of the Manager. Other risks include, but are not limited to, tenant vacancies; declining market values; potential loss of entire investment principal; that potential cash flow, potential returns, and potential appreciation are not guaranteed in any way; adverse tax consequences; and that real estate is typically an illiquid investment. In addition, real estate assets are subject to long-term cyclical trends that give rise to significant volatility in values. Investment is disproportionately exposed to the foregoing risks because of its concentration in real estate and real estate-related investments.

**Structured Notes.** We may, as appropriate and suitable, recommend structured notes for a client's portfolio. Structured notes are complex instruments that include both a debt component and an imbedded derivative. After issuance, they do not trade regularly and are difficult to value given their complexity. Excluding exchange-traded notes, the ability to sell structured notes in the secondary market is often very limited and they are not listed on any public securities exchange. Because they're illiquid, clients should be prepared to hold a structured note to its maturity date, or risk selling the note at what could be a substantial discount. The price of such structured instruments may be more volatile than other debt securities. They may have complicated payoff structures that can make it difficult for a client to accurately assess their value, risk and potential for growth through the term of the structured note. Determining the performance of each note can also be complex and this calculation can vary significantly from note to note depending on the structure.

A structured note is an unsecured debt obligation of the issuer, meaning that the issuer is obligated to make payments on the notes as promised which can expose investors to credit risk. If the structured note issuer defaults on these obligations, investors may lose some, or all, of the principal amount they invested as well as any other payments that may be due. If a structured note has a "call provision" and the issuer "calls" the note, investors may not be able to reinvest their money at the same rate of return provided by the note that the issuer redeemed. The tax treatment of structured notes is complicated and, in some cases, uncertain. Clients should carefully read the prospectus to fully understand how the note is structured, tax risk disclosures, and how the payoff on a note will be calculated.

## **Item 9. Disciplinary Information**

Synergy is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our management. We have no information to disclose applicable to this Item.

## **Item 10. Other Financial Industry Activities & Affiliations**

As indicated in Item 5 above, Palash Islam is a licensed insurance agent with various un-affiliated life, health and disability insurance companies. He maintains his insurance licensing for the purpose of providing clients with access to certain products and solutions not currently offered on our investment advisory platform. There are times when Mr. Islam will recommend the purchase of certain insurance products to Synergy clients. Upon purchase, Mr. Islam, in his capacity as an insurance agent, will receive normal and customary commissions.

Due to the fact Mr. Islam is licensed to sell insurance products where he receives commissions or other compensation for doing so, a conflict of interest exists because he has an incentive to make recommendations based on the compensation received rather than on a client's needs. Synergy has adopted certain procedures designed to mitigate the effects of these conflicts. As part of our fiduciary duty to clients, Mr. Islam endeavors at all times to act in your best interest, and recommendations will only be made to the extent that they are reasonably believed to be in your best interest. Additionally, the conflicts presented by these practices are disclosed to clients through this Brochure, Brochure Supplements, Synergy's client agreement and/or verbally prior to or at the time of entering into an agreement with Synergy. You are under no obligation to implement any recommendations through Synergy. You should understand that lower fees and/or commissions for comparable services may be available from other sources.

Neither Synergy nor Mr. Islam is registered, or has an application pending to register, as a broker-dealer. Further, neither Synergy nor Mr. Islam is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing entities. Moreover, Synergy does not have any other relationships or arrangement that is material to our advisory business or to our clients. We do not recommend or select other investment managers for clients in exchange for compensation from those managers.

## **Item 11. Code of Ethics, Participation or Interest in Client Transactions & Personal Trading**

To fulfill our responsibilities as a fiduciary, we have adopted a Code of Ethics (the "Code"). The Code incorporates the following general principles that all employees are expected to uphold: (1) putting the clients' interest first at all times; (2) conducting all personal securities transactions in such a manner to be consistent with the Code and to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility; (3) not taking inappropriate advantage of their position; (4) treating all client information as confidential, and (5) maintaining independence in the investment decision-making process.

In addition to guidelines with regard to personal trading, the Code also addresses and governs the giving and receiving of gifts and entertainment, service on outside boards of directors and other outside business activities. Our personnel are required to certify to compliance with the Code on a periodic basis.

Please contact us at the telephone number or email address listed on the first page of this Brochure if you would like to receive a full copy of our Code of Ethics.

### **Conflicts Related to Synergy or its Employees Trading for Their Own Account.**

Investments by Synergy or its employees, for their own accounts, in securities that are also held in client accounts could give the perception of interfering with our fiduciary duty of making decisions which are in the best interest clients and could otherwise have a disadvantageous effect on the values, prices or trading strategies of client

portfolios. Our personal trading policy has been developed to address this particular conflict by requiring all employee transactions be executed after all client trading has been completed for the day.

## **Item 12. Brokerage Practices**

Synergy does not maintain custody of your assets, although we may be deemed to have custody of your assets when you give us authority to withdraw assets from your account to pay our fees or to direct funds to third parties you authorize (see Item 15-Custody, below). In all cases, client assets must be held with a “qualified custodian,” generally a broker-dealer or a bank. We recommend and have entered into custodial contracts with Pershing Advisor Solutions and Charles Schwab & Co., Inc. both members FINRA/SIPC (collectively “custodian”) which are qualified, unaffiliated custodians and full-service brokerage firms with offices throughout the United States. Based on the overall service offerings, for clients with investible assets under \$1.5 million, we will generally recommend Schwab. Those with over \$1.5 million we will generally recommend Pershing.

The custodian is a SEC-registered broker-dealer and FINRA member. Clients will sign a separate contract with the custodian. The custodian provides custody and brokerage services, monthly/quarterly reporting to clients, and daily electronic reporting to us. Each client maintains one or more separate accounts with the custodian for this purpose and pays the custodian directly for custody and brokerage services. The amount of the custodian’s fee is included in the contract you sign with them. We believe the selection of the specific custodian is in the best interest of our clients due to the scope, quality, and price of both custodial services. We do not open accounts for clients, though we may assist in doing so.

### **How We Select Brokers/Custodians**

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

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for the account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, ETFs, etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate prices
- Reputation, financial strength, security and stability
- Dedicated service team and local personnel
- Prior service to us and our clients
- Availability of other products and services that benefit us, as discussed below

We have determined that having custodian execute most trades is consistent with our duty to seek “best execution” of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above.

## **Your Brokerage and Custody Costs**

Custodian generally does not charge clients separate for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your custodian account. Custodian is also compensated by earning interest on the uninvested cash in custodian's money market account(s) or on any margin balance maintained in custodian accounts, and from other ancillary services.

Most trades no longer incur commissions or transaction fees, though there are exceptions. Custodian discloses its fees and costs to clients, and we take those costs into account when executing transactions on your behalf. Custodian charges you a flat dollar amount as "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 custodian account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have custodian execute most trades for your account.

Certain mutual funds and ETFs are made available for no transaction fee; as a result the confirmation may show "no commission" for a particular transaction. Typically, the custodian (but not Synergy) earns additional remuneration from such services as recordkeeping, administration, and platform fees, for the funds and ETFs on their no-transaction fee lists. This additional revenue to the custodian will tend to increase the internal expenses of the fund or ETF. Synergy selects investments based on our assessment of a number of factors, including liquidity, asset exposure, reasonable fees, effective management, and low execution cost. Where we choose a no-transaction fee fund or ETF, it is because it has met our criteria in all applicable categories.

## **Products and Services Available to Synergy from Custodian**

Custodian provides Synergy and our clients with access to their institutional broker services (trading, custody, reporting, and related services), some of which are not typically available to custodian's retail customers. Custodian 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. Custodian's support services are generally available without our requesting them and at no charge to Synergy. Following is a more detailed description of these services:

### ***Services that Benefit Clients***

Custodian's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through custodian include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. These services general benefit you and your account.

### ***Services that May Not Directly Benefit Clients***

Custodian 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 custodian's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including If we had accounts not maintained at custodian. In addition to investment research, custodian 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
- Assist with back-office functions, recordkeeping, and client reporting

### ***Services that Generally Benefit Only Synergy***

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

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support
- Occasional business entertainment of our personnel

Custodian may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Custodian may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. We make limited use of the services in this section. We are most likely to use compliance and technology consulting and to attend conferences and other educational events, some of which include business entertainment.

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

The availability of these services from custodian benefits us because we do not have to produce or purchase them, and we don't have to pay custodian for them. This creates an incentive for us to recommend that clients maintain their accounts with custodian, based on our interest in receiving custodian's services that benefit our business rather than based on clients' interest in receiving the best value in custody services and the most favorable execution of their transactions. While this incentive creates a conflict of interest, we believe that our selection of Schwab/Pershing as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of custodian's services (see "How We Select Brokers/Custodians") and not custodian's services that benefit only us.

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

We do not have any traditional "soft dollar" arrangements in place, in which we agree to direct a certain amount of commission dollars to a specific custodian in exchange for research or other services. Rather, the services described in this Item 12 are made available to us simply because we maintain client accounts on the custodian platform.

Many of these services generally may be used to service all or a substantial number of Synergy's accounts, including accounts not maintained at custodian.

The availability to Synergy of the foregoing products and services is not contingent upon Synergy committing to custodian any specific amount of business (assets in custody or trading commissions). In some cases, clients could pay more for custody and execution through the custodian we recommend than through others. We review the capacities and costs of custodian regularly to ensure that our clients are receiving quality executions and competitive pricing, as well as more intangible service benefits.

As part of our fiduciary duty to our clients, we endeavor at all times to put the interest of our clients first. We want our clients to be aware that the receipt of the above benefits and services from the custodian creates a conflict of

interest, as this could indirectly influence our choice of either broker-dealer for custody and brokerage services. Synergy reviews its choice of custodians on an annual basis to reaffirm the health of each entity, the quality of executions and the additional services provided by the custodian. We believe our selection of Schwab and Pershing as custodians and brokers is in the best interest of our clients because of the scope, quality, and price of their services.

### ***Best Execution***

As indicated above, we typically require that clients open brokerage/custodial accounts at custodians not affiliated with us – typically Pershing or Schwab. We are not compensated directly for recommending custodians to clients, though we may receive indirect economic benefits from those custodians as outlined above. The criteria for recommending a custodian include reasonableness of commissions and other costs of trading, ability to facilitate trades, securities lending needs, access to client records, computer trading support and other operational considerations. These factors will be reviewed from time to time to ensure that the best interests of our clients is upheld.

In seeking “best execution” for clients, the key factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into account the full range of services, including execution capability, technological processes used for submitted trades and other valuation services.

### ***Third-Party Managers***

As described above, in some cases we may select a third-party manager to advise on a portion of your assets. third-party manager’s will typically place all transactions for your account at your broker/ custodian, subject to their obligation to you to seek best execution. As custodians typically charge fees for transactions that are placed with outside brokers (“trade-away transactions”), third-party managers will most often select your custodian as the broker who provides the best execution on a specific transaction after weighing possible price improvement versus the trade-away fee. However, third-party manager’s may choose to trade away from your custodian when they believe (in their sole determination) that doing so is in your best interest. As a result, in addition to any trade-away fee, you may pay an additional fee to the broker/dealer used for your transactions.

### ***Directed Brokerage***

We do not generally permit our clients to direct brokerage outside of our recommended custodians. This means that while you are ultimately responsible for selecting and/or approving the account custodian, Synergy will not execute orders based on trade-by-trade instructions from you. In most cases, we execute orders through the facilities of the selected custodian.

Because we recommend a specific custodian and then execute your investment transactions on a discretionary basis, typically through that custodian, we are effectively requiring that you “direct” your brokerage to Pershing or Schwab absent other specific instructions. Because we are not choosing brokers on a trade-by-trade basis, we may not be able to achieve the most favorable executions for you and this may ultimately cost you more money. Not all investment advisers require directed brokerage.

### ***Aggregation of Orders***

When it is advantageous to clients and can be accomplished efficiently, we may aggregate orders for a security for the accounts of multiple clients into a single transaction, often referred to as a “block” or “bunched” trade. In a block trade, each participating client receives a price that represents the average of the prices at which we executed all the transactions in that block. Our purpose with a block trade is to lower transaction costs and/or help clients achieve better execution. Accounts participating in a block trade share transactions costs on an equal and pro rata basis, unless a participating client has an agreement with the broker-dealer that specifically dictates the brokerage commissions and/or transaction fees that the client must pay. If the order is not completely filled, the securities

purchased or sold are distributed among participating clients on a pro rata basis or in some other equitable manner. We will only aggregate orders and allocate trades among clients whose accounts are held in custody at the same broker-dealer.

We are not obligated to include any client account in a block trade. No client participating in a block trade will be favored over any other client that also participates in the same block trade.

### **Item 13. Review of Accounts**

Palash Islam continuously reviews client portfolios to ensure the investments are consistent with the investment objectives, philosophy, strategy and methodologies as well as in line with individual client financial plans.

In addition to monthly/quarterly statements and transaction confirmations that you receive from your Custodian, you have access to online aggregation and planning software on a real time basis. These statements and reports are not intended to replace the monthly or quarterly statements provided by the qualified custodian holding your assets. We urge you to compare the online data carefully to the statements provided by your qualified custodian and to notify us promptly of any errors or discrepancies.

### **Item 14. Client Referrals & Other Compensation**

We do not have any arrangements in place to compensate third parties for client referrals.

### **Item 15. Custody**

All client funds and securities are maintained with a qualified custodian; we don't take physical possession of client assets. You will receive account statements and transaction confirmation notices directly from the Custodian at least quarterly, which you should carefully review. We urge you to carefully compare the Custodian's account statements with the periodic data you receive from us and to notify us promptly of any discrepancies.

We have the ability to deduct our advisory fees directly from your accounts based on your written authorization to do so, and this ability is technically considered "custody" but doesn't require separate reporting or a surprise audit of Synergy. In addition, in some cases clients execute standing letters of authorization ("SLOAs"), which are written directives from the client authorizing us to initiate payments from their custodial accounts to client-specified third parties. Although SLOAs are client-initiated and client-authorized, our ability to facilitate the payments covered by the SLOAs is considered "custody" under SEC guidance and requires us to report that we have custody over these account assets on our ADV 1A. To the extent the SLOAs comply with certain conditions, however, including that clients have the right to terminate the SLOA, and that the qualified custodian will confirm the status of the SLOA annually directly with the client, Synergy is not subject to a surprise custody audit.

### **Item 16. Investment Discretion**

As indicated in Item 4, above, we provide investment management services to you on a discretionary basis. Our discretionary authority is granted in the written advisory agreement we have with you and may be updated as you determine. We do require that you provide all limitations or restrictions in writing.

## **Item 17. Voting Client Securities**

Synergy does not have any authority to and does not vote proxies on behalf of any advisory clients. You retain responsibility for receiving and voting proxies for any and all securities maintained in your accounts. If you request, we will provide information or our professional insight into various matters related to your proxies. Third-party managers we recommend may retain the authority to vote proxies in accounts they manage for you, subject to their stated policies.

## **Item 18. Financial Information**

Synergy does not have any financial commitment that impairs our ability to meet contractual and fiduciary commitments to our clients. In addition, neither Synergy nor its management persons have been the subject of a bankruptcy proceeding.