

Item 1 Cover Page

Star Capital Inc.

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August 15, 2023

FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Star Capital Inc. If you have any questions about the contents of this brochure, contact us at (651) 444-1116. 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 Star Capital Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

Star Capital Inc. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Material Changes

As a registered investment adviser, we must ensure that our brochure is current and accurate and makes full disclosure of all material facts relating to the advisory relationship. If there have been any material changes to our business or advisory practices since our last annual update, we will provide a description of such material changes here. Our full brochure is available upon request. Whenever you would like to receive a complete copy of our Firm Brochure at no cost, please contact us by telephone at (651) 444-1116 or via email at tmerrill@starcapinc.com.

The material changes discussed above are only those changes that have been made to this Brochure since the firm's last annual update. The date of the last annual update of the Brochure was March 29, 2023.

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Item 4 Advisory Business

Firm Description

Star Capital Inc. is a registered investment adviser primarily based in Edina, Minnesota and organized under the laws of the State of Minnesota. The firm is registered with the U.S. Securities and Exchange Commission, since August 2023, and was previously registered with the Minnesota state securities regulators, since August 2014. Timothy R. Merrill Jr. is the principal owner.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to Star Capital Inc. and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

Portfolio Management Services

We offer discretionary direct portfolio management services to individuals and businesses. We will offer clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is granted through the investment advisory agreement you sign with our firm and the appropriate trading authorization forms.

An evaluation of your initial situation is provided, often in the form of a net worth statement, risk analysis or similar document. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to you unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, tax preparers, insurance agents, etc.) may be engaged directly by you on an as-needed basis and may charge fees directly to you for their services.

As part of our portfolio management services, in addition to other types of investments (see disclosures below in this section), we may invest your assets according to one or more focused or model portfolios developed by our firm. These focused and model portfolios are designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach. Clients whose assets are invested in focused or model portfolios may not set restrictions on the specific holdings or allocations within the portfolio, nor the types of securities that can be purchased in the portfolio.

Star Capital Portfolios and Allocation Models

- The Orion Portfolio is a strategy involving the purchase of 15-20 Large Cap Value and Dividend paying stocks spread over 10 different market sectors. This unique portfolio process is tailored to each client's investing timeline, deploying funds at strategic price points. Core positions are established over time through fundamental valuation and predetermined technical values. This approach utilizes tactical investment methods to potentially limit downside risk while capitalizing on upside opportunities.
- The Taurus Portfolio utilizes index ETFs to obtain exposure to broader market sectors. The strategic allocation is positioned to overweight or underweight in different sectors depending on stock market analysis and forecasting trends. This portfolio uses rebalancing and sector rotation which is adjusted only as the market dynamic shifts.
- The Aries Portfolio covered call strategy would be suitable if one expects the market to be neutral or are

moderately bullish on certain portfolios. Star Capital relies on services provided by SpiderRock Advisors (www.spiderrockadvisors.com) In such market conditions, the covered call provides income, while helping to reduce some downside risk. This covered call strategy involves buying a stock/ETF and selling an appropriate number of calls against it. It can generate extra income in your account and potentially reduce volatility. It is necessary to understand that maximum gain is limited, the risk is the same as owning the stock/ETF, minus the credit for selling the calls. The six primary factors that influence option pricing are underlying price, strike price, time until option expiration, volatility, probability of a profitable move (implied volatility), and intrinsic value. This strategy can serve you as an additional way to profit from stock/ETF ownership. As options have risk, be sure you and your advisor study all of your choices, as well as pro and cons. SpiderRock charges 60 basis points as a sub-advisor to Star Capital.

- The Phoenix Portfolio is designed to promote current income using selective investments with lower volatility. The strategy primarily utilizes government & municipal bonds funds, and international & domestic corporate bond funds. The primary goal is current income and preservation of capital.
- The Gemini Portfolio seeks investment return but keeps capital preservation at the forefront with selective management. This strategy invests a large portion of its assets in the following funds types; fixed income securities, investment grade corporate bonds. The primary goal of this strategy is total return while limiting downside risk.
- The Sagittarius Portfolio strives to capitalize on a recovery in the energy sector. Diligent screening contributes to selecting specific securities found to be undervalued within the sector.
- The Pisces Portfolio looks to identify equities for long-term capital appreciation where the current market may not favor the securities.
- The Centaurus Portfolio is a fixed income portfolio seeking to capitalize on the recent rise in the interest rate complex by investing directly into shorter duration U.S. Government issued treasuries. The strategy incorporates staggering maturity dates for both Treasury Bills (maturity within one year or less) and Treasury Notes (maturity between one year and 10 years). This technique is intended to provide flexibility to reinvest near-term maturities at higher yields if interest rates continue to escalate higher, or extend duration when the Federal Reserve hiking cycle appears to be relaxing.
- Star Capital Allocation Models: Portfolios designed to include elements of active, passive, and hybrid investment vehicles to meet various client objectives and risk profiles. Five Models offered currently: Income, Conservative, Balanced, Growth, and Aggressive Growth.

Sub-Adviser Services

Star Capital may also act as a sub-adviser to advisers unaffiliated with Star Capital. These third party advisers would outsource portfolio management services to Star Capital. This relationship will be memorialized in each contract between Star Capital and the third party advisor.

In providing account management services, we do not accept client restrictions on the specific securities or the types of securities that may be held in your account.

Investment Consulting Services

Star Capital may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship. Consulting topics may include, but are not limited to, investments, insurance, taxes, retirement needs, and estate planning.

Qualified Retirement Plan Consulting Services

Star Capital will evaluate the Plan and its operation including, at a minimum, its: Trustee, custodial and recordkeeping arrangement; design; fiduciary compliance program; costs and fees associated with investments and service providers; required and elective contributions; employee communication and

education program, and; investment selection and monitoring process, including its investment policy statement, hereinafter referred to as the “IPS”. With regard to the IPS, Star Capital will assist the Plan Sponsor in adopting a suitable IPS, amending it from time to time, and will provide information and recommendations, consistent with the IPS, to aid the Plan Sponsor in selecting and monitoring investments offered to Participants in the Plan. Information and recommendations will be based on data as of the end of each calendar quarter. Within a reasonable period of time following each calendar quarter, Star Capital will provide the Plan Sponsor with a written report detailing, at a minimum, all costs and fees associated with investments and operation of the Plan, and information and recommendations, consistent with the IPS, for the Plan Sponsor's selection, deletion and replacement of investments offered to Participants in the Plan.

Star Capital's roles and actions in fulfilling all responsibilities pertaining to this Agreement shall not include those of the Plan's Trustee, and will be performed solely at the direction of the Plan Sponsor, its authorized officers, employees and/or agents. At no time will Star Capital accept, maintain possession of, or have custodial responsibility for, the Plan's assets. Star Capital will not conduct or effect the purchase or sale of any assets of the Plan on behalf of the Plan Sponsor or Plan Participants. Star Capital will not advise, in any manner, any Participant, person or entity related to the Plan other than the Plan Sponsor. Communicational and educational activities in which the Advisor engages related to Participants in the Plan shall be solely at the direction of the Plan Sponsor, and shall not be represented by Star Capital or Plan Sponsor as investment, tax or legal advice. Star Capital is not licensed to provide, shall not provide, nor be construed to provide, the services of an attorney or accountant.

Wrap Fee Programs

We are not the program manager or sponsor of any wrap fee program.

Types of Investments

We offer advice on Equity Securities, Options, EFTs, Mutual Funds, and Bonds.

Assets under Management

As of July 6, 2023, we provide continuous management services for \$128,000,000 in client assets on a discretionary basis and \$0 in client assets on a non-discretionary basis.

Item 5 Fees and Compensation

Portfolio Management Services:

Star Capital manages client accounts for a percentage of assets under management. Star Capital charges an annualized fee for money management that ranges up to 2.00% depending on the class of portfolio, size and complexity of the client account or retirement plan, and the portion of fees allocated to the client's assigned investment adviser representative. In general, investment adviser representatives of Star Capital receive 1.00% of the firm's total management fee. The total fee for money management and planning services will not exceed a maximum of 2.00%. Fees are negotiable based at the discretion of Star Capital. Amount of fee charged to client will be in writing and acknowledged by client and Star Capital.

Focused portfolio fees are charged based on the following schedules:

Orion / Taurus / Sagittarius / Pisces

There is a \$50,000 account minimum

Total Assets	Annual Fee	Quarterly Fee
\$50,000 to \$500,000	2.00%	0.50%
\$500,001 to \$1,000,000	1.85%	0.4625%

\$1,000,001 to \$2,000,000	1.75%	0.4375%
Over \$2,000,001	1.50%	0.375%

Gemini / Phoenix

There is a \$25,000 account minimum.

Total Assets	Annual Fee	Quarterly Fee
\$25,000 to \$500,000	2.00%	0.50%
\$500,001 to \$1,000,000	1.85%	0.4625%
\$1,000,001 to \$2,000,000	1.75%	0.4375%
Over \$2,000,001	1.50%	0.375%

Aries

There is a \$50,000 account minimum.

Total Assets	Annual Fee	Quarterly Fee
\$50,000 to \$500,000	2.00%	0.50%
\$500,001 to \$1,000,000	1.95%	0.4875%
\$1,000,001 to \$2,000,000	1.85%	0.4625%
Over \$2,000,001	1.70%	0.425%

Centaurus

There is a \$25,000 account minimum.

Total Assets	Annual Fee	Quarterly Fee
\$25,000 to \$250,000	0.35%	0.0875%
Over \$250,000	0.30%	0.075%

Star Capital Allocation Models

Total Assets	Annual Fee	Quarterly Fee
First \$2,000,000	1.35%	0.3375%
Over \$2,000,001	1.25%	0.3125%

Our annual portfolio management fee is billed and payable, quarterly in arrears, based on the average daily balance.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

You may terminate the portfolio management agreement upon 30 days written notice. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Additional Client Fees Charged

Custodians may charge transaction fees on purchases or sales of certain mutual funds, equities, and exchange-traded funds. These charges may include Mutual Fund transactions fees, postage and handling and miscellaneous fees (fee levied to recover costs associated with fees assessed by self-regulatory organizations). These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Sub-Adviser Services Fees

Star Capital may also act as a sub-adviser to unaffiliated third-party advisers and Star Capital would receive a share of the fees collected from the third-party adviser's client. The fees charged are negotiable and will not exceed any limit imposed by any regulatory agency. This relationship will be memorialized in each contract between Star Capital and the third-party adviser.

Sub-adviser fees may be withdrawn from client's accounts or clients may be invoiced for such fees, as disclosed in each contract between Star Capital and the applicable third party adviser.

Investment Consulting Services Fees

Star Capital will charge either a fee based on the value of the assets for which the consulting is provided, or a fixed fee, as agreed between the client and Star Capital.

Fee Based on the Value of Assets

Star Capital may charge an annual fee up to 1.0% of the average daily value of the assets for which investment consulting services are provided. Fees are billed quarterly in arrears. The investment consulting fee for the first quarter will be pro-rated from the date of inception to the end of the first quarter. The fee is negotiable at the discretion of Star Capital.

Fixed Fee

Star Capital may charge a fixed fee for investment consulting services that will range up to \$250,000 per project, depending on the extent and complexity of the investment consulting services, as contracted for with

the client in advance. Fixed-fee based clients are billed upon completion of work performed. Fixed fees may be negotiated in advance at the discretion of Star Capital.

Qualified Retirement Plan Consulting Fees

The Plan Sponsor will pay Star Capital, as compensation for its services, a fixed consulting fee of up to \$100,000 per Plan annually. The consulting fee is payable quarterly, in arrears. The consulting fee in the first quarter of the Agreement shall be prorated from the inception date to the end of the quarter. Star Capital shall invoice the Plan Sponsor for the consulting fee. The Plan Sponsor may, at its election, submit invoices for this consulting fee to the custodian of the Plan's assets for payment. The Plan Sponsor agrees to payment of these invoices, whether directly from the Plan Sponsor or from the Plan's custodian, promptly, and, under normal circumstances, by the end of the quarter in which the invoice is submitted.

Fees are negotiable and the Plan Sponsor and Star Capital may agree to a minimum quarterly fee and/or a maximum quarterly fee. There will be no pre-payment of fees.

Compensation for the Sale of Securities or Other Investment Products

Persons providing investment advice on behalf of our firm may be registered representatives with Peak Brokerage Services, LLC, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as registered representatives, these persons will 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. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will 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. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

IRA Rollover Considerations

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of the options available to you.

An employee will typically have four options:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
 - a. Employer retirement plans generally have a more limited investment menu than IRAs.
 - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
 - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
 - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
 - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. 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. 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.

Item 7 Types of Clients

We offer investment advisory services to individuals and high net worth individuals.

Client relationships vary in scope and length of service.

Account Minimums

In general, we do not require a minimum dollar amount to open and maintain a non-focused portfolio advisory account; however, we have the right to terminate your Account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively. Star Capital requires that clients whose accounts are managed according to a focused portfolio keep a \$25,000 account minimum (Gemini/Phoenix/Centaurus) or \$50,000 account minimum (Orion/Taurus/Sagittarius/Pisces/Aries). However, based on facts and circumstances we may, at our sole discretion, accept accounts with a lower value.

We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

Methods of Analysis

Security analysis methods may include fundamental analysis, technical analysis or charting and cyclical analysis. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is not a guarantee of future returns.

Fundamental analysis involves evaluating a stock using real data such as company revenues, earnings, return on equity, and profits margins to determine underlying value and potential growth. Technical analysis (charting) involves evaluating securities based on past prices and volume. Cyclical analysis involves analyzing the cycles of the market.

The main sources of information include financial newspapers and magazines, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

Investment Strategy

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement or Risk Tolerance that documents their objectives and their desired investment strategy.

Security Specific Material Risks

All investment programs have certain risks that are borne by the investor. Fundamental analysis may involve interest rate risk, market risk, business risk, and financial risk. Risks involved in technical analysis are inflation risk, reinvestment risk, and market risk. Cyclical analysis involves inflation risk, market risk, and currency risk.

Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with us:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risk:* The price of a security, bond, or mutual fund may drop in reaction to tangible and

intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

- *Inflation Risk*: When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk*: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk*: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Business Risk*: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *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.
- *Financial Risk*: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Star Capital's Investment Process

Stage 1:

Our investment screening process is tailored to a specific asset class that is designed to generate a preliminary list of investments that meet certain criteria including, but not limited to comprehensive risk measures, and favorable long-term guidance as well as other benchmarks depending on the specific market sector in question.

Stage 2:

The list of investments that qualified to this phase passed initial screening restrictions and are now examined by our portfolio manager.

Stage 3:

Qualified symbols suitable for a stage 3 appraisal show promise and reveal an encouraging investing opportunity.

Stage 4:

Technical and quantitative analysis is applied to the remaining list of potential investments to further determine if the risk/reward ratio meets Star Capital's investment guidelines.

Stage 5:

Investments in this final stage of evaluation have passed numerous fundamental and technical metrics that validate a buy opportunity at predetermined price levels for limit order entry, risk tolerance prices, and profit taking targets. Orders to buy are now positioned.

Focused Portfolios

ORION 'Value Portfolio'

The Orion portfolio is a strategy involving the purchase of 15-20 Large Cap Value and Dividend paying stocks spread over 10 different market sectors. This unique portfolio process is tailored to each client's investing timeline, deploying funds at strategic price points. Core positions are established over time through fundamental valuation and predetermined technical values. This approach utilizes tactical investment methods to participate in gains and strive to limit downside risk.

TAURUS 'Sector Select Portfolio'

The Taurus portfolio utilizes index ETFs to obtain exposure to broader market sectors. The strategic allocation is positioned to overweight or underweight in different sectors depending on stock market analysis and forecasting trends. This portfolio uses rebalancing and sector rotation which is adjusted only as the market dynamic shifts.

ARIES 'Covered Call Strategy'

Aries' covered call strategy would be suitable if one expects the market to be neutral, or are moderately bullish on certain portfolios. In such market conditions, the income from the sale of a covered call can potentially dampen the loss of value of the underlying security in the event of market decline. This covered call strategy involves buying a stock/ETF and selling an appropriate number of calls against the underlying asset. It is necessary to understand that maximum gain is limited, the risk is the same as owning the stock/ETF, minus the credit for selling the calls. This strategy can serve you as an additional way to profit from stock/ETF ownership.

SAGITTARIUS 'Energy Portfolio'

Our energy portfolio gives you an opportunity to potentially capitalize on supply and demand trends in conventional and non-conventional (fracking) energy companies engaged in the exploration, production, distribution, and servicing related to oil, natural gas, as well as alternative energy.

PISCES 'Opportunity Portfolio'

Pisces pursues investment returns with an open canvas to all asset classes and the ability to participate in domestic as well as international securities. The team's research objective is to uncover investment opportunities with the most attractive risk/return profiles without limits to market capitalization.

PHOENIX 'Fixed Income Portfolio'

The Phoenix Portfolio is designed to promote current income utilizing selective investments with a track record of lower volatility. The strategy primarily utilizes government & municipal bonds funds, and international & domestic corporate bond funds. The primary goal is current income and preservation of capital.

GEMINI 'Fixed Income Portfolio'

The Gemini Portfolio seeks investment return but keeps capital preservation at the forefront with selective management. This strategy invests a large portion of its assets in the following funds types; fixed income securities, investment grade corporate bonds. The primary goal of this strategy is total return while attempting to limit volatility.

CENTAURUS 'Fixed Income Portfolio'

The Centaurus Portfolio seeks to capitalize on the recent rise in the interest rate complex and should offer flexibility to reinvest near-term maturities at higher yields if interest rates continue to escalate higher, or extend duration when the Federal Reserve hiking cycle appears to be relaxing. The strategy principally utilizes U.S. Treasury Bills and U.S. Treasury Notes. The primary goal is current income and will be implemented if two-year Treasury rates are above 2.0%.

Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

Item 10 Other Financial Industry Activities and Affiliations

Registrations with Broker-Dealer

Investment advisor representatives Gregory Nelson (CRD #3019785) and Adam L. Rainey (CRD #6232758) are registered representatives with Peak Brokerage Services, LLC (CRD #157045), a FINRA registered broker-dealer, member SIPC. Clients that use Peak Brokerage Services, LLC will incur transactional costs in addition to the management fee for advisory services. This creates a conflict of interest because Mr. Nelson and Mr. Rainey may be incentivized to make recommendations where the highest fee can be earned. Star Capital Inc. addresses this conflict of interest by disclosing to its clients prior to initiating any transactional related business that by utilizing Peak Brokerage Services, LLC in the registered representative capacity the client will incur additional fees. Those expenses or fees are explained to the client in advance of offering these services.

Registrations with Other Investment Advisers

Investment advisor representative Gregory B. Nelson (CRD #3019785) has arrangements with Strategic Asset Management LLC (CRD #306384), an SEC registered investment advisor, for the purposes of managing client accounts. Mr. Nelson is the President and Owner of Strategic Asset Management, Inc. Clients that use Strategic Asset Management LLC may incur higher management fees for advisory services. This creates a conflict of interest because Mr. Nelson may be incentivized to make recommendations where the highest fee can be earned. Star Capital Inc. addresses this conflict of interest by disclosing to its clients that management fees charged by Strategic Asset Management LLC may be higher. Those expenses or fees are explained to the client in advance of offering these services.

Arrangements with Other Financial Industry Entities

Investment advisor representative Kraig Joseph Hainke (CRD #6283413) has arrangements with Strategic Asset Management LLC (CRD #306384), an SEC registered investment advisor, for the purposes of providing client referrals on a paid solicitor/promoter basis. In exchange for providing client referrals to Strategic Asset Management LLC, Mr. Hainke will be paid a portion of the advisory fees collected by Strategic Asset Management LLC. This creates a conflict of interest. A conflict of interest exists because of the receipt of additional compensation by Mr. Hainke. If the Client utilizes Strategic Asset Management LLC for investment advisory services, Mr. Hainke and Strategic Asset Management LLC will disclose all additional compensation arrangements prior to the client utilizing the services of Strategic Asset Management LLC.

Investment advisor representatives Gregory B. Nelson (CRD #3019785) and Adam L. Rainey (CRD #6232758) have arrangements with Strategic Retirement Solutions Inc dba Strategic Tax & Retirement for the purposes of providing tax preparation and accounting services. Strategic Tax & Retirement is an all-inclusive financial services firm founded by Mr. Nelson and that offers investment advisory services through Star Capital, brokerage services through Peak Brokerage Services, LLC, tax & accounting services, and insurance solutions. Mr. Nelson and Mr. Rainey will be able to provide tax or accounting services for any client in need of such services and will receive separate, yet typical compensation in the form of fees for the provision of such services. This creates a conflict of interest because of the receipt of additional compensation by these investment advisor representatives. Clients are not obligated to use these investment advisor representatives or Strategic Tax & Retirement for tax or accounting services. If the client utilizes these investment advisor representatives or Strategic Tax & Retirement's accounting arrangement, all additional compensation will be disclosed to the client prior to the client utilizing the services of the accounting firm.

Investment advisor representatives for Star Capital Inc. (including Adam L. Rainey (CRD #6232758), Timothy R. Merrill, Jr. (CRD #5696495), Kraig Joseph Haenke (CRD #6283413), and Gregory B. Nelson (CRD #3019785, licensed in the State of New York to sell insurance and annuities products)) are also licensed and registered as insurance agents to sell life, accident, and other lines of insurance for various insurance companies. Therefore, they will be able to purchase insurance products for any client in need of such services and will receive separate, yet typical compensation in the form of commissions for the purchase of insurance products. This creates a conflict of interest because of the receipt of additional compensation by the investment advisor representatives. Clients are not obligated to use Star Capital investment advisor

representatives for insurance products services. However, in such instances, there is no advisory fee associated with these insurance products, and clients will be made aware of all commissions associated with the products prior to the transactions.

Other Business Affiliations

Investment advisor representative Jeffrey Fine (CRD #4165750) is the owner of CEO of Blue Lobster Strategic Partners, LLC, a non-investment related business consulting company. In this capacity, Mr. Fine can advise business owners and officers on a wide array of business management and operational concerns, and will earn fees for these activities. The fees clients pay Star Capital Inc. for investment advisory services are separate and distinct from the fees earned by Mr. Fine for business consulting services. This presents a conflict of interest because Mr. Fine may have an incentive to recommend business consulting services to Star Capital Inc. clients for the purpose of generating additional fees rather than based solely on a client's needs. However, Star Capital Inc. clients are under no obligation, contractually or otherwise, to engage with Mr. Fine and Blue Lobster Strategic Partners, LLC.

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

Code of Ethics Description

Our employees have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of our employees and addresses conflicts that may arise. The Code defines acceptable behavior for our employees. The Code reflects our responsibility to act in your best interest.

One area which the Code addresses is when employees buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our clients. We do not allow any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our clients.

Our policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer or director may recommend any transaction in a security or its derivative to advisory clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

Our Code is based on the guiding principle that your interests are our top priority. Our officers, directors, advisors, and other employees have a fiduciary duty to you and must diligently perform that duty to maintain your complete trust and confidence. When a conflict arises, it is our obligation to put your interest over the interests of our employees or our firm.

The Code applies to "access" persons. "Access" persons are employees who have access to non-public information regarding any clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to clients, or who have access to such recommendations that are non-public. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Investment Recommendations Involving a Material Financial Interest and Conflict of Interest. Star Capital must disclose any potential or actual conflicts of interest when dealing with clients. IARs of Star Capital are subject to the following specific obligations when dealing with clients:

- The duty to have a reasonable, independent basis for investment advice.
- The duty to ensure that investment advice is suitable to meeting the client's individual objectives, needs, and circumstances.
- A duty to be loyal to clients.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

Block Trading

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("block trading"). Refer to the Brokerage Practices section in this brochure for information on our block trading practices. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

Item 12 Brokerage Practices

We recommend the brokerage and custodial services of TD Ameritrade. In all cases, the recommended Custodian is a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. We believe that the recommended Custodian provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by the Custodian, including the value of the Custodian's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere. TD Ameritrade offers services to independent investment advisors. These services include custody of securities, trade execution platforms, and access to research not available to the general public. TD Ameritrade is independent from Star Capital Inc. It is expected that most, if not all, transactions in a given client account will be cleared through the custodian.

We participate in the TD Ameritrade Institutional program. TD Ameritrade, Inc. ("TD Ameritrade") is an independent SEC-registered broker-dealer and is not affiliated with our firm. TD Ameritrade offers to independent investment adviser services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the program. (Please see the disclosure under Item 14).

Research and Other Soft Dollar Benefits

We utilize the services of TD Ameritrade Institutional. Economic benefits are received by us, which would not be received if we did not give investment advice to clients. These benefits include: A dedicated trading desk, a dedicated service group and an account services manager dedicated to your accounts, ability to conduct "block" client trades, electronic download of trades, balances and positions, duplicate and batched client statements, and the ability to have advisory fees directly deducted from your accounts.

Economic Benefits

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

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

We routinely require that you direct our firm to execute transactions through TD Ameritrade. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

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. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. 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.

Item 13 Review of Accounts

Star Capital will monitor your accounts on an ongoing basis and will conduct account reviews at least quarterly, to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

The individuals conducting reviews may vary from time to time, as personnel join or leave our firm.

We will provide you with additional or regular written reports in conjunction with account reviews. Reports we provide to you will contain relevant account and/or market-related information such as an inventory of account holdings and account performance, etc. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

Item 14 Client Referrals and Other Compensation

As disclosed under the Fees and Compensation section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents, and may be registered representatives with Peak Brokerage Services, LLC, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the Fees and Compensation section.

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Refer to the Brokerage Practices section above for disclosures on research and other benefits we may receive

resulting from our relationship with your account custodian.

Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

As disclosed under Item 12 above, we participate in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to you for custody and brokerage services. There is no direct link between our participation in the program and the investment advice it gives to you, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from your account; access to an electronic communications network for your order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors.

TD Ameritrade may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit your accounts. These products or services may assist us in managing and administering your accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop its business enterprise. The benefits received by us or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to you, we endeavor at all times to put your interests first. You should be aware, however, that the receipt of economic benefits by us or its related persons in and of itself creates a conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

Item 15 Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the 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(s) each billing period. You should carefully review account statements for accuracy.

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and the appropriate trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. We do not permit clients to impose any restrictions on a grant of discretionary authority. Refer to the Advisory Business section in this brochure for more information on our discretionary management services.

Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

Item 18 Financial Information

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.