



## **PART 2A – FIRM BROCHURE**

**AUGUST 1, 2023**

**SIGNAL ADVISORS WEALTH, LLC  
1555 BROADWAY ST.  
DETROIT, MI 48226**

**866-774-4625**

**[WWW.SIGNALWEALTHMANAGEMENT.COM](http://WWW.SIGNALWEALTHMANAGEMENT.COM)**

This brochure provides information about the qualifications and business practices of Signal Advisors Wealth, LLC (“us”, “we”, “our” or “Signal Wealth”). For questions about the contents of this brochure, please contact us at (866) 774-4625. 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. Signal Wealth is a registered investment adviser. Registration as an investment adviser with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Signal Advisors Wealth, LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) . Our searchable IARD/CRD number is 301086.

## ITEM 2 – MATERIAL CHANGES

### SUMMARY OF MATERIAL CHANGES

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Since the filing of our initial ADV, dated November 9, 2022, we have the following material changes to report.

**Item 10. Other Financial Industry Activities and Affiliations.** Signal Wealth can, at our discretion, provide various benefits and payments associated with transitioning to or continuing their business with the Signal Wealth platform to Registered Investment Advisers, and the individuals associated with those Registered Investment Advisers, that are with Signal Wealth, (collectively referred to as “Transition and Retention Benefits”). The Transition and Retention Benefits are intended to be used for a variety of purposes, including but not necessarily limited to, providing working capital to assist in funding the Registered Investment Adviser’s business, offsetting account transfer fees (ACATs) payable to Signal Wealth as a result of the Registered Investment Adviser’s clients transitioning to Signal Wealth’s platform, costs associated with transferring their business to the Signal Wealth platform, assisting with their business needs, technology set-up fees, marketing and mailing costs, compliance and regulatory costs, stationary and licensure transfer fees, staffing support, and termination fees associated with moving accounts. The amount and nature of Transition and Retention Benefits is at our sole discretion and could vary amongst Registered Investment Advisers based on a number of factors.

We also added the following sentence to Other Financial Affiliations: “When an RIA Adviser contracts with Signal Wealth, and an insurance entity affiliated with the RIA Adviser contracts with Signal Advisors Insurance, LLC, then the RIA Adviser and/or the insurance entity affiliated with the RIA Adviser may receive compensation, benefits, or discounts.”

#### **Additional Information:**

A free copy of our Brochure may be requested by contacting Veronica LeDuc, Chief Compliance Officer of Signal Wealth at (866) 774-4625. The Brochure is also available on our website - [www.signalwealthmanagement.com](http://www.signalwealthmanagement.com).

We encourage investors to read this document in its entirety.

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#### ITEM 4 – ADVISORY BUSINESS

This disclosure document is being offered by Signal Advisors Wealth, LLC (“us”, “we”, “our” or “Signal Wealth”) about the investment advisory services we provide. It discloses information about our services and the way those services are made available to our clients.

We became a registered investment adviser in January 2023, and we are owned by Signal Advisors USA, Inc.

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#### ASSET MANAGEMENT SERVICES PROVIDED TO INDEPENDENT REGISTERED INVESTMENT ADVISERS

Signal Wealth sponsors an investment management platform also known as Signal Wealth TAMP Services. TAMP stands for “turnkey asset management program” and is referred to throughout this brochure as the “*Signal Platform*.” The Signal Platform is available to independent registered investment advisory firms and investment adviser representatives of Signal Wealth (referred to as the “*RIA Advisers*”).

Signal Wealth has and will enter into an investment management and services agreement (each a “*RIA Adviser Agreement*”) with each RIA Adviser in order to provide each RIA Adviser with access to the Signal Platform. The purpose of the RIA Adviser Agreement is to provide the RIA Advisers (each of whom are investment adviser representatives) with investment management services, as well as other resources and tools to enable the RIA Advisers to better serve their own investment management clients (referred to herein as the “client” or “retail client”).

The Signal Platform provides RIA Advisers with access to custodians, model portfolios managed by Signal Wealth, strategies managed by unaffiliated third party money managers, asset allocation services, and additional programs and features aimed at providing a comprehensive investing environment for investors. Additionally, through the Signal Platform, RIA Advisers can choose to invest their clients’ assets in accordance with a number of model portfolios or third party strategies, in each case based on the financial circumstances and investing goals of the RIA Adviser clients. The Signal Platform also provides RIA Advisers’ with access to account monitoring and reporting tools. Signal Wealth executes trading instructions as submitted by the RIA Adviser.

In providing investment advice and portfolio management services to retail clients, each RIA Adviser acts as an investment adviser and fiduciary to and on behalf of each of its respective clients. RIA Advisers are not agents of Signal Wealth. RIA Advisers maintain the direct, contractual relationship with retail clients. In this capacity, RIA Advisers are responsible for assisting retail clients in completing administrative paperwork, servicing the accounts, and providing account maintenance. Importantly, RIA Advisers maintain responsibility for the initial and ongoing client relationship, including the initial and ongoing suitability determination, and fiduciary duty of care. RIA Advisers retain the sole authority and responsibility for providing customized investment advice and portfolio management services to their clients and for implementing their clients’ investment recommendations in accordance with the client’s financial circumstances and investment objectives. RIA Advisers operate pursuant to the discretionary authority granted to them by the clients and exercise investment judgment accordingly. RIA Adviser is responsible for obtaining and furnishing to Signal Wealth information pertaining to custodial paperwork,

account manager selection, model allocations, investing instructions, account guidelines and any reasonable restriction requests by retail clients, which enables Signal Wealth to perform services through the Signal Platform.

The RIA Adviser Agreement requires RIA Advisers to obtain retail clients' authorization to appoint discretionary authority to Signal Wealth to implement trades on retail clients' behalf in specified accounts on the Signal Platform. Signal Wealth will use this discretionary authority to implement model portfolio selections or direct trading instructions provided by RIA Adviser. Custodians may require additional paperwork from each client to grant trading discretion to Signal Wealth. Retail clients should therefore consult the RIA Adviser's Form ADV part 2A Disclosures Brochure for a full description of that investment adviser's investment advisory strategies and services.

Signal Wealth grants RIA Adviser access to performance software through the Signal Platform to enable performance reporting. Signal Wealth facilitates the fee billing on behalf of the RIA Adviser. Through RIA Adviser's investment management agreement with retail clients, retail clients will authorize the custodian to deduct fees directly from the client's account for management of the Client's Signal Platform accounts.

The investment management fees are deducted by the custodian and paid to Signal Wealth. Signal Wealth then pays the RIA Adviser its portion of the fees from the total management fees deducted from client accounts managed by RIA Adviser on the Signal Platform. The authorization for use of third-party asset management services will be part of each RIA Adviser's investment management agreement with clients.

As stated above, RIA Advisers outsource some or all of their portfolio management services through an investment management agreement between RIA Adviser and its retail clients. Signal Wealth maintains a limited power of attorney, granted by retail clients through the investment management agreement, to direct trading in client accounts on the Signal Platform. As the sponsor of the Signal Platform, Signal Wealth has discretionary authority to engage in the following:

- hire and terminate third-party money managers on the Signal Platform and reallocate assets among them.
- Change portfolios and strategies offered on the Signal Platform, as the Signal Wealth deems appropriate, to meet the objectives of the portfolios offered through the Signal Platform.
- Tailor portfolio management services to meet the needs of the clients of RIA Advisers and seek to ensure that portfolios are managed in a manner consistent with those needs and objectives.

Signal Wealth's investment committee serves as the investment manager and makes recommendations and selects investments for the investment portfolios/strategies that we make available to RIA Advisers. In so doing, the committee may elect to make investment recommendations utilizing asset allocation software and models. Asset allocation models are generally designed to attempt to achieve diversification to reduce the risk of loss due to variation of investment returns of any particular asset class. Signal Wealth will accept retail client accounts with restrictions, provided the restrictions are reasonable and agreed to in writing. Signal Wealth primarily allocates retail client assets among various equities, exchanged traded funds ("ETFs"), no-load or load-waived mutual funds, cash, or alternative investments in accordance with

the client's stated investment objectives. All of which are considered asset allocation categories for the investment strategies.

All retail client accounts will be held at an independent Custodian pursuant to an agreement between the Custodian and the RIA Adviser client.

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#### **ADMINISTRATIVE SERVICES**

Signal Wealth has contracted with a third-party entity to utilize their technology platform which supports data reconciliation, performance reporting, fee calculation, client relationship maintenance, at least quarterly performance evaluations, and other functions related to the administrative tasks of managing RIA Advisers' accounts. Due to this arrangement, the third-party entity will have access to retail client accounts but will not serve as an investment adviser. The third-party vendor bills Signal Wealth an annual fee (paid quarterly) for each account administered by its software. This fee is paid from the portion of the investment management fee retained by Signal Wealth. Periodic performance reporting is made available by us and provides relevant portfolio information, including but not limited to, asset allocation, securities positions, end-of-period fair market values, and investment performance for the period.

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#### **WRAP FEE PROGRAMS**

We do not sponsor a Wrap Fee Program.

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#### **ASSETS**

As of March 24, 2023, the firm had discretionary assets under management of \$133,854,547 and no non-discretionary assets.

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### **ITEM 5 - FEES AND COMPENSATION**

#### **ASSET MANAGEMENT SERVICES PROVIDED TO ADVISER CLIENTS**

Fees billed for our services include the following: Signal Wealth Fee for services described in Item 4 ("*Signal Wealth Fee*"), the RIA Adviser's Advisory fee, and any applicable third-party manager fee. The Signal Wealth Fee is an asset based advisory fee for the platform administration and investment management services we provide to retail client accounts managed by RIA Advisers through the Signal Platform.

As discussed in Item 4 – Advisory Business, RIA Advisers engage Signal Wealth to provide the Signal Platform and related services. The RIA Advisers provide services to their retail clients and will bill an advisory fee for those services ("*RIA Adviser Fees*") pursuant to RIA Adviser's fee schedule ("*RIA Adviser Fee Schedule*"). These RIA Adviser Fees are disclosed in each RIA Adviser's Part 2A Brochure and investment management agreement. Signal Wealth will apply the fee charged by RIA Adviser to each account managed by RIA Adviser on the Signal Platform. Signal Wealth and RIA Adviser will agree upon the RIA Adviser Fee Schedule as part of the RIA Adviser Agreement. Signal Wealth will instruct the client's named Custodian to debit fees from the client account in accordance with the RIA Adviser Fee Schedule.

Signal Wealth's maximum annual advisory fee for the investments and services outlined in Item 4 – Advisory Business is one percent (1.00%). Fees are billed in advance and will be calculated based on the market value of the total managed assets on the last day of the previous calendar month. There may be circumstances where RIA Advisers have negotiated an alternative billing method with Signal Wealth. The RIA Adviser Agreement will outline the details of each annual fee and billing arrangement with Signal Wealth. Fees are prorated based on the number of days management is provided during the initial billing period. The Custodian will debit the combined total of the fees disclosed above from the accounts managed by RIA Adviser on the Signal Platform and disburse fees to Signal Wealth. Signal Wealth will pay the RIA Adviser its portion of the fees.

It is the responsibility of RIA Adviser to communicate any fee updates to Signal Wealth and approve RIA Adviser's monthly billing summary prior to fees being deducted by the Custodian. It is the responsibility of RIA Adviser to disclose all fees applicable to each RIA Adviser retail client to such client. After RIA Adviser approves the billing summary each month, Signal Wealth will submit the required fee information to the Custodian for each account managed by RIA Adviser on the Signal Platform. For each billing cycle, Signal Wealth will provide to RIA Adviser the fee reports and documentation so that RIA Adviser may maintain its books and records in accordance with applicable laws, rules, and regulations.

Either party may terminate the RIA Adviser Agreement by providing 30 days' written notice. Upon termination of the RIA Adviser Agreement by either party and for any reason, Signal Wealth will pay RIA Adviser any RIA Adviser Fees due and already earned, on a pro-rata basis up to and including the date of termination.

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#### **INVESTMENT MANAGEMENT HOUSE ACCOUNTS**

Signal Wealth manages accounts for family and certain friends ("*Family Clients*") of Signal Wealth employees and charges fees that can and likely will differ from standard client account fees ("*Family Fees*"). Family Fees are negotiated and documented in a Signal Wealth investment management agreement, executed directly between Signal Wealth and Family Clients.

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#### **ADDITIONAL FEES AND EXPENSES**

In addition to the advisory fees paid to us, RIA Adviser's retail clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks, other financial institutions and third-party managers (collectively "*Financial Institutions*"). These additional charges include custodial fees, charges imposed by a mutual fund or ETF in accounts managed by RIA Adviser on the Signal Platform – as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses) – deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, regulatory fees assessed by the Financial Industry Regulatory Authority ("*FINRA*") and other fees and taxes on brokerage accounts and securities transactions. Signal Wealth's brokerage practices are described at length in Item 12, below. Signal Wealth does not share in any of these additional fees and expenses outlined above.

## ITEM 6 - PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Signal Wealth does not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees), nor engage side-by-side management.

## ITEM 7 - TYPES OF CLIENTS

Signal Wealth generally provides investment advice to the following types of clients:

- Independent registered investment advisers and investment adviser representatives of Signal Wealth (RIA Advisers)
- Family and friends of the firm
- Corporations and other business entities

In limited circumstances, non-Family Clients may engage advisory services directly from Signal Wealth ("Direct Clients"). In these circumstances, Direct Clients are required to execute a written agreement with Signal Wealth specifying the particular advisory service in order to establish a Direct Client relationship with Signal Wealth.

We do not require a minimum account size to work with Signal Wealth or open an account on the Signal Platform. However, certain investment strategies available on the Signal Platform may impose a minimum account size based on factors unique to the strategy or money manager.

## ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Signal Wealth takes a macro-environmental approach to tactical asset allocation with sector rotation and uses a relative growth/value framework in determining sub-asset classes. This top-down method allows us to assess the investing landscape and provide recommendations as to when and where it may be advantageous to modify exposure within the asset classes, market segments, and sectors.

**GROWTH STRATEGIES:** Our growth strategies consist of investments spanning a broad range of asset classes that are selected for their long-term risk/return characteristics as well as their correlation to the overall markets. The resulting blended allocation is used as the foundation for the client's growth portfolio. Portfolio rebalancing is discretionary and will be based on individual portfolio considerations. There is no guarantee as to the number of times a portfolio is rebalanced each year. Other asset classes and opportunistic investments are added to the growth portfolio to create a customized allocation that is appropriate for each strategy's objectives. Examples of investments which may be included as part of our growth strategies include individual equities and exchange traded funds (ETFs).

**FIXED INCOME STRATEGIES:** Fixed income investments such as bonds, notes, and certificates of deposit are intended to provide diversification, generate income, and to preserve and protect assets. Generally, the stabilizing influence of fixed income comes at the cost of lower returns relative to growth investments. Our fixed income portfolios generally consist of high quality domestically issued bonds, both taxable and tax-free. Examples of investments which may be included as part of our fixed income strategies include individual government, municipal, and corporate bonds, certificates of deposits, exchange traded funds (ETFs), and money markets.



We may utilize the following forms of analysis:

**FUNDAMENTAL ANALYSIS:** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**QUANTITATIVE ANALYSIS:** We use mathematical ratios and other performance appraisal methods in attempt to obtain more accurate measurements of an investment manager's investment acumen, idea generation, consistency of purpose and overall ability to outperform their stated benchmark throughout a full market cycle. Additionally, we perform periodic measurements to assess the authenticity of returns. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

**TECHNICAL ANALYSIS:** We use this method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance. Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

**ASSET ALLOCATION:** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to an investment strategy's goals and appropriate risk level. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry, or market sector. Another risk is that the ratio of securities, fixed income,

and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the strategy.

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#### **MUTUAL FUND SHARE CLASS**

Generally, Signal Wealth does not recommend mutual funds holdings as part of our investment strategies or in model portfolios managed by Signal Wealth on the Signal Platform. However, some portfolios available on the Signal Platform do utilize mutual funds and ETFs. These strategies may choose to hold mutual funds in their accounts for various reasons including tax strategies or legacy assets. If we need to render advice on mutual fund holdings, Signal Wealth will recommend the purchase of institutional share classes of those mutual funds. The institutional share class generally has the lowest expense ratio. The expense ratio is the annual fee that all mutual funds or ETFs charge their shareholders. It expresses the percentage of assets deducted each fiscal year for a fund's expenses, including 12b-1 fees, management fees, administrative fees, operating costs, and all other asset-based costs incurred by the fund. Some fund families offer different classes of the same fund, and one share class may have a lower expense ratio than another share class. These expenses come from RIA Adviser assets which could impact the RIA Adviser's client's account performance. Mutual fund expense ratios are in addition to our fee, and we do not receive any portion of these charges.

If an institutional share class is not available for the mutual fund selected, Signal Wealth will recommend the purchase of the least expensive share class available for the mutual fund. However, some share classes may have other restrictions (such as restrictions on redemption) which the RIA Adviser takes into consideration when managing the retail clients' assets. Thus, the RIA Adviser will have the ability to select a share class based upon the specific needs of its retail client.

As share classes with lower expense ratios become available, Signal Wealth may use them in the RIA Adviser's portfolio, and/or convert the existing mutual fund position to the lower cost share class. RIA Advisers who transfer mutual funds into their accounts on the Signal Platform would bear the expense of any contingent or deferred sales loads incurred upon selling the product. If a mutual fund has a frequent trading policy, the policy can limit a client's transactions in shares of the fund (e.g., for rebalancing, liquidations, deposits, or tax harvesting). All mutual fund expenses and fees are disclosed in the respective mutual fund prospectus.

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#### **MANAGER SELECTION**

If Signal Wealth uses other managers in its portfolios, Signal Wealth reviews each model manager before selecting them to be included in our portfolios. We conduct initial and ongoing due diligence reviews to ensure that the manager is suitable for our portfolios.

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#### **RISK OF LOSS**

An investment portfolio is affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic conditions, changes in laws and national and international

political circumstances. Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Retail clients should be prepared to bear the potential risk of loss, which could be substantial.

Our methods rely on the assumption that the underlying companies within our securities allocations are accurately reviewed by the rating agencies and other publicly available sources of information about these securities are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Risks that apply to both fixed income and equity strategies include, but are not limited to, the following:

- **Active Management Risk:** Due to its active management, a portfolio could underperform other portfolios with similar investment objectives and/or strategies.
- **Allocation Risk:** A portfolio may use an asset allocation strategy in pursuit of its investment objective. There is a risk that a portfolio's allocation among asset classes or investments will cause a portfolio to lose value or cause it to underperform other portfolios with a similar investment objective and/or strategy, or that the investments themselves will not produce the returns expected.
- **Cybersecurity Risk.** Cybersecurity risks include both intentional and unintentional events at Signal Wealth or one of our third-party counterparties or service providers, that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information, and generally compromise Signal Wealth's ability to conduct its business. A cybersecurity breach may also result in a third-party obtaining unauthorized access to our clients' information, including social security numbers, home addresses, account numbers, account balances, and account holdings. We have established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because we do not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.
- **Liquidity Risk:** The risk that exists when a security's limited marketability prevents it from being bought or sold quickly enough to avoid or minimize a loss. This risk is particularly relevant in the bond market, although it can also be a risk when transacting in small cap securities and certain other stocks.
- **Market and Timing Risk:** Prices of securities may become more volatile due to general market conditions that are not specifically related to a particular company, such as adverse economic conditions or outlooks, adverse investor sentiment, changes in the outlook for corporate earnings, or changes in interest rates.
- **Sector/Region Risk:** The risk that the strategy's concentration in equities or bonds in a specific sector or industry will cause the strategy to be more exposed to price movements and developments affecting that sector.

- **Event Risk:** The possibility that an unforeseen event will negatively affect a company or industry, and thus, increase the volatility of the security.
- **Third Party Reliance:** Signal Wealth relies on a number of external sources for investment advice, research services, and financial and fundamental data, including RIA Advisers, overlay portfolio management providers, model managers, market data vendors, custodians, brokerage firms, and various service providers. Signal Wealth will use its best efforts to ensure the information provided by these third parties is reliable and accurate, but no assurances can be given that the information will be reliable and accurate. Inaccurate information could adversely impact the investment advice and services provided by Signal Wealth.

Risks associated with our fixed income strategies include, but are not limited to, the following:

- **Asset-Backed Securities Risk:** Payment of principal and interest on asset-backed securities is dependent largely on the cash flows generated by the assets backing the securities. Further, some asset-backed securities may not have the benefit of any security interest in the related assets. There is also the possibility that recoveries in the underlying collateral may not be available to support the payments on these securities. Downturns in the economy could cause the value of asset-backed securities to fall, thus, negatively impacting account performance.
- **Call Risk:** Some bonds give the issuer the option to redeem the bond before its maturity date. If an issuer exercises this option during a time of declining interest rates, the proceeds from the bond may have to be reinvested in an investment offering a lower yield and may not benefit from an increase in value as a result of declining rates. Callable bonds also are subject to increased price fluctuations during periods of market illiquidity or rising interest rates. Finally, the capital appreciation potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.
- **Corporate Debt Risk:** The rate of interest on a corporate debt security may be fixed, floating, variable, or may vary inversely with respect to a reference rate. Corporate debt securities are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation. They also may be subject to price volatility due to interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. When interest rates rise, the value of a corporate debt security can be expected to decline. Debt securities with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities. A company default can reduce income and capital value of a corporate debt security. Moreover, market expectations regarding economic conditions and the likely number of corporate defaults may impact the value of these securities.
- **Credit Default Risk:** The risk of loss of principal due to the borrower's failure to repay the loan or risk of liquidity from the decline in the borrower's financial strength.
- **Duration Risk:** The risk associated with the sensitivity of a bond's price to a change in interest rates. The higher a bond's (or portfolio's) duration, the greater its sensitivity to interest rate changes.
- **Government Securities Risk:** Not all U.S. government securities are backed by the full faith and credit of the U.S. government. It is possible that the U.S. government would not provide financial

support to certain of its agencies or instrumentalities if it is not required to do so by law. If a U.S. government agency or instrumentality defaults and the U.S. government does not stand behind the obligation, returns could be negatively impacted. The U.S. government guarantees payment of principal and timely payment of interest on certain U.S. government securities.

- **Interest Rate Risk:** Prices of fixed income securities tend to move inversely with changes in interest rates. As interest rates rise, bond prices typically fall and vice versa. The longer the effective maturity and duration of a strategy's portfolio, the more the performance of the investment is likely to react to interest rates.
- **Municipal Bond Risk:** Investments in municipal bonds are affected by the municipal market as a whole and the various factors in the particular cities, states or regions in which the strategy invests. Issues such as legislative changes, litigation, business and political conditions relating to a particular municipal project, municipality, state or territory, and fiscal challenges can impact the value of municipal bonds. These matters can also impact the ability of the issuer to make payments. Also, the amount of public information available about municipal bonds is generally less than that for corporate equities or bonds. Additionally, supply and demand imbalances in the municipal bond market can cause deterioration in liquidity and lack of price transparency.
- **Prepayment Risk:** Similar to call risk, this risk is associated with the early unscheduled repayment of principal on a fixed income security. When principal is returned early, future interest payments will not be paid. The proceeds from the repayment may be reinvested in securities at a lower, prevailing rate.
- **Reinvestment Risk:** The risk that future cash flows, either coupons or the final return of principal, will need to be reinvested in lower-yielding securities.
- **Securities Lending Risk:** Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.
- **State Risk:** Portfolios with state or region-specific customizations will be more sensitive to the events that affect that state's economy and stability. Portfolios with a higher concentration of bonds in a state or region may have higher credit risk exposure, especially if the percentage of assets dedicated to the state is invested in fewer issuers.
- **Tax Liability Risk:** The risk that the distributions of municipal securities become taxable to the investor due to noncompliant conduct by the municipal bond issuer or changes to federal and state laws. These adverse actions would likely negatively impact the prices of the securities. A wash sale occurs when an investor sells a security at a loss and then purchases that same security or "substantially identical" securities within 30 days (before or after the sale date). If an investor ends up being affected by the wash-sale rule, the investor loss will be disallowed by Internal Revenue Service Code in most cases. Note Signal Wealth does not monitor for wash sales. In certain actively managed strategies offered by Signal Advisors, wash sales may be inherent.
- **Valuation Risk:** The lack of an active trading market and/or volatile market conditions can make it difficult to obtain an accurate price for a fixed income security. There are uncertainties associated with pricing a security without a reliable market quotation, and the resulting value may

be very different than the value of what the security would have been if readily available market quotations had been available.

Risks associated with Signal Wealth's equity strategies include, but are not limited to, the following:

- **Capitalization Risk:** Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services. Their stocks have historically been more volatile than the stocks of larger, more established companies.
- **Exchange-Traded Fund ("ETF") and Mutual Fund Risk:** Investments in ETFs and mutual funds have unique characteristics, including, but not limited to, the ETF or mutual fund's expense structure. Investors of ETFs and mutual funds held within Signal Wealth client accounts bear both their Signal Wealth portfolio's advisory expenses and, indirectly, the ETF's or mutual fund's expenses. Because the expenses and costs of an underlying ETF or mutual fund are shared by its investors, redemptions by other investors in the ETF or mutual fund could result in decreased economies of scale and increased operating expenses for such ETF or mutual fund. Additionally, the ETF or mutual fund may not achieve its investment objective. Actively managed ETFs or mutual funds may experience significant drift from their stated benchmark.
- **Foreign Securities Risk:** Investments in or exposure to foreign securities involve certain risks not associated with investments in or exposure to securities of U.S. companies. Foreign securities subject a portfolio to the risks associated with investing in the particular country of an issuer, including the political, regulatory, economic, social, diplomatic and other conditions or events (including, for example, military confrontations, war and terrorism), occurring in the country or region, as well as risks associated with less developed custody and settlement practices. Foreign securities may be more volatile and less liquid than securities of U.S. companies and are subject to the risks associated with potential imposition of economic and other sanctions against a particular foreign country, its nationals or industries or businesses within the country. In addition, foreign governments may impose withholding or other taxes on income, capital gains or proceeds from the disposition of foreign securities, which could reduce a portfolio's return on such securities.
- **Frequent Trading Risk:** A portfolio manager may actively and frequently trade investments in a portfolio to carry out its investment strategies. Frequent trading of investments increases the possibility that a portfolio, as relevant, will realize taxable capital gains (including short-term capital gains, which are generally taxable at higher rates than long-term capital gains for U.S. federal income tax purposes), which could reduce a portfolio's after-tax return.
- **Issuer Risk:** The risk that an issuer of a security may perform poorly, and therefore, the value of its securities may decline. Poor performance may be caused by poor management decisions, competitive pressures, breakthroughs in technology, reliance on suppliers, labor problems or shortages, corporate restructurings, fraudulent disclosures, natural disasters or other events, conditions or factors.
- **Market Risk:** When the stock market strongly favors a particular style of equity investing, some or all of Signal Wealth's equity strategies could underperform. The performance of clients' accounts could suffer when Signal Wealth's particular investment style(s) are out of favor. For

example, Signal Wealth's large cap equity strategies could underperform when the market favors smaller capitalization stocks. Signal Wealth's strategies with exposure to small/mid cap stocks could underperform when the market favors larger cap stocks. Additionally, growth securities could underperform when the market favors value securities.

- **Sector Risk:** At times, a portfolio may have a significant portion of its assets invested in securities of companies conducting business in a related group of industries within an economic sector. Companies in the same economic sector may be similarly affected by economic, regulatory, political or market events or conditions, which make a portfolio more vulnerable to unfavorable developments in that economic sector than portfolios that invest more broadly. Generally, the more a portfolio diversifies its investments, the more it spreads risk and potentially reduces the risks of loss and volatility.

Generally, the more a portfolio diversifies its investments, the more it spreads risk and potentially reduces the risks of loss and volatility. Investors should be aware that accounts are subject to the following risks:

- **Use of Third-Party Software Vendors ("TPSV")** - Third-Party Software Vendors can experience their own computer glitches, slowdowns, and network crashes. At times, clients should be aware that TPSV require restrictions on accessing some or all parts of their software or Web site to perform routine maintenance, mostly which occur during non-business or non-trading hours. While it is TPSV's intention that software and Web sites will be available seven days a week, clients should be aware that TPSV do not guarantee access to their software or web site for order placement and/or execution. Computer, telephone, internet or network problems and/or unforeseen system outages can arise on either end affecting client or TPSV's ability to conduct activity on TPSV's platform. In the event that trading volumes rise to an overwhelming volume on financial markets and many investors engage in buy or sell activity simultaneously, orders cannot be executed as quickly as clients demand.
- **Non-Liquid Alternative Investments** - From time to time, Signal Wealth will recommend to certain qualifying clients that a portion of such clients' assets be invested in private funds, private fund-of-funds and/or other alternative investments (collectively, "Nonliquid Alternative Investments"). Nonliquid Alternative Investments are not suitable for all of Signal Wealth's clients and are offered only to those qualifying clients for whom Signal Wealth believes such an investment is suitable and in line with their overall investment strategy. Nonliquid Alternative Investments typically are available to only a limited number of sophisticated investors who meet the definition of "accredited investor" under Regulation D of the Securities Act of 1933, as amended (the "Securities Act"), or "qualified client" under the Investment Advisers Act of 1940, or "qualified purchaser" under the Investment Company Act of 1940. Nonliquid Alternative Investments present special risks for retail clients, including without limitation, limited liquidity, higher fees and expenses, volatile performance, no assurance of investment returns, heightened risk of loss, limited transparency, additional reliance on underlying management of the investment, special tax considerations, subjective valuations, use of leverage and limited regulatory oversight. When a Nonliquid Alternative Investment invests part or all of its assets in real estate properties, there are additional risks that are unique to real estate investing, including but not limited to: limitations

of the appraisal value; the borrower's financial conditions (if the underlying property has been obtained by a loan), including the risk of foreclosures on the property; neighborhood values; the supply of and demand for properties of like kind; and certain city, state and/or federal regulations. Additionally, real estate investing is also subject to possible loss due to uninsured losses from natural and man-made disasters. The above list is not exhaustive of all risks related to an investment in Nonliquid Alternative Investments. A more comprehensive discussion of the risks associated with a particular Nonliquid Investment is set forth in that fund's offering documents, which will be provided to each client subscribing to a Nonliquid Alternative Investment, for review and consideration. It is important that each potential, qualified investor carefully read each offering or private placement memorandum prior to investing.

- **Structured Notes** - Structured products are designed to facilitate highly customized risk-return objectives. While structured products come in many different forms, they typically consist of a debt security that is structured to make interest and principal payments based upon various assets, rates, or formulas. Many structured products include an embedded derivative component. Structured products may be structured in the form of a security, in which case these products may receive benefits provided under federal securities law, or they may be cast as derivatives, in which case they are offered in the over-the-counter market and are subject to no regulation. Investment in structured products includes significant risks, including valuation, liquidity, price, credit, and market risks. One common risk associated with structured products is a relative lack of liquidity due to the highly customized nature of the investment. Moreover, the full extent of returns from the complex performance features is often not realized until maturity. As such, structured products tend to be more of a buy-and-hold investment decision rather than a means of getting in and out of a position with speed and efficiency. Another risk with structured products is the credit quality of the issuer. Although the cash flows are derived from other sources, the products themselves are legally considered to be the issuing financial institution's liabilities. The vast majority of structured products are from high-investment-grade issuers only. Also, there is a lack of pricing transparency. There is no uniform standard for pricing, making it harder to compare the net-of-pricing attractiveness of alternative structured product offerings than it is, for instance, to compare the net expense ratios of different mutual funds or commissions among broker-dealers.

## ITEM 9 - DISCIPLINARY INFORMATION

Signal Wealth does not have any legal, financial or other disciplinary items to report.

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### OTHER FINANCIAL AFFILIATIONS

Signal Advisors Insurance, LLC, is an affiliate of Signal Wealth and both entities are wholly owned by Signal Advisors USA, Inc. Signal Advisors Insurance, LLC is an insurance agency that markets/wholesales life insurance and fixed indexed annuities to third-party independent insurance producers in exchange for marketing and or override fee from the issuer of such insurance/annuity products.



When an annuity product is sold through Signal Advisors Insurance LLC the owners of Signal Wealth benefit. When an RIA Adviser contracts with Signal Wealth, and an insurance entity affiliated with the RIA Adviser contracts with Signal Advisors Insurance, LLC, then the RIA Adviser and/or the insurance entity affiliated with the RIA Adviser may receive compensation, benefits, or discounts. We address these conflicts of interest by: (1) disclosing it to RIA Adviser and their retail clients in this brochure and (2) ensuring no Signal Wealth fee is charged on insurance products/fixed annuities which are held outside the RIA Adviser relationship.

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## **TRANSITION AND RETENTION BENEFITS**

Signal Wealth can, at our discretion, provide various benefits and payments associated with transitioning to or continuing their business with the Signal Wealth platform to Registered Investment Advisers, and the individuals associated with those Registered Investment Advisers, that are with Signal Wealth, (collectively referred to as “Transition and Retention Benefits”). The Transition and Retention Benefits are intended to be used for a variety of purposes, including but not necessarily limited to, providing working capital to assist in funding the Registered Investment Adviser’s business, offsetting account transfer fees (ACATs) payable to Signal Wealth as a result of the Registered Investment Adviser’s clients transitioning to Signal Wealth’s platform, costs associated with transferring their business to the Signal Wealth platform, assisting with their business needs, technology set-up fees, marketing and mailing costs, compliance and regulatory costs, stationary and licensure transfer fees, staffing support, and termination fees associated with moving accounts. The amount and nature of Transition and Retention Benefits is at our sole discretion and could vary amongst Registered Investment Advisers based on a number of factors.

The Transition and Retention Benefits may also be in the form of a forgivable loan that may be forgiven over time depending on the length of time a Registered Investment Adviser is contracted with Signal Wealth and the amount of assets the Registered Investment Adviser has on the Signal Wealth platform. The amount of the loan, option or warrant (described below) paid to the Registered Investment Adviser or individual affiliated with the Registered Investment Adviser represents a substantial payment. Forgiveness of the loan, in whole or in part, is conditioned on the Registered Investment Adviser being contracted with Signal Wealth and maintaining assets on the Signal Wealth platform. The Transition and Retention Benefits may also be in the form of warrants or options granted by Signal Advisors USA, Inc. to the Registered Investment Adviser or an individual affiliated with the Registered Investment Adviser. The Transition and Retention Benefits may also be provided without any future obligations or requirements by the Registered Investment Adviser.

The amount of the Transition and Retention Benefits is often significant in relation to the overall revenue earned or compensation received by the Registered Investment Adviser prior to entering into an agreement with Signal Wealth. Such benefits are generally based on the size of the Registered Investment Adviser’s business, and the length of time it is contracted (or expected to be contracted) with Signal Wealth, and how they may consult with Signal Wealth on how Signal Wealth can improve its services.

Transition and Retention Benefits provided to the Registered Investment Adviser, or the individual associated with the Registered investment Adviser, creates a conflict of interest relating to the Registered Investment Adviser’s advisory business because it creates a financial incentive for the Registered

Investment Adviser to contract with Signal Wealth and use the portfolio management of Signal Wealth. In certain instances, the receipt of such Transition and Retention Benefits is dependent on maintaining its clients' assets with Signal Wealth and therefore the Registered Investment Adviser has an incentive to recommend that retail clients maintain their management with Signal Wealth in order to generate such benefits.

## **ITEM 11 – CODE OF ETHICS**

Signal Wealth and persons associated with Signal Wealth can invest for their own accounts, in the same securities or other investments that we recommend or acquire for RIA Advisers' accounts managed on the Signal Platform and may engage in transactions that are the same as or different than transactions recommended to or made for RIA Advisers' accounts managed on the Signal Platform. This creates a conflict of interest. We recognize the fiduciary responsibility to act in all of our client's best interests and have established policies to mitigate conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, and the prohibition against the use of inside information.

The Code of Ethics is designed to protect our clients to detect and deter misconduct, educate personnel regarding Signal Wealth's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of Signal Wealth, safeguard against the violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether personnel are complying with Signal Wealth's ethics principles.

We have established the following restrictions to ensure our fiduciary responsibilities:

- No supervised employee of Signal Wealth shall prefer his or her own interest to that of the client. Trades for supervised employees are traded alongside client accounts.
- We maintain a list of all securities holdings of anyone associated with Signal Wealth who has access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of Signal Wealth.
- We emphasize the unrestricted right of the client to decline implementation of any advice rendered, except in situations where we are granted discretionary authority of the client's account.
- We require that all supervised employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- Any supervised employee not in observance of the above may be subject to termination.

None of our associated persons may affect for himself/herself or for accounts in which he/she holds a beneficial interest, any transactions in a security which is being actively recommended to any of our clients, unless in accordance with Signal Wealth's procedures and Code of Ethics.

Investors may request a complete copy of our Code of Ethics by contacting us at the address, telephone, or email on the cover page of this brochure; ATTN: Veronica LeDuc, Chief Compliance Officer.

## **ITEM 12 – BROKERAGE PRACTICES**

Signal Wealth does not require clients to utilize any particular custodian. Signal Wealth expects to have relationships with many custodians that provide brokerage, clearing and custody services to retail clients. The choice of which custodian to utilize is determined by the retail clients in consultation with their RIA Adviser. Retail Clients enter into a separate contractual relationship with the selected custodian, and RIA Advisers may limit their retail clients to a subset of custodians. Those RIA Advisers may be affiliated with one or more of these custodians and may require their clients to contract with that custodian. If an RIA Advisor requires a client to utilize the services of an affiliated custodian, the RIA Adviser may benefit and the retail client should review the RIA Adviser's Form ADV Part 2A for a description of any potential conflicts of interests.

If an RIA Adviser utilizes a custodian which is not on the Signal Platform, Signal Wealth will work to add the custodian to the platform. If that is not possible, the RIA Adviser will need to consider moving its retail clients to a new custodian to utilize the Signal Platform.

Fees vary among custodians and it will be the responsibility of the RIA Adviser to disclose the custodian's fees to their retail clients.

Generally, Signal Wealth directs transactions to the custodian chosen by retail clients, based on the lack of commissions or other trading costs for such trades. Although Signal Wealth is aware of the possibility that better execution may be available at another broker-dealer, executing at another broker dealer other than the custodian chosen by retail client (custodian of record) could delay the timely receipt of updated transaction and account information necessary for Signal Wealth to process retail client accounts within the Signal Platform on a timely basis.

We are independently owned and operated and not affiliated with the custodians available through the Signal Platform. The custodians on the Signal Platform provide access to their institutional trading and custody services, including brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors.

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### **BEST EXECUTION**

Signal Wealth routes the majority of trades resulting from retail client transactions directly to the custodian(s) of record. For the small percentage of trades not routed directly to the custodian of record, Signal's Wealth's primary objective is to obtain prompt execution of orders at the most favorable prices reasonably obtainable.

Signal Wealth has adopted a Best Execution Policy pursuant to which Signal Wealth reviews exception reports containing samples of trades to monitor for best execution. We are guided by applicable regulatory requirements and equitable treatment in trading such Adviser Client accounts.

As referenced above, by allowing clients to direct brokerage to specific Custodians, it is possible that directed brokerage transactions will not receive best execution and, as a result, retail clients will pay more than those clients whose transactions are aggregated.

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## **DISBURSEMENTS**

When clients request a cash withdrawal from their account, Signal Wealth must first sell some of the securities in the account to raise the cash requested. After an equity security is sold, it may take up to two (2) business days before the trade settles and the cash proceeds are in the account. In some cases, Signal Wealth may be able to request a “short settlement” and have the trade settled in one (1) business day. Please note, however, that clients requesting a short settlement will incur additional brokerage costs. In addition, certain mutual funds do not permit next day settlement requests even though most open-ended mutual fund trades settle in one (1) business day.

During an investment strategy rebalance or asset allocation rebalance, it may appear as though the account has an available cash balance, however, there may not actually be enough cash to honor the withdrawal request. Signal Wealth performs its trading analysis based on trade date, not settlement date, which can make it appear as though cash is available when it is not due to the rebalance across strategies or models (“*Global Rebalance*”). For example, Signal Wealth sends an order to sell a security and buy another security. The security sale raises \$10,000 and the new security is purchased for the same amount. The sale may settle the next business day, but the new security may not settle for two (2) more business days.

If a client requests a withdrawal and takes the cash in the strategy after the sale of the security settles, but before the new security buy settles, it will result in a negative balance. In addition, there are times when it will take more than one (1) day to complete the trading required and cash may appear to be available at times when it is not available.

If a client wishes to make a withdrawal or some other change, such as an investment strategy change or style change, Signal Wealth cannot process the request on shares that have not settled, because the client does not own them yet. This would constitute a violation called “freeriding,” which is not permitted under the Federal Reserve Board’s Regulation T and the custodian may be required to prohibit trading in the Client’s account for 90 days.

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## **TRADE AGGREGATION & TRADING**

The RIA Adviser delegates certain operational functions to Signal Wealth, including trade order entry with respect to the investment strategy. Due to different trading technology platforms, the timing of trading among the different Investment strategies may, and often does, differ. Signal Wealth maintains “average price accounts” at each custodian recommended by the RIA Adviser. Generally, trades made within the same investment strategies are aggregated in the same trading block so that all accounts within that trading block will receive the same price for execution based on the average price for the block. Typically,

for each investment strategy, trades for new accounts, style changes, and previous day contributions are aggregated in one trade block per custodian.

Signal Wealth routes the majority of trades resulting from RIA Adviser transactions and manager investment strategy updates directly to the custodian(s) of record. In the event there are trades submitted outside of Signal Wealth's ordinary trading process or in a manner that does not allow Signal Wealth to aggregate trading, Signal Wealth will execute the transactions in such a manner that the client's total costs or proceeds in each transaction are the most favorable under the circumstances. In attempting to obtain the most favorable circumstances, Signal Wealth will consider the full range and quality of a broker-dealer's services including, among other things, the value of research provided as well as execution capability, commission rate, financial responsibility, and responsiveness.

Throughout the day, at various times, Signal Wealth may receive requests from RIA Advisers that require Signal Wealth to execute a trade. For example, an RIA Adviser may ask Signal Wealth to raise cash for an upcoming withdrawal, liquidate a security, or change the selected investment strategy. Signal Wealth will process the request and enter an order for a trade block as each request is received. If Signal Wealth receives multiple requests within a reasonable time, generally, Signal Wealth will aggregate those trades into a single trading block.

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**REBALANCING**

The RIA Adviser may change the allocation or investment strategies ("*Sleeves*") used to manage a portion of the portfolio without receiving instructions signed by the Adviser Client in each case. In the event of an asset allocation change, Signal Wealth executes a Global Rebalance. During the life of the portfolio, the investment vehicles used within the portfolio may change to attempt to achieve more effective tracking related to a benchmark or make an allocation to a specific sector or characteristic, such as International Small-Cap or fixed income duration.

Accounts are systematically reviewed periodically to determine if they fall outside of the drift parameters. If an account has drifted away from the allocation to selected investment strategies such that it falls outside of the established parameters, it will be rebalanced back to the selected allocation. If the account is within the drift parameters, the account will not be rebalanced. Signal Wealth retains discretion to determine if a rebalance is appropriate at any time during the life of the account.

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**BROKERAGE FOR CLIENT REFERRALS**

Signal Wealth does not receive client referrals from any Custodian or third party in exchange for using that broker-dealer or third party.

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**TRADE ERRORS**

Signal Wealth has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. In all situations, we will absorb any loss resulting from the trade error if the error was caused by us. If the error is caused by the Custodian, the Custodian will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

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#### **SOFT DOLLARS**

Currently Signal Wealth does not receive commission soft dollar benefits. However, it is our policy to stay within the safe harbor provisions of 28(e) of the Securities Exchange Act of 1934 should we do so in the future. The term “soft dollars” is used to describe arrangements whereby advisory firms pay for research, products, or services from a broker-dealer with client commissions rather than paying directly from the adviser’s revenue. In contrast, when an adviser uses its own money to pay for products or services, it is said to be using “hard dollars.”

Some of the other Fidelity products and services assist us in managing and administering your accounts. These include software and technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of our fees from your account, and assist with back-office functions, recordkeeping and reporting.

### **ITEM 13 - REVIEW OF ACCOUNTS**

#### **ACCOUNT REVIEWS AND REVIEWERS – INVESTMENT SUPERVISORY SERVICES**

Signal Wealth monitors our portfolios and strategies on a regular basis for consistency with investment asset allocation, risk tolerance, and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in geopolitical and macroeconomic specific events.

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#### **STATEMENTS AND REPORTS**

The custodian for the individual client’s account will provide clients with an account statement at least quarterly. Through our agreement with the RIA Adviser, clients will have access to an online portal that provides reports detailing their current positions, asset allocations, and year-to-date performance for accounts managed on the Signal Platform.

Investors are urged to compare the reports provided by Signal Wealth against the account statements received directly from the account custodian.

### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

Signal Wealth has entered into agreements to pay referral fees to independent promoters in exchange for referrals to us in accordance with the Investment Advisers Act of 1940. We provide incentives for independent advisors to do business with us and in some instances refer other financial advisors to us (“Promoters”). This may be compensated through cash or non-cash compensation. In this regard, Signal

Wealth maintains Promotor Agreements in compliance with the Investment Advisers Act of 1940 and applicable state and federal laws. All who are referred by Promotors to us will be given full written disclosure describing the terms and fee arrangements between Signal Wealth and Promotor(s). In cases where state law requires licensure of Promotors, we ensure that no Promotor fees are paid unless the Promotor is properly registered as an investment adviser representative.

#### **ITEM 15 – CUSTODY**

Signal Wealth does not have physical custody, as it applies to investment advisors. Custody has been defined by regulators as having access or control over client funds and/or securities.

#### **DEDUCTION OF ADVISORY FEES**

Through Signal Wealth's written agreement with RIA Advisers, we have been given the authority to direct custodians to deduct advisory fees from client accounts. Signal Wealth and the RIA Adviser have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each retail client under that client's name. Retail clients of the RIA Adviser will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address, and the way the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each RIA Adviser, or the client's independent representative, at least quarterly. Retail clients will also receive these statements and should carefully review them. Retail clients are urged to compare the statements against reports received from the RIA Adviser or Signal Advisers. When clients have questions about their account statements, clients should contact their RIA Adviser, their designated investment adviser representative, or their qualified custodian preparing the statement.

Please refer to Item 5 for more information about how advisory fees are deducted.

#### **ITEM 16 – INVESTMENT DISCRETION**

Signal Wealth has ongoing and continuous oversight over the strategies/portfolios offered by the Signal Wealth. Signal Wealth is responsible for the implementation, execution of trades and investment menu of the recommended strategies/portfolios available to RIA Advisers on the Signal Platform. Signal Wealth has the authority to manage and rebalance automatically based on the parameters of the portfolio/investment strategies being offered and not based on overall client suitability. Signal Wealth's RIA Adviser agreement directs RIA Adviser to obtain this authority from the client as part of the RIA Adviser's investment management agreement. Trading discretion is inherently limited to selected models and securities selected through the Signal Platform. Further, Signal Wealth has discretion over the timing and execution of the securities offered within the portfolio/strategy to best manage the execution without prior consent from clients.

The retail client relationship is between the client and RIA Adviser. The decision as to investment strategy is based on suitability information gathered, a best interest analysis, reviewed, and determined by the RIA Adviser. Clients may place reasonable restrictions on their account by communicating the restriction to the RIA Adviser who will, in turn, provided the account restriction request to Signal Wealth.

Signal Wealth is authorized, in its discretion and without prior consultation to: (1) buy, sell, exchange, and trade any stocks, bonds or other securities or assets (2) determine the amount and timing of securities to be bought or sold, and (3) place orders directly with the custodian. Any limitations to such discretionary authority will be communicated Signal Wealth in writing.

#### **ITEM 17 – VOTING CLIENT SECURITIES**

Signal Wealth will not vote proxies on the client's behalf. Investors can contact Signal Wealth's office with questions about a particular solicitation by phone at 866-774-4625 or contact their investment adviser representative.

#### **ITEM 18 – FINANCIAL INFORMATION**

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.