

**Item 1      Cover Page**



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**Firm Brochure  
Part 2A, Form ADV  
March 28, 2023**

This brochure provides information about the qualifications and business practices of Synergy Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at (206) 386-5455 or send an email to [info@synergy-am.com](mailto:info@synergy-am.com). 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 Synergy Asset Management, LLC is also available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). Registration with the SEC as an investment advisor does not imply a certain level of skill or training.

## Item 2 Material Changes

Synergy Asset Management, LLC updates its ADV Part 2A annually, or more frequently in the event of certain material changes. This section summarizes specific changes made to this Brochure since our last update dated March 28, 2022:

- Peace of Mind Planning, LLC dba AdvisorShare Wealth Management was added as an affiliate.
- Our standard advisory fee schedule in Item 5 was updated.
- Item 15 was revised to disclose custody situations arising from asset transfer authorizations
- Soft dollars were removed.
- Item 15 Custody section was updated to adequately reflect the firm's current data.

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## Item 4 Advisory Business

### Firm Description

Synergy Asset Management, LLC (“SAM,” “we,” “our,” or “us”) (formerly, Synergy Financial Management, LLC) is a Washington limited liability company founded in July of 2001. We provide personalized confidential financial planning and investment management to a variety of clients, including individuals, businesses, business owners, financial advisors, and trusts. Advice is provided through consultation with the client (“client,” “you,” or “your”) and may include: determination of financial objectives and goals, identification of financial issues, cash flow management, tax planning, investment management, education funding, retirement planning, and estate planning.

Rowan Street Advisors, LLC (“Rowan”) is the Managing Member of Rowan Street Capital, LLC, an affiliated private fund. Crosslink Capital Group, LLC (“Crosslink”) is the sponsor and investment manager of a separate affiliated private fund, Crosslink Capital Fund I, LLC. Rowan, Crosslink (each a “Relying Advisor”), and SAM (as a “Filing Advisor”) are operationally integrated, collectively conduct a single advisory business, and are together filing a single Form ADV in reliance on guidance from the SEC and under the Investment Advisers Act of 1940 as amended (the “Act”). Relying Advisors are considered to be a registered investment advisor with the SEC and, as such, are required to comply with all the provisions of the Act and the rules thereunder that apply to registered advisors.

Other related companies include Synergy Mergers + Acquisitions, LLC dba Synergy, a real estate broker working with many levels of real estate purchase and sales, and business consulting, which specializes in business planning, valuations, and succession strategies.

SAM is also affiliated with Peace of Mind Planning, LLC dba AdvisorShare Wealth Management a Registered Investment Advisory Firm. Please see Item 10 for full details.

### Principal Owners

SAM is owned 99% by Synergy Financial Services, Inc. and 1% by Joseph M. Maas, our Principal. Mr. Maas owns 100% of Synergy Financial Services, Inc. Rowan Street Advisors, LLC is owned 50% by Alex Kopel and 50% by Synergy Financial Services, Inc. Crosslink Capital Group, LLC is owned 50% by Joseph M. Mass and 50% by Francis Roman.

### Types of Advisory Services

SAM provides continuous and comprehensive wealth management and investment advisory services to our clients on a discretionary or non-discretionary basis, typically through managed accounts. We also provide co-

advisory, family office, retirement plan advisory, and signal provider services, described further below. In addition, we provide asset management and investment advisory services to our private funds. The detailed terms, strategies, and risks applicable to investors in the funds are described in each fund's organizational and offering documents.

## Tailored Advisory Services and Investment Options

Through discussions with you, we develop a wealth management and investment plan based on, among other things, your particular circumstances, financial goals and/or objectives, risk tolerance, time horizon, and liquidity needs. We then implement the plan using internally managed custom portfolios we have developed. When providing advice, we may also recommend hiring third party investment managers for some of your assets. In certain situations, as appropriate, we may also recommend an investment in our private fund.

### Custom Portfolios

As it relates to our custom portfolios, we manage most assets on a discretionary basis, meaning we have investment control to implement the plan we have developed with you without obtaining your consent prior to making a trade. Portfolios managed on a discretionary basis will strictly adhere to actively managed and monitored portfolios without the ability to influence the underlying security selection. We also manage portfolios on a non-discretionary basis, meaning we will manage and implement the plan we have developed with you, but will always obtain your approval prior to making any trades. You may impose reasonable restrictions on non-discretionary account(s), such as prohibiting the purchase of tobacco stocks, for example.

We only make recommendations to advisory clients regarding investing in our private fund on a non-discretionary basis, meaning that you must decide whether to accept or reject our recommendations. For our private fund, this generally involves investing a private fund's assets in accordance with the fund's organizational and offering documents.

As part of our investment process, we will also review any current investments you own and evaluate them in light of your current goals and objectives and offer our recommendations as to whether such investments should be retained.

### Institutional Intelligent Portfolios™

We provide some portfolio management services through Institutional Intelligent Portfolios™, an automated, online investment management platform for use by independent investment advisors (including SAM) and sponsored by Schwab Wealth Investment Advisory, Inc. (the "IIP Program" and "SWIA," respectively). Through the IIP Program, we offer clients a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange traded funds ("ETFs") and a cash allocation. The client's portfolio is held in a brokerage account opened by the client at SWIA's affiliate, Charles Schwab & Co., Inc. We are independent of and not owned by, affiliated with, or sponsored or supervised by SWIA, Charles Schwab & Co., Inc., or their affiliates (together, "Schwab"). The IIP Program is described in the Schwab Wealth Investment Advisory, Inc. Institutional Intelligent Portfolios™ Disclosure Brochure (the "IIP Program Disclosure Brochure"), which is delivered to clients by SWIA during the online enrollment process. We, and not Schwab, are your investment advisor and primary point of contact with respect to the IIP Program. We are solely responsible, and Schwab is not responsible, for determining the appropriateness of

the IIP Program for you, choosing a suitable investment strategy and portfolio for your investment needs and goals, and managing that portfolio on an ongoing basis. SWIA's role is limited to delivering the IIP Program Disclosure Brochure to clients and administering the IIP Program so that it operates as described in the IIP Program Disclosure Brochure.

We have contracted with SWIA to provide us with the technology platform and related trading and account management services for the IIP Program. This platform enables us to make the IIP Program available to clients online and includes a system that automates certain key parts of our investment process (the "IIP System"). The IIP System includes an online questionnaire that helps us determine your investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that we will recommend a portfolio via the IIP System in response to your answers to the online questionnaire. You may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but we make the final decision and select a portfolio based on all the information we have about you. The IIP System also includes an automated investment engine through which we manage your portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if you are eligible and elect to activate this feature).

Clients do not pay brokerage commissions or any other fees to Schwab as part of the IIP Program. This type of arrangement is known as a "wrap fee program." Under a wrap fee program, the wrap program sponsor arranges for the investor participant to receive investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the participant more or less than purchasing such services separately. Similar services may be available from other advisers or service providers for similar or lower fees. Schwab does receive other revenues in connection with the IIP Program, as described in the IIP Program Disclosure Brochure.

We do not receive a portion of a wrap fee for our services to clients through the Program. Clients do not pay fees to SWIA in connection with the IIP Program, but we charge clients a fee for our services as described below under Item 6 Fees and Compensation. Our own advisory fees are not set or supervised by Schwab.

We do not pay SWIA fees for its services in the IIP Program so long as we maintain \$100 million in client assets in accounts at Charles Schwab & Co., Inc., that are not enrolled in the IIP Program. If we do not meet this condition, then we pay SWIA an annual fee of 0.10% (10 basis points) on the value of our clients' assets in the Program. This fee arrangement gives us an incentive to recommend or require that our clients with accounts not enrolled in the IIP Program be maintained with Charles Schwab & Co., Inc.

## **Financial Planning**

As requested, we provide comprehensive financial planning services as part of our services, and in connection with our broader investment management implementation, which may include:

- A net worth statement
- A cash flow statement
- A review of investment accounts, including an asset allocation review and the provision of reposition recommendations
- Strategic tax planning
- A review of retirement accounts and plans, including recommendations
- A review of one or more retirement scenarios
- An estate planning review and recommendations
- Education planning with funding recommendations

For clients with extraordinary financial planning needs, we offer our family office services, which can include one or more of the above services, as well as coordination planning and financial-related information with the client's other professional advisers, including the client's attorney(s) and accountant(s). To the extent required, accounting and legal services are provided by unaffiliated third-parties, not subject to our supervision or oversight.

### **Retirement Plan Advisory Services**

We may be engaged to provide investment advisory and consulting services to participant-directed retirement plans. For such engagements, we can assist the plan sponsor with the selection of an investment platform, as well as a broadly diversified menu of investment alternatives from which plan participants can select to make their investment choices (which may include investment strategies devised and managed by our firm), and, to the extent engaged to do so, may also provide corresponding education to assist the participants with their decision making process.

### **Services to Third-Party Advisors**

#### **Turnkey Asset Management Program ("TAMP")**

SAM also provides discretionary portfolio management services to third party unaffiliated investment advisors ("TPIAs"). In some cases, we serve as a "TAMP", providing asset management services such as investment research and model portfolios, as well as handling account administration, billing and reporting on behalf of the TPIA. The specific services provided to a given TPIA are specified in an agreement between SAM and the TPIA.

If applicable, clients of the TPIA will enter into a tri-party agreement with SAM and the TPIA that describes the services to be provided by each entity, as well as the fees payable to each for their respective services. In general, SAM provides only investment management services when working with clients through the TAMP platform; the TPIA is typically responsible for all other services, such as financial planning, insurance planning, retirement and IRA rollover planning, and other financial services outside the scope of SAM's responsibilities under the tri-party agreement. We provide our TAMP services using the TD Ameritrade platform and Schwab's



IIP Program (see Items 4, 5 and 12 for more information about the IIP Program and Item 12, Brokerage Practices, for more information about TD Ameritrade).

### **Management Services to Other Advisors and Institutions**

We also have relationships with other TAMPs, custodians and unaffiliated investment advisors in which we provide model portfolios, signal provider services, and/or suggested allocations on an impersonal basis. In these cases, the end client is typically *not* a client of SAM and will not enter into an advisory agreement with us. Clients using these services will receive applicable disclosure documents through the other TAMP, custodian, or unaffiliated investment advisor. SAM has no obligation to determine client suitability and has no control over the timing of trading in end client accounts maintained through these other financial institutions.

Where SAM acts as a co-manager with another advisor and creates a client relationship, we will enter into an advisory agreement with the end client that specifies our services and fees, as well as those of the other manager. Our agreements with other financial institutions (such as FOLIO*fn*, Nationwide, and Atria/Adhesion) to provide models or allocations do not create an advisor-client relationship between SAM and end investors.

We also serve as a sub-adviser to unaffiliated registered investment advisers. The unaffiliated investment advisers that engage us for sub-advisory services shall maintain both the initial and ongoing day-to-day relationship with the underlying client, including initial and ongoing determination of client suitability for our designated investment strategies. If the custodian/broker-dealer is determined by the unaffiliated investment adviser, we will be unable to negotiate commissions and/or transaction costs, and/or seek better execution. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case through alternative clearing arrangements recommended by our firm. Higher transaction costs adversely impact account performance.

### **Investment Committee**

On a very limited basis, we may also partner with other unaffiliated investment advisors to form an investment committee. In such arrangements, the committee will meet on a regular basis to share information regarding market trends, investment strategies, research findings, and other topics related to the management of client accounts. The committee does not discuss any specific client accounts, and each member of the committee maintains exclusive responsibility for ensuring that any actions taken with respect to client accounts are in accordance with that client's designated investment objective and any applicable restrictions. Members of the investment committee are under absolutely no obligation to accept or implement any trading concepts and/or strategies discussed by the committee. **SAM's Chief Compliance Officer, Ann Shrader, remains available to address any questions that a client or prospective client may have regarding this investment committee arrangement.**

## Assets Under Management

As of December 31, 2022, our total regulatory assets under management (including Separately Managed Accounts) were approximately \$678,188,644.00, all of which is managed on a discretionary basis.

## Miscellaneous

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services:** To the extent requested by a client, SAM may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. SAM for a separate fee per the terms and conditions of a Financial Planning and Consulting Agreement between SAM and the client.

**Please Note:** SAM **does not** serve as an attorney or accountant, and no portion of our services should be construed as legal or accounting services. Accordingly, SAM **does not** prepare estate planning documents or tax returns. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purpose (i.e., attorneys, accountants, insurance, etc.), including certain SAM's representatives, in their separate individual capacities as licensed insurance agents of SAM's affiliated insurance agency, Synergy Financial Services, Inc. ("SFS"). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from SAM and/or its representatives. **Please Note:** If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note-Conflict of Interest:** A recommendation by SAM that a client purchase an insurance commission product from SAM's representatives in their separate individual capacities as licensed insurance agents, including as agents of SFS representatives presents a ***conflict of interest***, as the receipt of commissions provides an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any insurance commission products from SAM's representatives or SFS. Clients are reminded that they may purchase insurance products recommended by SAM through other, non-affiliated insurance agents and agencies. **SAM's Chief Compliance Officer, Ann Shrader, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

**Please Note: Retirement Rollovers-Potential for Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in

adverse tax consequences). If Registrant recommends that a client roll over their retirement plan assets into an account to be managed by Registrant, such a recommendation creates a conflict of interest if Registrant will earn new (or increase its current) compensation as a result of the rollover. **No client is under any obligation to rollover retirement plan assets to an account managed by SAM. SAM'S Chief Compliance Officer, Ann Shrader, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

**Fiduciary Acknowledgment:** When SAM provides investment advice to a client regarding the client's retirement plan, retirement plan account, or individual retirement account, it does so as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("IRC"), as applicable, which are laws governing retirement accounts. The way SAM makes money creates some conflicts with client interests, so SAM operates under a special rule that requires it to act in the client's best interest and not put its interests ahead of the client's.

Under this special rule's provisions, SAM must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put its financial interests ahead of the client's when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that SAM gives advice that is in the client's best interest;
- Charge no more than is reasonable for SAM's services; and
- Give the client basic information about conflicts of interest.

**Charles Schwab, TD Ameritrade, and Interactive Brokers:** As discussed below in Item 12, unless the client directs otherwise, SAM shall generally recommend that Charles Schwab ("Schwab"), TD Ameritrade ("TD"), and/or Interactive Brokers, LLC ("IB") serve as the broker-dealer and/or custodian for client investment management assets. Broker-dealers and custodians generally charge brokerage commissions and/or transaction fees for effecting securities transactions. In addition to SAM's investment management fee described at Item 6 below, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other Fund expenses).

**Please Note - Use of Mutual Funds:** Most mutual funds are available directly to the public. Thus, a prospective client can obtain many of the mutual funds that may be recommended and/or utilized by SAM independent of engaging SAM as an investment advisor. However, if a prospective client determines to do so, he/she will not receive SAM's initial and ongoing investment advisory services.

**Please Note: Asset Based Pricing Limitations:** We may recommend that our clients enter into an asset-based pricing agreement with the account custodian. Under an asset-based pricing arrangement, the amount that a

client will pay the custodian for account commission/transaction fees is based upon a percentage (%) of the market value of your account, generally expressed in basis points. One basis point is equal to one one-hundredth of one percent (This differs from transaction-based pricing, which assesses a separate commission/transaction fee against your account for each account transaction. Account investment decisions are driven by security selection and anticipated market conditions and not the amount of transaction fees payable by you to the account custodian. We do not receive any portion of the asset-based transaction fees payable by you to the account custodian. We continue to believe that our clients can benefit from an asset-based pricing arrangement. You can request at any time to switch from asset-based pricing to transaction-based pricing, However, there can be no assurance that the volume of transactions will be consistent from year-to-year given changes in market events and security selection. Thus, given the variances in trading volume, any decision by you to switch to transaction-based pricing could prove to be economically disadvantageous. **ANY QUESTIONS:** Our Chief Compliance Officer, Ann Shrader, remains available to address them.

**Periods of Portfolio Inactivity.** SAM has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, SAM will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, mutual fund manager tenure, style drift, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when SAM determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by SAM will be profitable or equal any specific performance level(s). Clients remain subject to SAM's ongoing investment advisory fees, even during these periods of portfolio inactivity.

**Please Note: Non-Discretionary Service Limitations.** Clients who engage SAM on a non-discretionary investment advisory basis **must be willing to accept** that SAM cannot affect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event that SAM would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, SAM will be unable to effect the account transaction(s) **without first obtaining the client's consent.**

**Separate Managed Account program engagements:** As indicated above, SAM's investment strategies are available on unaffiliated managed account programs. In these type arrangements, unaffiliated investment professionals can determine to allocate a portion of their clients' assets to one or more SAM strategies. In these type arrangements, SAM may be directed to effect account transactions through a specific broker-dealer/custodian, and SAM will correspondingly be unable to negotiate commissions and/or transaction costs, and/or seek better execution. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case through alternative brokerage/custody arrangements. Higher transaction costs adversely impact account performance. If SAM is engaged in conjunction with an unaffiliated a wrap program, the wrap program sponsor arranges for the investor participant to receive investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. **Participation in a**

wrap program may cost the participant more or less than purchasing such services separately. **Please Note:** Transactions for program directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

**Introduction from Unaffiliated Investment Professionals.** If the client obtains SAM services through the client's Investment Professional (i.e., broker or adviser), the Investment Professional shall serve as the client's primary investment professional, and shall be exclusively responsible for: (a) assisting client in determining the initial and ongoing suitability for the SAM's investment portfolios and/or strategies; and, (b) for receiving/ascertaining client's directions, notices, and instructions, and forwarding them to SAM in writing. SAM shall be entitled to rely upon any such direction, notice, or instruction until it has been duly advised in writing of changes therein. SAM's obligation shall be to manage the assets consistent with the investment strategy directed by the Investment Professional. SAM shall have no responsibility to the client for the failure of the Investment Professional to timely receive/ascertain/forward/communicate any and all such directions, notices, and instructions. If SAM is directed by the Investment Professional to effect account transactions through a specific broker-dealer/custodian, SAM will be unable to negotiate commissions and/or transaction costs, and/or seek better execution. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case through alternative brokerage/custody arrangement. Higher transaction costs adversely impact account performance. **Please Note:** Transactions for program directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

**Private Investment Funds and DST Investments.** As indicated below, SAM may also provide investment advice regarding affiliated and unaffiliated private investment funds, including real estate Delaware Statutory Trusts ("DSTs"). SAM, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in private investment funds and/or DSTs. With respect to unaffiliated private investment funds and DSTs, SAM's role shall be limited to its initial and ongoing due diligence and investment monitoring services. Unless indicated to the contrary, in writing, if a client determines to become a private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of SAM calculating its investment advisory fee. With respect to DST investments, such investments shall not be included in the client's assets under management for the purposes of SAM calculating its advisory fee. Rather, DST investments shall be assessed a distinct asset-based fee, which fee shall be separate from, and in addition to, SAM's standard investment advisory fee as set forth in Item 5 below. SAM'S clients are under absolutely no obligation to consider or make an investment in a private investment fund(s) and/or DST(s).

**Please Note:** Private investment funds and DSTs, generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints, and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may own, private investment funds and DSTs do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a

Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment and acknowledges and accepts the various risk factors that are associated with such an investment.

**Please Also Note: Valuation.** In the event that SAM references private investment funds or DSTs owned by the client on any supplemental account reports prepared by SAM, the value(s) for all such investments shall reflect the most recent valuation provided by the fund or DST sponsor. If no subsequent valuation post-purchase is provided, then the valuation shall reflect the initial purchase price (and/or a value as of a previous date), or the current value(s) (either the initial purchase price and/or the most recent valuation provided by the fund or DST sponsor). If the valuation reflects initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be **significantly more or less** than original purchase price. The client's advisory fee shall be based upon reflected fund value(s).

**Please Also Note: Private Fund Conflict Of Interest.** Because SAM can earn compensation from affiliated private investment funds (both management fees and incentive compensation) that may exceed the fee that SAM would earn under its standard asset-based fee schedule referenced in Item 5 below, the recommendation that a client become a private fund investor presents a **conflict of interest**. No client is under any obligation to become a private fund investor. **SAM's Chief Compliance Officer, Ann Shrader, remains available to address any questions regarding this conflict of interest.**

**Please Also Note: DST Conflict of Interest.** SAM does not include real estate in assets under management for the purposes of calculating its standard advisory fee. However, SAM is entitled to an asset-based fee for DST investments, as set forth in Item 5 below. Therefore, by recommending a client sell a real estate asset in order to invest the proceeds in a DST, SAM has a conflict of interest, as the recommendation could be based on the compensation to be received, rather than on a client's best interest. No client is under any obligation to become a DST investor. **SAM's Chief Compliance Officer, Ann Shrader, remains available to address any questions regarding this conflict of interest.**

**Client Obligations.** In performing our services, SAM shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely on information received. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify SAM if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by SAM) will be profitable or will attain any specific performance level(s).

**Cash and Cash Equivalent Positions.** SAM treats cash as an asset class. As such, all cash and cash equivalent positions (e.g., money market funds, etc.) shall be included as part of assets under management for purposes of calculating the SAM's advisory fee, unless otherwise agreed in writing. At any specific point in time,



depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), SAM may maintain cash and/or cash equivalent positions for defensive, liquidity, or other purposes. While assets are maintained in cash, such amounts could miss market advances, and, depending upon current yields, at any point in time, SAM’s advisory fee could exceed the interest paid by the client’s money market fund.

## Item 5 Fees and Compensation

Generally, we charge an annualized management fee based on the value of the assets we manage for you. Our management fees for non-discretionary accounts are the same as those for discretionary accounts. Our fees are assessed quarterly, either in advance or arrears, as indicated in the client agreement. For advance payments, fees are calculated based upon the value of your portfolio on the last day of the prior quarter. For arrears payments, fees are calculated based upon the value of your portfolio on the last day of the billing quarter. All fee calculations include accrued interest and dividends. Unless specifically requested, we deduct the management fee directly from your account(s).

For any new accounts opened during the quarter, the first quarter’s fees will be prorated for the days from inception to the end of the quarter. For advance payments, any deposits made after the end of a quarter will be included in the next billing period.

The custodian of your account is normally authorized to deduct our advisory fees based on the Account Agreement we enter into with you at the onset of our relationship. All fees deducted and paid to us will be reflected on your quarterly account reports as well as on your statement from the custodian.

Our standard advisory fee schedule for both discretionary and non-discretionary accounts is:

Account Value	Quarterly Fee	Annualized Fee
\$0 - \$3,000,000	0.25%	1.00%
\$3,000,000 - \$5,000,000	.1875%	.75%
Over \$5 million	.00125%	.50%

For example, a client with \$3,500,000.00 in assets under our management would incur an annual fee of 75 basis points, equal to \$26,250.00 per year or \$6,562.50 per quarter.

**Please Note:** As noted in Item 4 above, with respect to DST investments, such investments shall not be included in the client’s assets under management for the purposes of SAM calculating its advisory fee. Rather, DST investments shall be assessed a distinct asset-based fee, which fee shall be separate from, and in addition to, SAM’s standard investment advisory fee as set forth above. Asset-based fees attributable to DST investments are individually negotiated on a client-by-client basis.

We may negotiate fees with clients or enter into alternative fee arrangements not described herein which differ from this schedule based on a variety of factors including the type of client, the account size and anticipated increases in account size, or pre-existing relationship. We typically combine certain related advisory client accounts for purposes of calculating a client's aggregate account size and/or management fee. Some existing advisory clients are governed by fee schedules different from the above schedule and, therefore, those existing clients may pay higher or lower fees than new clients.

In general, we charge advisory clients a minimum annual fee of \$3,000 per year billed in quarterly increments, though we may choose to waive the minimum fee depending on your specific circumstances. Accordingly, you will pay the greater of i) the applicable SAM fee percentage multiplied by the household assets we manage, or ii) \$3,000. The minimum annual fee is also negotiable.

For clients who pay fees in advance, we refund pro-rated management fees for any accounts terminated during the quarter with 30 days' notice in writing. We calculate the number of days between termination and the end of the quarter and mail a check for the refund amount. For clients who pay fees in arrears, we assess a pro-rated final fee for any accounts terminated during the quarter with 30 days' advance written notice.

For sub-advisory engagements with unaffiliated investment advisers, our annual fee is based on a percentage of client assets placed under our management. These fees are individually negotiated based upon various objective and subjective factors, which could include the type, amount and market value of their assets under management; the anticipated complexity of the engagement; the anticipated level and scope of the overall investment advisory services to be rendered; and negotiations. Our maximum annual fee for sub-advisory engagements is 0.60%.

Advisory clients generally are responsible for all fees and expenses incurred by or arising in connection with an account, including custodial fees, brokerage commissions, fees and expenses charged by mutual funds, exchange traded funds, private funds, and DSTs, trade-away fees, clearing fees, interest, and taxes incurred in connection with trading. Advisory clients pay these fees and expenses in addition to the management fee we charge. We discuss brokerage and other transaction costs incurred by advisory client accounts in more detail in Item 12 – Brokerage Practices.

### **Fees for Third Party Financial Products, Services & Platforms**

For clients who access SAM through a third-party adviser (for example, when SAM is a sub-adviser or a co-provider), a \$30 annual technology fee is applied to every open client account, payable over equal quarterly installments. This fee may be passed along to the end-client or may be absorbed by the end-client's other professional adviser, at the other adviser's discretion. If a client is onboarded in the middle of a billing quarter, the first quarterly installment of the technology fee will first be assessed at the client's first billing interval and will include a non-prorated technology fee applied in arrears for the first partial quarter of services, as well as an advance payment of the following quarter's technology fee. Upon termination, no refunds will be provided with respect to technology fees collected in advance.



In addition to SAM fees, you may pay a fee to an investment fund (including private funds and/or DSTs) or to a third-party investment manager. Internal fees and expenses attributable to mutual funds, exchange traded funds, private funds, and DSTs are set forth in the applicable fund prospectus, private placement memorandum, or equivalent, as applicable. Fees imposed by third-party managers are disclosed at the time you enter into an investment advisory agreement with the third-party manager. In situations where we recommend a third-party manager, their fees and expenses are billed directly to you either by debiting your account (with a signed discretionary advisory agreement) or via invoice to you directly.

Neither SAM nor any employee receives any compensation from any third-party manager chosen to manage a portion of your investments.

## Nationwide

We provide our management services on the Nationwide variable annuity platform. TPIAs with clients holding the Monument Advisor variable annuity may select SAM to manage the annuity's underlying funds. SAM's fees are charged quarterly in advance, the maximum as follows:

Account Value	Quarterly Fee	Annualized Fee
All Account Values	0.125%	0.5%

In addition to the above fees to SAM, you will pay advisory fees to the TPIA (or SAM if our client invests in this product) as described in your agreement with the TPIA. The Monument Advisor variable annuity charges \$20 per month and you will also pay the internal fees charged by the funds held in the annuity. This annuity assesses no surrender charges.

## FOLIOfn

TPIAs and their clients using the FOLIOfn platform are able to select SAM as a manager. SAM's manager only fees are charged quarterly in advance as follows:

Account Value	Quarterly Fee	Annualized Fee
All Account Values	0.150%	0.6%

In addition to the above fees to SAM, you will pay advisory fees to the TPIA as described in your agreement with the TPIA, and any fees assessed by FOLIOfn as custodian and TAMP. Where Synergy is the advisor and manager, maximum fees charged quarterly in advance are as follows:

Account Value	Quarterly Fee	Annualized Fee
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All Account Values	0.25%	1%
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### **Atria Investments LLC/Adhesion Wealth Advisor Solutions, Inc.**

TPIAs and their clients using the Atria Investments/Adhesion platform are able to select SAM as a manager. SAMs fees are charged quarterly in advance as follows:

Account Value	Quarterly Fee	Annualized Fee
All Account Values	0.125%	0.5%

In addition to the above fees to SAM, you will pay advisory fees to the TPIA as described in your agreement with the TPIA, and any fees assessed by Atria Investments/Adhesion is its role as overlay manager and TAMP.

### **Private Funds**

Fees associated with our private funds may include a management fee and/or a performance-based fee or allocation. Each fund investor must be an “accredited investor” meeting one of the predefined statutory criteria. “Accredited investors” can include:

1. a natural person who has individual net worth, or joint net worth with the person’s spouse, that exceeds \$1 million at the time of the purchase, excluding the value of the primary residence of such person;
2. a natural person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year;
3. a trust with assets in excess of \$5 million, not formed to acquire the securities offered, whose purchases a sophisticated person makes;
4. a director, executive officer, or general partner of the issuer of the securities being offered or sold, or a director, executive officer, or general partner of a general partner of that issuer; or
5. a natural person who holds, in good standing, certain professional certifications, designations or credentials designated by the SEC.

In addition, fund investors who pay a performance fee must also meet the definition of a “qualified client”:

1. Has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,200,000. For purposes of calculating a natural person's net worth:
  - (a) The person's primary residence must not be included as an asset;

- (b) Indebtedness secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time the investment advisory contract is entered into may not be included as a liability (except that if the amount of such indebtedness outstanding at the time of calculation exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess must be included as a liability); and
  - (c) Indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the residence must be included as a liability; or
2. A natural person who has assets under management with SAM in excess of \$1,100,000.

Investors who meet the definition of qualified client will not pay any management fee but will be assessed an annual performance fee of 25% with a high-water mark. Additional information on the performance fee and related conflicts of interest is found in Item 6 below. Details about how the performance fee is calculated are found in the offering documents for the private fund. The private fund pays all operating expenses and other costs of the fund, including fund formation costs, custodial fees, brokerage commissions, fees and expense charged by mutual funds and exchange traded funds (if any), clearing fees, interest, and taxes incurred in connection with or related to its investments. The private fund's organizational and/or operating documents include details regarding the fees, costs and expenses associated with the fund.

## **Financial Planning**

The financial planning services we provide are in conjunction with our investment advisory services, and we generally do not charge additional fees for any of these services. However, depending on the situation, we may provide financial planning services to clients where we design the financial plan, but then are not tasked with the responsibility of implementing the plan. In those situations, and with a written agreement between us, we will negotiate either a flat fee or a fee based on the assets involved in the preparation of the plan. For clients with extraordinary financial planning needs who engage us for family office services, the specific fee will be individually negotiated with the client based on a variety of factors, including but not limited to the scope and complexity of the overall engagement, the totality of services to be provided, the anticipated time and resources to be dedicated to the engagement, and other factors. Because these fees are individually negotiated, similarly-situated clients could pay varying fees and the services to be provided by our firm may be available from other advisers for the same or lesser fees.

## **Retirement Plan Advisory Fees**

Fees for retirement plan advisory services are generally negotiated with each plan and are typically based on the amount of retirement plan assets under advisement. The specific amount of the fee, as well as the timing and frequency of fee payment, will be set forth in a written agreement with the plan.

## Hourly or Flat Fees

We may on occasion charge an advisory client an hourly fee for advice regarding investment or related planning. We negotiate the fees associated with these arrangements with the client on a case-by-case basis.

## Other Fees

Our advisory fees are exclusive of custodial fees, brokerage commissions and fees, transaction fees, bank service fees, interest on loans and debit balances, wire transfer and electronic fund transfer fees, interest on margin accounts, borrowing charges on securities sold short, and any other fees and taxes on brokerage accounts and securities transactions. All fees charged by the custodian are clearly detailed in the opening account form supplied by the custodian and in a separate document provided by the custodian, called a Pricing Guide.

All mutual funds/exchange traded funds incur expenses for account management services and fund administrative services by the fund company. These expenses may range from 0% to 2.0% of the net asset value for a domestic equity fund and from 0% to 2.5% for an international or global equity fund. Internal expenses of bond funds tend to be lower than for equity funds. The fees we charge to manage your account(s) are in addition to these internal fund expenses.

Certain of the open-end mutual funds which may be acquired for your account, may, in addition to assessing management fees, internally assess a distribution fee pursuant to section 12(b)1 of the Investment Company Act of 1940, as amended, or an administrative or service fee. SAM does not share in these fees and generally avoids selecting funds that charge 12(b)1 fees when managing assets on a discretionary basis. These fees are included in the calculation of operating expenses of a mutual fund and are disclosed in the prospectus for each mutual fund.

Sometimes we may purchase a no-load mutual fund through the custodian in your account. When purchased at the custodian, there may be a transaction fee assessed by the custodian, if the fund is not included in the custodian's no transaction fee list. You may purchase mutual funds that charge no sales load directly with the sponsoring fund organization or, possibly, from an unaffiliated broker, with no transaction fee.

SAM receives no part of any of the fees charged by the custodian or mutual fund company, so there is no conflict of interest in the selection of assets that are purchased for your account. SAM's compensation from individually managed accounts comes entirely from the management fees based on the asset value of the account.

Please refer to Item 12 – Brokerage Practices below for additional information regarding brokerage charges that may be relevant to this discussion of fees.

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

Rowan Street Advisors, LLC, our affiliate, serves as the Managing Member to our affiliated private fund, Rowan Street Capital, LLC (the “Fund”). As described in Item 5 – Fees and Compensation, SAM/Rowan receives a performance incentive fee (only for qualified clients) for performance in excess of a specified hurdle. Specific details describing management and incentive fees are more fully described in the offering documents for the Fund. Our performance fees are charged in accordance with the requirements of Rule 205-3 under the Investment Advisers Act of 1940, as amended. Specifically:

- In measuring assets for the calculation of performance-based fees, we include realized and unrealized capital gains and losses.
- We have procedures designed and implemented to ensure that all clients subject to any performance or incentive fee arrangements are treated fairly and equally.
- Upon the redemption or withdrawal of an investor’s interest in the fund, the pro-rata portion of the performance allocation or fee allocation is charged at the next instance a performance fee is assessed.
- Our fund is subject to an annual audit conducted by a qualified, PCAOB member, independent auditor.

Our compensation from the private fund (a higher management fee/performance incentive) creates a conflict because we charge advisory clients an asset-based fee for the services we provide, but we (including Rowan) are entitled to receive performance-based fees or allocations from the Fund. As a result, we have an incentive to recommend that an advisory client invest in our private Fund, as opposed to holding assets only in separate accounts and allocating those assets to investment options through which we would not be entitled to receive performance-based fees or allocations.

We seek to address this conflict by emphasizing our duty to place the interests of our clients first. We have procedures designed and implemented to ensure that all clients/fund investors are treated fairly and equally.

SAM, in its sole discretion, may charge a lesser investment management fee and/or waive its annual minimum fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

**Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **Please Also Note:** If you are subject to the annual minimum fee, you could pay a higher percentage advisory fee than reflected in the fee schedule at Item 5 above.

## Item 7 Types of Clients

SAM provides investment advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals

- Business owners
- Trusts and estates of individuals and high net worth individuals
- 401(k) plans
- Corporations or other business entities
- Financial Advisors

We do not require a minimum account size, though we generally charge advisory clients a minimum annual fee of \$3,000 per year; however, we may choose to waive the minimum depending on the specific situation. Please refer to Item 5 – Fees and Compensation for additional information regarding the fees and compensation we receive.

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

### **Methods of Analysis**

We are devoted to performing two primary, value-added wealth management services – investment management and comprehensive financial planning. We believe in a team approach to addressing comprehensive financial needs. This team may include SAM, as the quarterback of the team, a CPA, an attorney, a banker, a mortgage broker, or other professionals that you may rely on. As part of this process we use the following approach:

- Identify and prioritize goals in a discussion with you
- Obtain quantitative and qualitative data through the use of comprehensive questionnaires
- Analyze the data from the questionnaires and document our findings in a formal document
- Present and discuss our findings, including any issues we see along with our proposed solutions
- Implement the strategies we have outlined
- Monitor and adjust the plan as needed based on regular meetings and any changes occurring in your life.

### **Financial Planning Foundations**

Investment theory and historic capital market return data suggest that, over long periods of time, there is a relationship between the level of risk assumed and the level of return that can be expected in an investment program. In general, higher risk (e.g., volatility of return) is associated with higher return. Returns can also be evaluated by comparing relative returns to absolute returns.

Given this relationship between risk and return, a fundamental step in determining the investment policy for a portfolio is the determination of an appropriate risk tolerance. There are two primary factors that affect an investor's risk tolerance:

- Financial ability to accept risk associated with the investments, and

- Willingness to accept volatility in the expected returns

These two factors along with the responses to the questionnaires you complete determine your Risk Tolerance.

**Return:** We manage all portfolios from a total return perspective and separate returns by “required” and “desired”. Required returns are associated with primary goals, and desired returns are associated with secondary goals. If there are discrepancies between the two types of returns or if the current required return is not realistic under current market conditions, we may need to discuss the risk/return characteristics and review other variables that can provide solutions to meeting your goals.

Further, returns can be considered in nominal terms and in real terms. Real returns include inflation, and nominal returns address the return without inflation. We also consider returns on both a pre-tax and a post-tax basis. In addition, return characteristics can be considered from a principal conservation perspective or a principal invasion perspective. Using financial modeling, scenario and sensitivity analysis, and Monte Carlo simulation, we may explore a range of possible portfolio outcomes. For principal conservation, we can simply state the current return requirement. To provide for income needs, we can employ an income portfolio strategy in addition to a growth portfolio or overlay it on top of a growth strategy.

**Time Horizon:** While past performance is no guarantee of future results, historic asset class return data suggest that the risk of principal loss over a holding period of at least 10 to 20 years may be minimized with a long-term investment mix.

A series of facts determines your personal time horizon. A single family may have short-term investment goals, mid-term investment goals, and long-term investment goals, determined by their situation. We review all these needs and link them with risk objectives to determine the period of your time horizon.

**Taxes:** Taxes can affect the investment policy in several ways and should be analyzed by comparing pre-tax vs. post-tax opportunities, such as:

- The determination as to the appropriate investment vehicles for a portfolio, either taxable or tax-free, and/or income producing or growth through capital appreciation.
- The selection of either an active or passive strategy to be employed for a particular asset class and/or account type.

Initial portfolio implementation and portfolio rebalancing may have adverse tax consequences. Ordinary income and both short- and long-term capital gains taxes may apply.

**Liquidity:** We consider liquidity needs to be any need for cash flow within a twelve (12) month period. For these requirements, we use savings vehicles or equivalents, so those assets are not subject to systematic market risk.

## Unique Circumstances

**Marketability of Assets:** A passive/active portfolio can be invested in illiquid, long-term investments. Such investments may include, but shall not be limited to, mutual funds, pooled investment vehicles, unit investment trusts, fixed and variable annuities, stocks, bonds, and options. Please be advised that most annuities have surrender charges and may also contain management or participation fees. A commission may also be earned by the insurance agent.

**Diversification:** Investments will generally be limited to individual marketable securities or packaged products (for example, mutual funds, or unit investment trusts) in categories as listed below. We may add or delete classes as necessary depending on your individual circumstances:

**Asset Classes we use may include but are not limited to:**

1. Cash and cash equivalents
2. Fixed Income – Domestic Bonds
3. Fixed Income – Non-U.S. Bonds
4. Equities – U.S.
5. Equities – Non-U.S.
6. Equities – Emerging Markets
7. Equities – REITs
8. Mortgages
9. Precious Metals

**Security Types we use may include but are not limited to:**

1. Mutual Funds – Stocks, Bonds, Money Market Funds
2. Individual Stocks, as long as they are traded on the major exchanges
3. Individual Bonds, as long as they are rated BBB or better.
4. Structured Notes
5. Closed-end funds
6. Unit Investment trusts
7. Covered Call Options
8. Deferred Annuities issued by an insurance company with a Best rating of A or better
9. Bank certificates of deposit
10. Listed or OTC Options
11. Commodity ETFs or Pooled Investments
12. Private Investment Funds
13. Delaware Statutory Trusts

## Investment Strategies



Our goal is to provide our clients with adaptive portfolios built for all market conditions. We accomplish this through a sophisticated blend of advanced focused tactical asset allocation mathematics, bottom-up fundamental analysis, and professional technical analysis.

Portfolios are updated as the facts change. We are reluctant to make these changes unless they are absolutely valid. Mindful of the cost of trading expenses, we always base our decisions on the effect to the different Synergy portfolios. Our primary obligation is the preservation and explanation of our clients' wealth.

Our process also provides a sell-discipline that is a clearly defined as the buy-discipline. Most investors don't have a problem deciding on which securities to buy; but when it comes to knowing when to sell, it's a different story. Many investors learn that losing positions can become a serious detriment, eliminating the gains that were so enthusiastically earned. The lesson is that what you don't own is every bit as important as what you do own.

Investors can entrust their wealth to any one of Synergy's 18 portfolios, because our methodology is based on duplicable, systematic, and logical management systems that accelerate success.

## **Active Strategy**

SAM currently manages two active, custom, non-diversified strategies that seek to earn a return above their respective benchmarks. This excess return is called alpha. In seeking alpha, we may employ either or both of these strategies in the portfolio. Your ability and willingness to take risk are the primary determinants of which strategy (or combination of strategies) is implemented. We look for companies which have had strong historic performance and continue to have prospects for sustainable performance in several key value drivers, i.e., return on invested capital, growth, cash flows, and valuations. In addition to fundamental analysis, technical analysis is used to help identify execution decisions.

At any given time, the active equity strategy may contain stocks in various sectors, or it may contain concentrated sector allocations as well as various or concentrated market capitalizations.

**Focused Growth Strategy:** This proprietary strategy seeks to identify alpha opportunities through event-driven, opportunistic and/or intrinsic value principals and blends bottom-up research with top-down considerations. For small-cap companies, the discount from intrinsic value we look for is larger than the discount for mid-cap companies, and the mid-cap category requires a higher discount than the large-cap companies.

We manage risk in this strategy by initiating position limits and may execute stop loss orders when appropriate. Further, we take a long-term hold focus on our positions, which helps achieve the goal of minimizing taxes and transaction costs. Moreover, our target holding period is a minimum of twelve months. Taxable and non-taxable accounts may be treated differently, and a sale within twelve months may be appropriate in some situations.

To aid in the exit strategy of positions, we have several sell disciplines, some of which are soft rules and others are hard rules. The following are some reasons we may want to exit a securities position:

- Deteriorating fundamentals
- Price has risen well above its intrinsic value
- Better investment opportunities have been identified
- A percentage drop from the original position

**Dividend Income Strategy:** This strategy is ideally suited for “Buy and Hold” investors. This strategy contains well established companies that often pay a dividend who may be close to their intrinsic value or fully valued. The return expectation may be lower than the market expected return, have a lower capital gain expectation, higher income expectation, and lower volatility than the general market over full market cycles. Additionally, we may execute a call option strategy given the right market conditions to enhance the potential income return.

**Conservative Strategy:** The conservative strategy is comprised of various investment vehicles and/or strategies designed to provide a secure foundation to the Client’s overall portfolio. Investments may include but are not limited to: cash equivalents, CDs, money market instruments, T-bills, government and credit fixed income instruments, and fixed annuities.

Like the Active Strategies, we look for companies which have had strong historic performance and continue to have prospects for sustainable performance in several key value drivers, i.e., return on invested capital, growth, cash flows, and valuations. In addition to fundamental analysis, technical analysis is used to help identify execution decisions.

At any given time, the active equity strategy may contain stocks in various sectors, or it may contain concentrated sector allocations as well as various or concentrated market capitalizations.

Various strategies over short-term, intermediate-term and long-term time periods may be executed to help you meet your goals and objectives. The following are a few of the strategies that may be employed:

- Bullet strategies
- Barbell strategies
- Immunization strategies
- Cash flow matching strategies
- Combination strategies
- Laddering strategies
- Asset & Liability matching strategies

The use of each one of these strategies and/or investment instruments will be determined through a variety of factors including: economic analysis, general trends in fixed income and equity markets, yield curve analysis, credit analysis, spread analysis, risk adjusted returns, quality analysis, sector analysis, and total return projections. These financial factors will be considered along with personal circumstances and your specific portfolio objectives and constraints. In addition, on occasion, a client may have a favorite equity or other assets they prefer to hold outside of SAM models. If applicable, the details will be outlined in your personal Investment Policy Statement.

## Private Funds

We may, directly or through our affiliate, form and control various private funds designed primarily to provide our clients with exposure to alternative investment strategies. We do not tailor the strategy of our fund(s) to the needs of individual investors in the private fund and all investors must complete and submit subscription documentation and be accepted by SAM/Rowan/Crosslink as an investor in the fund.

Private funds may employ a variety of investment strategies and techniques, including, among others:

- long/short equity strategies, where the portfolio has both long and short positions,
- distressed investing or arbitrage strategies, including equity-related investments, loans or other debt, structured finance, bonds or other asset classes and types,
- the purchase of interests of a single private fund issuer sold in the secondary market,
- cleared and over the counter financial instruments, including options on securities or groups of securities, swaps, futures and other derivatives, designed to increase return or act as a hedge against other positions or against certain market or interest rate risks, or as part of other trading strategies.

## Material Risks

Any investment activity, including investing in securities, involves risk of loss that clients should be prepared to bear. All investments carry the risk of loss, including complete loss, and there is no guarantee that any investment strategy will meet its objective. Any past success of a particular investment strategy or methodology does not imply or guarantee future success. We ask that you work with us to help us understand your tolerance for risk.

Depending on the investment strategy and the type of financial instruments used at any given time to implement that strategy, advisory clients may face the following material investment risks:

**Equity Instruments:** Investments in equity securities generally involve a high degree of risk. Stock prices are volatile and change daily, and market movements are difficult to predict. Movements in stock prices and markets may result from a variety of factors, including those affecting individual companies, sectors, or industries. Such movements may be temporary or may last for extended periods. The price of an individual stock may fall or fail to appreciate, even in a rising stock market. You could lose money due to a sudden or

gradual decline in a stock's price or due to an overall decline in the stock markets generally.

**Fixed Income Instruments:** Generally, prices of fixed income instruments can exhibit some volatility and change daily. Investments in fixed income instruments present numerous risks, including credit, interest rate, reinvestment and prepayment risk, all of which affect the price (i.e., value) of the instruments. For instance, a rise in interest rates may cause fixed income instruments to lose value. We make certain assumptions regarding interest rates when evaluating fixed income securities including, among other things, the yield curve of the security. A variation in the slope of a fixed income security's yield curve from the slope we assumed would be present will have an impact in allocating assets to these fixed income securities. Such variation could have a material adverse effect on the value of your account. In addition, the value of fixed income instruments may decline in response to events affecting the issuer, its credit rating or any underlying assets backing the instruments. High-yield fixed income instruments (often referred to as "junk bonds") are speculative and involve a greater risk of default and price change than investment grade fixed income instruments. Prices of high-yield instruments are especially sensitive to developments affecting the issuer's business and to changes in the ratings assigned to the issuer by rating agencies. High-yield instruments can experience sudden and sharp price swings due to changes in economic conditions, stock market activity, sales by major investors, default, perceived creditworthiness or other factors. The secondary market for high-yield fixed income instruments may be less liquid than the market for investment grade instruments, and you may not be able to sell illiquid high-yield instruments at an advantageous time or price. In all cases, developments in the credit markets may adversely affect fixed income instruments held in your account and could result in substantial losses. An event of default by an issuer may result in the issuer's fixed income instruments being worthless.

**Structured Notes:** We may purchase structured notes for client accounts. A structured note is a financial instrument that combines two elements: a debt security and exposure to an underlying asset or assets. It is essentially a note, carrying counter party risk of the issuer. However, the return on the note is linked to the return of an underlying asset or assets (such as the S&P 500 Index or commodities). It is this latter feature that makes structured products unique, as the payout can be used to provide some degree of principal protection, leveraged returns (usually with some cap on the maximum return), and be tailored to a specific market or economic view. In addition, investors may receive long-term capital gains tax treatment if certain underlying conditions are met and the note is held for more than one year. Finally, structured notes may also have liquidity constraints, such that the sale thereof before maturity may be limited.

Structured notes do not pay interest, dividend payments, provide voting rights, or guarantee any return of principal at maturity unless specifically provided through products that are designed with this purpose in mind. Most structured note payments are based on the performance of an underlying index (i.e., S&P 500) and if the underlying index were to decline 100% then the payment may result in a loss of a portion of or all of a client's principal. Notes are not insured through any governmental agency or program and the return of principal and fulfillment of the terms negotiated on behalf of clients is dependent on the financial condition of the third party issuing the note and the issuer's ability to pay its obligations as they become due.

Structured notes purchased for clients will not be listed on any securities exchange. There may be no secondary market for such structured notes, and neither the issuer nor the agent will be required to purchase

notes in the secondary market. Some of these structured financial products are callable by the issuer only, therefore the issuer (not the investor) can choose to call in the structured notes and redeem them before maturity. In addition, the maximum potential payment on structured notes will typically be limited to the redemption amount applicable for a payment date, regardless of the appreciation in the underlying index associated with the note. Since the level of the underlying index at various times during the term of the structured notes held by clients could be higher than on the valuation dates and at maturity, clients may receive a lower payment if redeemed early or at maturity than if a client would have invested directly in the underlying index.

While the payment at maturity of any structured notes would be based on the full principal amount of any note sold by the issuer, the original issue price of any structured note purchased for clients includes an agent's commission and the cost of hedging the issuer's obligations under the note. As a result, the price, if any, at which an issuer will be willing to purchase structured notes from clients in a secondary market transaction, if at all, will likely be lower than the original issue price and any sale before the maturity date could result in a substantial loss. Structured notes will not be designed to be short-term trading instruments so clients should be willing to hold any notes to maturity.

**Small and Mid-Capitalization Companies:** Depending on the investment strategies we use to manage your assets, we may allocate a substantial portion of the assets to a manager that focuses on smaller and less established companies (i.e., small-capitalization and mid-capitalization companies). These smaller companies may present greater opportunities for capital appreciation, but typically are more volatile and involve greater risk than companies that are larger and more established. Such smaller companies may have limited product lines, markets or financial resources and their securities may trade less frequently and in more limited volumes than the securities of larger, more mature companies. As a result, the prices of the securities of such smaller companies may fluctuate to a greater degree than the prices of the securities of other issuers and these companies may be more likely to fail, which could result in substantial losses.

**Non-U.S. Investments:** We may allocate to a manager that invests in instruments issued by non-U.S. companies and governments, including those in developing nations, emerging markets and frontier markets. Such investments involve a number of risks not usually associated with investing in securities of U.S. companies or the U.S. government. Those risks include, among other things, trade balances and imbalances and related economic policies, currency exchange rate fluctuations, imposition of exchange control regulation, withholding taxes, limitations on the repatriation of funds or other assets to the U.S., possible nationalization of assets or industries, political difficulties and political instability, any of which could lead to substantial losses.

**Turnover:** We may, either directly or through an outside manager, trade in your account many times per month. A higher turnover rate, or increased trading in your account, may result in higher transaction costs and higher taxes in taxable accounts, and may materially affect performance. Since we primarily employ no-load mutual funds, high turnover costs are unlikely to be experienced by our clients.

**Management:** Our judgments regarding the attractiveness, value, or potential appreciation of a particular

asset class or investment instrument may be incorrect, and there is no guarantee that any asset class or instrument will perform as we expect. We may fail to implement a strategy as we Intended, or we may not identify all risks associated with a strategy or a shift in strategy; all of which may cause substantial losses.

**Market Risk; Liquidity Risk:** General economic and market conditions, such as interest rates, availability of credit, inflation rates, commodity prices, economic uncertainty, changes in laws, trade barriers, currency fluctuations and controls, and national and international political circumstances can materially affect your account. For example, any of these factors may affect price volatility and the liquidity of instruments held in your account. Even an instrument that generally is, or recently was, liquid may unexpectedly and suddenly become illiquid. Such volatility or illiquidity could result in substantial losses.

**Extraordinary Events:** Global terrorist activity and armed conflicts may negatively affect general economic conditions, including sales, profits, and production, and may materially affect prices and/or impair our trading facilities and infrastructure or the trading facilities and infrastructure of our sub-advisors, counterparties, or the exchanges or markets on which we (they) trade.

**Regulatory Developments:** The legal, tax and regulatory environment worldwide in the financial industry is evolving, and changes in regulations affecting the financial industry, including SAM and the issuers of financial instruments held in your account(s), may have a material adverse effect on our ability to pursue the investment strategies described above or the value of the instruments held in your account(s). There has been an increase in scrutiny of the financial industry by governmental agencies and self-regulatory organizations. Various national governments have expressed concern regarding the disruptive effects of speculative trading and the need to regulate the financial markets in general. New laws and regulations or actions taken by regulators that restrict our ability to pursue our investment strategies or conduct business with broker-dealers and other advisors or counterparties with whom we work could adversely affect your account(s).

**Concentration:** Your account(s) may hold highly concentrated positions in issuers engaged in one or a few industries. This increases the risk of loss relative to the market as a whole.

**Derivatives:** Derivatives (a term that includes a broad range of investments, including futures, options, forward contracts, and swaps) may trade in unexpected ways due to the use of leverage and other factors and may result in increased volatility or losses. Many derivatives, particularly those negotiated over-the-counter, are substantially illiquid or could become illiquid under certain market conditions. Use of derivatives also involves counterparty risk, meaning that the counterparty to a derivative contract may fail to comply with the terms of the contract. Any dispute concerning a derivative contract could be expensive and time consuming to resolve, and even a favorable resolution could come too late to prevent liquidity problems and substantial losses.

**Short Sales:** In certain circumstances, based on a client's goals and objectives, and to facilitate a particular strategy for a client, and, if appropriate given the size and sophistication of the client, we may sell securities

short in a client's account or may purchase an investment vehicle in which short sales are employed. Short sales can result in profits to your account if the price of the securities sold short declines. In a short sale, securities are sold that have been borrowed, usually from a broker. To obtain the borrowed shares, we typically will pledge cash or securities held in your account in an amount equal to or exceeding the value of the borrowed securities. The amount of the deposit may increase or decreased to reflect changes in the market value of the borrowed securities, and the lender generally may demand the return of the borrowed securities at any time. Your account will profit only if it repays the lender with securities purchased at a lower price than it borrowed them. Your account could experience losses if it is required to replace borrowed securities by purchasing them in the market at a time when the market price is higher than the price at which it borrowed them. Accordingly, short sales generally involve the potential for unlimited loss.

**Leverage:** Notwithstanding the above, we do not, as a general rule, employ leverage (i.e., borrowing cash or securities in connection with an investment position) in a client accounts. Nevertheless, upon request, and if appropriate given the size and sophistication of the client, we may employ leverage in that client's account, typically for a relatively brief period of time. Some examples of investment positions that use leverage include derivatives, short sales, and purchasing securities on margin. The use of leverage generally involves a high degree of risk. Typically, your account will be required to post cash or securities as collateral against the amount borrowed. If the value of the derivatives or securities in the account that have been posted as collateral falls below the margin or collateral levels required by the lender, then additional margin or collateral would be required. Failing to post additional margin or collateral could cause the lender to terminate the transaction(s) and liquidate or retain the collateral and margin. In addition, because the use of leverage allows the account to hold a position worth more than the amount of the investment in the position, the amount the account may lose if the price moves against the position will be high in relation to the amount invested.

**Alternative Investments (Private Funds) and DST Risk:** In addition to the above risks, our private fund, recommended DSTs, and the strategies we use may include additional risks, including:

- A private fund is exempt from SEC registration and only available to "accredited investors" or "qualified purchasers" who are assumed to be sophisticated purchasers who have little or no need for liquidity from such investments, and are able to withstand the loss of some or all of their investment.
- Limited withdrawal rights and restrictions on transfer create higher liquidity risk, and investors should view an investment in the private fund as a long-term investment.
- Fees and expenses may be a higher percentage of net assets than traditional investment strategies, and investors typically are subject to performance or incentive fees or allocations in addition to management fees.

*The various risks summarized above and in this section are not the only potential or actual risks associated with an investment in our private fund. Before making any investment decision regarding the private fund, you must carefully review and evaluate all of the applicable fund documents, including the private fund's private offering memorandum, and the specific disclosures regarding risk factors and conflicts of interest applicable to the private fund.*



With respect to DSTs specifically, the structure of DSTs permits tax deferral on appreciated property by allowing the investment of proceeds from appreciated real estate. Real estate DSTs are structures to take advantage of the tax deferral opportunity afforded by Section 1031 of the Internal Revenue Code (each a “1031 Exchange”). A 1031 Exchange must be completed in accordance with specific requirements in order to obtain the tax benefits. The real estate DSTs that may be recommended by SAM are designed to help investors meet the 1031 Exchange requirements, but there are circumstances unique to each investor that cannot be addressed by the investment structure. Further, each real estate DST has features that may create other tax consequences, such as state tax obligations, or generation of passive income. For this reason, SAM recommends that each client consult with their own tax professional prior to becoming a DST investor.

## **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to your evaluation of our advisory business or the integrity of our management. SAM has had no legal or disciplinary events to disclose.

## **Item 10 Other Financial Industry Activities and Affiliations**

Rowan Street Advisors, LLC (“Rowan”), our affiliate and Managing Member of the Rowan Street Capital, LLC private fund, has the right to receive a performance-based fee or allocation from the private fund and has the power to determine who will serve as the investment manager to the fund. Crosslink Capital Group, LLC (“Crosslink”), our affiliate and the investment manager of the Crosslink Capital Fund I, LLC private fund (the “Crosslink Fund”), has discretionary management authority over the assets of the Crosslink Fund. Because of these activities, Rowan and Crosslink may be considered to be acting as investment advisers. To the extent that is true, Rowan, Crosslink, and SAM collectively conduct a single advisory business. Accordingly, Rowan and Crosslink are registered with the SEC as relying advisers on SAM’s Form ADV.

Depending on the situation, we may recommend that an advisory client invest in one or more of our private funds. Because SAM and our affiliate serves as investment manager and Managing Member of the private funds, we and/or our affiliate is entitled to receive a management fee and may be eligible to receive a performance-based fee or allocation. This creates a conflict of interest because we have an incentive to recommend an investment in the private fund based on our own financial interest, rather than solely based on the interest of our clients. Please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, for further discussion of this and other conflicts of interest and how we seek to address them.

SAM, through its affiliated entity Synergy Financial Services, Inc., a Washington state licensed Insurance Producer, may recommend insurance products to clients based on our financial planning process. This can create a conflict whereby SAM may benefit from the purchase of such products by advisory clients. However, clients are under no obligation to purchase insurance products recommended by Synergy Financial. Synergy Financial is also the parent company of Synergy Business Valuations & Consulting, LLC, a Washington



corporation, which offers business valuation services to individuals and entities; and Synergy Mergers and Acquisitions, LLC (dba Synergy), a Washington corporation, which offers real estate brokerage services to individuals and entities. Please see Item 12 – Code of Ethics below for further discussion of these and other conflicts of interest and how we seek to address them. **Please Note:** As set forth in Item 4 above, SAM has a conflict of interest in recommending a client sell a real estate asset in order to invest the proceeds in a DST, due to the resulting increase in SAM’s compensation. SAM’s affiliation with Synergy Mergers and Acquisitions, LLC presents a further conflict of interest, as the recommendation to utilize the services of Synergy Mergers and Acquisitions, LLC in the sale of a client’s real estate could be made on the basis of commissions to be earned through SAM’s affiliate, instead of basing such recommendation on a client’s best interest.

Peace of Mind Planning, LLC is an affiliated Investment Advisor and may engage or recommend the services of Synergy Asset Management, LLC as a third-party investment manager and/or sub-adviser for Peace of Mind Planning, LLC clients. Peace of Mind Planning, LLC is paid an asset-based fee for its Portfolio Management and Selection of Other Advisers services, and a portion of this total fee is retained by SAM. Recommendations from Peace of Mind Planning to utilize SAM for third-party management and/or sub-advisory services, therefore, presents a conflict of interest, as the recommendation could be made on the basis of compensation to be received by SAM, rather than a client’s best interest.

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

We have adopted a Code of Ethics (the “Code”), which sets forth the high ethical standards of business conduct that we expect of our employees and emphasizes our fiduciary duty to you. The Code provides guidance and specific standards of conduct for situations where violations, inadvertent or otherwise, could occur in the conduct of business. Employees must avoid situations where their personal interest conflicts with the interest of our company and our clients.

The Code describes appropriate conduct surrounding gifts, outside employment, fiduciary appointments, political activities, personal investments, and trading activities. In addition, the Code prohibits dishonest and fraudulent acts and reaffirms our commitment to client confidentiality. Every employee is required to annually sign a statement acknowledging that he or she agrees to follow the standards set forth in the Code.

Employees of SAM/Rowan/Crosslink may, from time to time, purchase or sell shares of the same securities, which are held in our client/fund accounts. As part of our fiduciary duty, all employees must put client interests ahead of their own, and this includes not trading ahead of clients (i.e., ramping or front-running). Given the market capitalization of these securities and the daily trading volume they experience, we do not believe there is a material risk that our employees’ personal trades that may coincidentally be placed at or near the time of client trades would in any way be detrimental to our clients, however, all employees must obtain written pre-approval prior to placing equity trades in their personal (or related) accounts. Furthermore,

our policy prohibits insider trading by any of our employees. The Code is designed to ensure that the personal securities transactions, activities, and interests of all employees will not interfere with making decisions in the best interest of our advisory/fund clients, while, at the same time, allowing employees to invest for their own accounts.

A complete copy of our Code of Ethics is available to current or prospective clients upon request.

**ANY QUESTIONS: Our Chief Compliance Officer, Ann Shrader, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the conflicts of interest such arrangements may create.**

## **Item 12 Brokerage Practices**

SAM recommends that clients use the custodial account services of Charles Schwab & Co., Inc. (“Schwab”), TD Ameritrade Institutional, a division of TD Ameritrade, Inc. (“TD”), or Interactive Brokers, LLC (“IB”). While we recommend the custodial and brokerage services of Schwab, TD, and/or IB, as the client, you are ultimately responsible for deciding whom to open a custodial account with. You are not under any obligation to select TD, IB, or Schwab as your custodian. We reserve the right to decline the acceptance of any client account for which you have selected a custodian other than TD, IB, or Schwab, if we believe that the choice would hinder our ability to fulfill our fiduciary duty to you and/or our ability to service your account(s). Our choice in custodians is based upon each custodian's proven operational capabilities, research services, product availability, and competitive commission charges. We have an institutional relationship with these custodians, and we feel that we can best serve you because of these relationships.

You will sign a separate agreement with the selected custodian that details the compensation to be paid to those firms. Depending on the specific circumstances, TD, IB, and Schwab generally provide their custodial and execution services to SAM clients for an annual asset-based charge. All custodians typically assess other fees and charges, in addition to the commissions or asset-based fees, for services such as wire fees, retirement plan maintenance fees, transfer and termination fees, etc. We do not have any obligation to place trades with these custodians. Many times, we will execute smaller trades (e.g., rebalancing trades, trades that are not aggregated or small aggregated block trades) through TD, IB, or Schwab, consistent with our duty to seek best execution. In addition, if an advisory client account held at TD, IB, or Schwab does not meet the minimum asset size to be prime broker eligible (at least \$100,000) then we would not be able to effect trades in that account away from the applicable custodian. In an effort to ensure all advisory client accounts receive the same trade price on trades made away from TD, Schwab, or IB, we typically trade prime broker eligible accounts directly with the executing broker-dealer (i.e., away from TD, IB or Schwab) and non-prime-broker eligible accounts are bundled together by the applicable custodian and traded by the custodian directly with the executing broker-dealer (i.e., the non-prime broker eligible trade is ‘stepped-out’). In that case, the advisory client accounts included in the stepped-out portion of the trade do not pay a commission to the executing broker-dealer, but those accounts will pay the applicable custodian a commission based on the custodian’s commission schedule.

## **Best Execution**

Unless otherwise designated in your discretionary/non-discretionary agreement with us, we will determine the brokers used and the commissions paid in connection with transactions for your account(s). We have a duty to seek to obtain “best execution” for clients on each brokerage transaction. We believe that the ability to execute through a wide network of broker-dealers provides us with the flexibility to seek best execution. We will allocate brokerage transactions to those brokers, dealers, and markets, and at such prices and commission rates, as we, in our good faith judgment, expect to be in the best interest of our clients. In making such allocations, we may take into account a variety of factors, including execution capabilities and research, transaction size, quality of execution and services (including research services) provided by the broker-dealer, block positioning, custodial or other services provided by the broker-dealer that we believe could enhance our general portfolio management capabilities and the value of ongoing relationships with the broker-dealer. It is not necessary that such factors provide a direct benefit to a particular client, and we do not have any duty or obligation to seek advance competitive bidding for the most favorable commission rate. Accordingly, although we will seek competitive commission rates, we will not necessarily obtain the lowest possible commission rate in respect of a transaction.

Third-party managers typically determine the broker-dealers to be used to trade securities in the client accounts they manage and are responsible for obtaining best execution for those clients.

## **Non Soft Dollar Benefits**

SAM no longer participates in a soft dollar program.

## **Trade Aggregation**

When we deem the purchase or sale of securities to be in the best interest of one or more accounts, we may aggregate the securities to be purchased or sold for all such clients for a variety of reasons, including seeking best execution. In such situations, we typically will allocate any securities purchased or sold as discussed below. We strongly prefer to allocate all transaction costs (including commissions) for aggregated orders pro-rata based on each client’s participation in the aggregated order. Many times, however, it is not possible or practical to share all costs pro-rata due to the nature of the client accounts participating in the order. For example, as discussed above, we may aggregate prime broker eligible and non-prime broker eligible accounts so all accounts participating in the aggregate order receive the same execution price and/or for purposes of best execution. In such cases, the prime broker-eligible accounts would pay the executing broker’s commission on a pro-rata basis. The non-prime-broker eligible accounts would pay a fee to the applicable custodian on such account according to each account’s custodial fee schedule, because such accounts cannot pay or participate in the payment of the executing broker’s commission.

Any aggregation or bunching of trades will be consistent with our duty to seek best execution.

In addition to our portfolio management and other services, the IIP Program includes the brokerage services of Charles Schwab & Co., Inc., a broker-dealer registered with the Securities and Exchange Commission and a member of FINRA and SIPC. While clients are required to use Charles Schwab & Co., Inc., as custodian/broker to enroll in the IIP Program, the client decides whether to do so and opens its account with Charles Schwab & Co., Inc., by entering into an account agreement directly with Charles Schwab & Co., Inc. We do not open the account for the client. If the client does not wish to place his or her assets with Charles Schwab & Co., Inc., then we cannot manage the client's account through the IIP Program. As described in the IIP Program Disclosure Brochure, SWIA may aggregate purchase and sale orders for ETFs across accounts enrolled in the IIP Program, including both accounts for our clients and accounts for clients of other independent investment advisory firms using the IIP Program.

## **Trade Allocation**

We allocate securities purchased or sold across portfolios and the private fund in accordance with an order allocation statement we prepare. The private fund is treated as a client account for this purpose and may participate in allocations along with advisory client accounts. If an order is partially filled, we generally allocate the filled portion of the order on a pro-rata basis based on account size.

Although we may allocate on a pro-rata basis, we will not always do so. There are instances where, in our judgment, allocating an order on a pro-rata basis is not desirable or appropriate for client accounts. For example, filling a relatively small or large percentage of an order may have the potential for clients to receive multiple statements and/or trade confirmations reflecting the allocation of a relatively small number of shares over the course of multiple days. In that case, we may allocate the partially filled order on a random and full basis. Typically, we seek to fill the remaining portion of the order during subsequent trading days. However, it is possible that the security will not trade at a price that is desirable for future buys or sells, as the case may be, in which case client accounts that were not filled in full will not trade any amount of the securities. In addition, a partially filled buy order may cause or contribute to an increase in the price of the security during subsequent trading days, and a partially filled sell order may cause or contribute to a decrease in the price of the security during subsequent trading days. In addition to the foregoing, we may allocate orders on a basis different from that specified in the order allocation statement if all client accounts receive fair and equitable treatment over time. No client will be favored over another client, though each client will not necessarily be offered or participate in every investment opportunity. We will endeavor to make all investment allocations in a manner that we consider to be fair and equitable over time.

From time to time, we, or our affiliate (Rowan Street Advisors, LLC and/or Crosslink Capital Group, LLC), may be presented with investment opportunities in connection with our and their management and control of the private fund. For various reasons, we may determine that those opportunities are not appropriate or desirable investments for the private fund, or that only a portion of an available opportunity is appropriate or desirable

for the private fund. In general, we believe advisory clients should access investments made by, or investment opportunities presented to, the private fund by making an investment in the private fund. Accordingly, in such cases we or our affiliate may, but is not obligated to, in our discretion, offer the available investment opportunity to any one or more persons, including: investors in the private fund, persons or entities that are not investors in the private fund, and/or personnel employed by us. In each of the forgoing cases, any such offer will be on such terms and conditions as we determine in our discretion.

We may not, and are not obligated to, offer such available investment opportunities to advisory clients, and we, our affiliate, and/or personnel employed by our affiliate or us, may invest in such investment opportunities without allocating any portion of the investment opportunity to advisory clients and without providing notice to, or obtaining consent from, any advisory clients. In addition, we, our affiliate and/or personnel employed by our affiliate or us, may invest in the same investment opportunities as our clients on more favorable terms than our clients, including fee and liquidity terms that are more favorable than the terms on which our clients invest. See the section regarding Participation or Interest in Client Transactions and Personal Trading in Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading) for additional information.

### **Brokerage Discretion – Private Fund**

With regard to the private fund, we will have full investment discretion with respect to all portfolio securities transactions in the fund and full authority to select broker-dealers to execute such transactions. Allocation of investment opportunities and investments will be determined in accordance with the provisions of the fund offering documents and our allocation policies and procedures. In general, we endeavor to allocate liquid market transactions under guidelines materially similar to those described in Item 12A above.

Notwithstanding the forgoing, neither we, Rowan, nor Crosslink are precluded from directly or indirectly purchasing, selling or holding assets or investments for our, or their, own accounts, regardless of whether the fund also purchases, sells, or holds the same assets or investments.

### **Directed Brokerage**

We do not routinely recommend, request, or require that a client direct us to execute transactions through a specified broker-dealer, and we generally will do so when requested by a client only on a case-by-case basis. In the event a client does direct us to use a particular broker-dealer and we agree to do so, we will not have authority to negotiate commissions or obtain volume discounts and best execution may not be achieved. In addition, under these circumstances, a disparity in commission charges may exist between the commissions charged to other clients.

We do not use, recommend, or direct activity to brokers in exchange for client referrals.

## **Timing of Model Updates and Related Trades – SAM-Managed Accounts vs Models Accessed Through Other Platforms**

When changing our models, we attempt to minimize the impact of notification delays to third party platforms and trading delays that may result for investors using the models on platforms where SAM does not control trading. In order to avoid possible front-running or other disadvantages that could accrue to investors using the models through third parties, if changes result in SAM's entering buys or sells for our client accounts, we will notify platform providers in a trading rotation with SAM's own clients, treating the platform provider as if it were a directed brokerage account that does not permit step-outs. The models will therefore be updated on external platforms after the models have been updated on behalf of SAM's internally managed clients. This could result in better or worse executions than SAM's internal clients receive. Updating of models on external platforms does not necessarily result in trades for end-investors and SAM has no ability to make those trades except for its own discretionary clients.

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

Every quarter, the investment team (Joe Maas, Elena Lee, Alex Kopel, and Frank Roman) conducts a formal review of client accounts. The team reviews the quarterly performance percentages for each client, including overall account performance and strategy performance data (active, semi-passive, and conservative strategies). After compiling the information, the data are reviewed using several statistical measures, such as averages, range, deviation, dispersions, regression, etc. The many measures used help the team assess relative and absolute performance of the accounts. Finally, the reports are reviewed line by line and compared to internal benchmarks.

If an account's return is outside the expected range, the account is marked for allocation review to determine the cause of the diversion from expected return. Accounts may be reviewed additionally during the year for a number of reasons:

- We see changes in the market that warrant action
- The account is rebalanced to the allocation model
- A client notifies us of a material change in their needs or situation
- A client meeting is scheduled

In addition, SAM sends printed reports to clients quarterly in April, July, October, and January for the quarter just finished. The selected custodian for your account(s) will also send out statements at least quarterly. If there is activity or a change in your account(s) during an interim month not at the end of the quarter, an additional statement may be sent by the custodian in addition to the quarterly statement.

SAM, together with Rowan and Crosslink, review the fund portfolio on a regular (at least monthly) basis. Reviews consist of an analysis of the portfolio holdings, performance to date in light of its investment

objective, portfolio risk exposure, and an evaluation of any appropriate changes to be implemented with respect to the portfolio.

Investors in the private fund receive the fund's annual audited financial statement. In addition, we generally provide written reports to investors that may include, among other things, unaudited values, performance date, information regarding the status of an investor's account, and certain tax reporting information on an interim basis. The organizational and offering documents for the fund describes the nature and frequency for which fund investors receive information from us.

**ANY QUESTIONS: Our Chief Compliance Officer, Ann Shrader, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the conflicts of interest such arrangements may create.**

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

SAM maintains agreements with certain solicitors for the solicitation of other advisory firms and/or investment adviser representatives to utilize SAM as a sub-adviser or money manager. If a party is introduced to SAM by such solicitor, SAM may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-1 of the Investment Advisers Act of 1940 (and/or any successor regulations thereto) and corresponding state securities law requirements. Any such referral fee shall be paid solely from the SAM's advisory fee and shall not result in any additional charge to the referred party. If the client is introduced to SAM by such solicitor, the solicitor, at the time of the solicitation, shall provide each prospective client with a written disclosure statement from the solicitor to the client disclosing the solicitor's role with SAM, the terms of the solicitation arrangement between SAM and the solicitor, the compensation to be received by the solicitor from SAM, and the material conflicts of interest arising from the solicitation arrangement.

We also participate in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through its participation in the Program.

As disclosed above, we participate in TD Ameritrade's institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Advisor's participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its 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 serving Advisor participants; 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 Client accounts; access to an electronic communications network for Client 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 Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor 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 clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

We also receive economic benefits from Schwab and IB in the form of the support products and services it makes available to us. These products and services, how they benefit us, and the related conflicts of interest are described above under *Item 12 Brokerage Practices*. The availability to us of Schwab's or IB's products and services is not based on our giving particular investment advice, such as buying particular securities for our clients.

## **Item 15 Custody**

SAM does not have physical custody over client assets in separately managed accounts. Such assets will be held by unaffiliated, third party custodians you have selected (generally Schwab, TD, or Interactive Brokers). We do, however, have the authority to directly debit advisory fees from your custodial account(s) at Schwab, IB, or TD based on your written authorization to do so. We urge you to carefully compare the reports we provide you with those you receive directly from your custodian, realizing that the official record of your activity is the custodial statement and not ours.

Rowan Street Advisors, LLC ("Rowan"), our affiliate, is the Managing Member of the Rowan Street Capital, LLC private fund. In addition, Crosslink Capital Group, LLC ("Crosslink"), our affiliate, is the sponsor and discretionary investment manager of the Crosslink Capital Fund I, LLC private fund. As a result of these roles, we are considered to have the power and authority to access and distribute client funds and/or securities from the fund. This ability to access client funds deems us to have "custody" of your assets and requires us to comply with the specific custody rules as outlined in Rule 206(4)-2 of the Advisors Act of 1940, as amended.



To comply with these rules, we have implemented internal control procedures including the audit or examination of the fund by an independent certified public accounting firm that is a member of the Public Company Accounting Oversight board (“PCAOB”). Such examination will occur on an annual basis and fund audited financial statements will be delivered to all fund investors within 120 days of its fiscal year end. In addition, fund investors will receive statements from SAM/Rowan/Crosslink on a quarterly basis which will include, but not be limited to: details regarding the management fee (if applicable), how it was calculated and the asset value upon which the fee was calculated, as well as details regarding any incentive fees (calculated annually as applicable). Membership interests are held in book-entry form. See also Item 13 - Review of Accounts.

## **Item 16 Investment Discretion**

As indicated in Item 4 above, SAM provides investment management services for separately managed accounts on both a discretionary and non-discretionary basis. Our investment authority is documented in the written agreement we have with you and may be updated as you determine; however, we require that you provide all limitations or restrictions in writing.

As it relates to our private funds, each member in the Fund grants the Managing Member discretionary authority to manage the fund assets through the subscription documents completed and signed by each investor. SAM does not have discretionary authority to choose the private fund for a client. With respect to the Rowan Street Capital, LLC private fund, we have discretionary authority to invest and reinvest the assets of the private fund, subject to the control of the fund’s Managing Member, which is an affiliate of ours. Discretionary management authority for the assets of the Crosslink Capital Fund I, LLC is granted to Crosslink Capital Group, LLC, another affiliated advisor of ours.

## **Item 17 Voting Client Securities**

SAM does not have any authority to and does not vote proxies on behalf of advisory clients. If you request, we will provide information or our professional insight into various matters related to your proxies. Certain third-party money managers may request to retain the authority to vote proxies in accounts they manage for you, subject to their stated policies.

As described in the IIP Program Disclosure Brochure, clients enrolled in the IIP Program designate SWIA to vote proxies for the ETFs held in their accounts. We have directed SWIA to process proxy votes and corporate actions through and in accordance with the policies and recommendations of a third-party proxy voting service provider retained by SWIA for this purpose. Additional information about this arrangement is available in the IIP Program Disclosure Brochure. Clients who do not wish to designate SWIA to vote proxies may retain the ability to vote proxies themselves by signing a special Charles Schwab & Co., Inc., form available from us.

Corporate Actions: If requested, we will provide advice and input on corporate actions, especially in cases where there are options to receive cash payments or retain ownership.

## **Item 18 Financial Information**

SAM does not have any financial commitment(s) that are reasonably likely to impair our ability to meet contractual and fiduciary commitments to our clients. In addition, neither SAM nor its management persons have been the subject of a bankruptcy proceeding.

**ANY QUESTIONS: SAM's Chief Compliance Officer, Ann Shrader, remains available to address any questions regarding this Part 2A.**