

April 27, 2024

Item 1 – Introduction

Portfolio Strategies, Inc. (“we”, “us” or “our”) is registered with the U.S. Securities Exchange Commission (“SEC”) as an investment adviser. Investment advisory services and compensation structures differ from that of a registered broker-dealer, and it is important that you understand the differences. Free and simple tools are available to research firms and financial professionals at www.Investor.gov/CRS. The site also provides educational materials about broker-dealers, investment advisers and investing.

Item 2 – Relationships and Services

What investment services and advice can you provide me?

We provide investment advisory services, including discretionary investment management to individuals, trusts and estates (our “retail investors”). We manage client accounts in accordance with specific model portfolios more particularly described in our Disclosure Brochure, which portfolios are applicable to your objectives. When a retail investor engages us to provide investment management services we shall monitor, on a continuous basis (no less than quarterly), the investments in the accounts over which we have authority as part of our investment management service. Furthermore, when engaged on a discretionary basis, we shall have the authority, without prior consultation with you (unless you impose restrictions on our discretionary authority), to buy, sell, trade and allocate the investments within your account(s) consistent with your investment objectives. Our authority over your account(s) shall continue until our engagement is terminated. We do not offer financial planning services as part of our investment advisory engagement. We do not limit the scope of our investment advisor services to proprietary products or a limited group or type of investment. However, we primarily allocate client assets among unaffiliated open end mutual funds.

Additional Information: For more detailed information about our *Advisory Business* and the *Types of Clients* we generally service, please See Items 4 and 7, respectively in our ADV Part 2A.

Conversation Starters: *Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

Item 3 – Fees, Costs, Conflicts, and Standard of Conduct

What Fees will I pay?

We provide our investment advisory services on a fee basis. When engaged to provide investment management services, we shall charge a fee calculated as a percentage of your assets under our management (our “AUM Fee”). Our annual AUM Fee is negotiable, but generally ranges from 0.80% to 2.50%. Our fee schedule may vary, depending upon which investment program you select. Your AUM Fee may also vary in accordance with the solicitor or adviser introducing you to our firm. We typically deduct our AUM Fee from one or more of your accounts, quarterly in advance, based upon the market value of your assets under management on the last business day of the previous business quarter. Because our AUM Fee is generally calculated as a percentage of your assets under management, the more assets you have in your advisory account, the more you will pay us for our investment management services. Therefore, we have an incentive to encourage you to increase the assets maintained in accounts we manage. We also offset the advisory fee paid to referring solicitors or investment advisers by the amount of 12b-1 payments they may separately receive from an affiliated or unaffiliated mutual fund.

A copy of our ADV Part 2A is available at the following link: <https://www.portstrat.com/form-crs-adv>

Other Fees and Costs: Your investment assets will be held with a qualified custodian. Custodians may charge transaction fees for effecting certain securities transactions. You will pay the custodian an asset based fee (based upon the amount of assets in your account) in lieu of such transaction fees, generally ranging from 0.80% to 0.15% on annual basis. Thus, the overall amount that you pay could be higher, based upon market conditions and the corresponding amount of trading that occurs in your account. In addition, relative to all mutual fund and fixed income security transaction fees, certain charges will be imposed at the fund level (e.g. management fees and other fund expenses). We may also recommend the use of independent managers who charge a separate investment management fee for their services. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. **Additional Information:** For more detailed information about our fees and costs related to our management of your account, please See Item 5 in our ADV Part 2A.

Conversation Starters: *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. As an example, we may recommend a particular custodian to custody your assets, and we may receive support services and/or products from that same custodian, certain of which assist us to better monitor and service your account while a portion may be for the benefit of our firm.

Conversation Starter: *How might your conflicts of interest affect me, and how will you address them?*

Additional Information: For more detailed information about our conflicts of interest, please review our ADV Part 2A.

How do your financial professionals make money?

Our financial professionals are generally compensated on a salary basis. In certain instances, compensation may be tied to the amount of assets managed by the financial professional. Also, certain of our financial professionals, based upon their ownership interest in our firm, will receive a profit distribution. You should discuss your financial professional's compensation directly with your financial professional.

Item 4 – Disciplinary History

Do you or your financial professionals have legal or disciplinary history?

No. We encourage you to visit www.Investor.gov/CRS to research our firm and our financial professionals.

Furthermore, we encourage you to ask your financial professional to inquire about us: *As a financial professional, do you have any disciplinary history? If so, for what type of conduct?*

Item 5 – Additional Information

Additional information about our firm is available on the SEC's website at www.adviserinfo.sec.gov. You may contact our Chief Compliance Officer at any time to request a current copy of your ADV Part 2A or our *relationship summary*. Our Chief Compliance Officer may be reached by phone: (253) 383-1676. *Who is my primary contact person? Is he or she a representative of an investment adviser or broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*

A copy of our ADV Part 2A is available at the following link: <https://www.portstrat.com/form-crs-adv>

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Portfolio Strategies, Inc.

SEC File Number: 801 – 18475

Brochure Dated: March 26, 2024

Contact: David Jajewski, Chief Compliance Officer
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www.portstrat.com

This brochure provides information about the qualifications and business practices of Portfolio Strategies, Inc. If you have any questions about the contents of this brochure, please contact us at (253) 383-1676 or davidj@portstrat.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 Portfolio Strategies, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

References herein to Portfolio Strategies, Inc. as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

Since the last other than annual amendment on December 7, 2023, this Disclosure Brochure has been revised at Item 4 to indicate new management information The Registrant no longer manages an affiliated mutual fund. Also, the Registrant no longer uses Pershing as a broker-dealer/custodian.

ANY QUESTIONS: The Registrant’s Chief Compliance Officer, David Jajewski, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.

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Item 4 **Advisory Business**

- A. Portfolio Strategies, Inc. is a corporation formed on December 14, 1982, in the State of Washington. The Registrant became registered as an Investment Adviser Firm in March 1983. The Registrant is owned, in equal part, by John Williamson and David Jajewski. David Jajewski is the Registrant's Chief Executive Officer and Managing Partner.
- B. As discussed below, the Registrant offers to its clients (individuals, business entities, investment companies, pension and profit sharing plans, trusts, estates, charitable organizations, etc.) investment advisory services. The Registrant **does not** hold itself out as providing financial planning, estate planning, or insurance planning services.

INVESTMENT ADVISORY SERVICES

The client can determine to engage the Registrant to provide discretionary investment advisory services on a *fee* basis. The Registrant's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under the Registrant's management, generally between 0.80% and 2.50%. The Registrant does not determine the percentage advisory fee payable except to the extent that the current maximum annual advisory fee is 2.50%. The referring broker-dealer and/or investment adviser determines whether the client will pay the maximum or some lesser fee percentage. The client remains free to negotiate the advisory fee with the referring broker-dealer and/or investment adviser. The Registrant shall pay a portion of the advisory fee to the referring broker-dealer and/or investment adviser. *See* further discussion below regarding fees.

Registrant manages investment advisory accounts not involving Investment Supervisory Services. Each investment program managed by the Registrant has been devised to meet a particular investment strategy applicable to an individual client's investment objective(s). Each investment program is continuously managed based on the program's strategy, rather than based upon each client's individual needs. However, each client will have the opportunity to place reasonable restrictions on the types of investments to be held in his/her/their/its account. Before engaging Registrant to provide investment advisory services, clients are required to enter into an *Investment Advisory Agreement* with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

Registrant offers investment programs using the following model portfolios: Index Plus, All Seasons, L/O Opportunity, Quantitative Income, Equity Alternative, Inflexion Points, Inflexion Points Nitro, Tactical High Yield, Ultra Select, Tactical Equity, Tactical Equity Moderate, Tactical Evolution, PSI Equity Advantage, Aggressive Growth, Absolute Return, PSI Liberty Tactical Income Solutions, PSI Liberty Tactical Growth Solutions, PSI Liberty Opportunity, PSI Liberty Smart, PSI Liberty Capstone and PSI Liberty Spectrum, each of which programs is more comprehensively discussed in the Registrant's program brochures which are provided to all prospective clients. Some program strategies are also available within specific variable annuities and 401(k) programs obtained through various insurance companies and custodians. Because of trading restrictions and fund limitations imposed by certain custodians, some programs (Index Plus) may be substantially modified to meet these more stringent requirements, which may affect performance results. The modifications are solely a function of the custodian designated by the client, of which the client is made aware prior to participating in a particular program.

The Registrant does not determine or recommend the custodian; the Registrant is custodian neutral. The Registrant currently maintains relationships with Axos Clearing and Charles Schwab and Co, Inc. (“Schwab”). The choice of custodian is the decision of the client in conjunction with the client’s chosen referring broker-dealer/ investment adviser. The Registrant has no economic incentive relative to the client’s choice of custodian. The Registrant can manage the assets in the same manner at any such custodian. Fees will differ depending upon the custodian chosen. Higher custodian fees will adversely impact account performance. The client should address custodian choice with the referring broker-dealer/ investment adviser. *See* disclosure below

Registrant’s investment programs do not follow a buy-and-hold strategy but trade in-and-out of positions on a frequent basis (which could be two to three times a week). The strategies used by Registrant can incorporate the purchase of inverse index mutual funds and other mutual funds that invest in leveraged instruments, such as futures contracts and options on securities, both on a long and short basis. Because of this leverage, the value of an individual program may fluctuate substantially from day to day. However, Registrant's goal in the use of these funds is to mitigate market exposure, thereby attempting to decrease overall program downside risk.

MISCELLANEOUS

No Financial Planning or Non-Investment Consulting/Implementation Services. The Registrant does not provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. **Please Note:** Registrant does not serve as an attorney, accountant, or insurance agency, and no portion of our services should be construed as legal, accounting, or insurance implementation services. Accordingly, we **do not** prepare estate planning documents, tax returns or sell insurance products. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). including representatives of Registrant in their separate individual capacities as registered representatives of GWN Securities, an SEC registered and FINRA member broker-dealer, or as licensed insurance agents You are 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 made by Registrant or its representatives. **Please Note:** If the client engages any unaffiliated recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional(s) (i.e. attorney, accountant, insurance agent, etc.), and not Registrant, shall be responsible for the quality and competency of the services provided. **Please Also Note-Conflict of Interest:** The recommendation by Registrant that a client purchase a securities or insurance commission product through one of Registrant’s representatives in their separate and individual capacity as a registered representative of GWN Securities, and/or as an insurance agent, presents a **conflict of interest**, as the receipt of commissions may provide an incentive to recommend investment or insurance products based on commissions to be received, rather than on a particular client’s need. No client is under any obligation to purchase any securities or insurance commission products through such a representative. Clients are reminded that they may purchase securities and insurance products recommended by Registrant through other non- affiliated broker-dealers and/or insurance agencies.

Retirement Rollovers - 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. If Registrant provides a recommendation as to whether a client should engage in a rollover or not (whether it is from an employer’s plan or an existing IRA), Registrant is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. **No client is under any obligation to roll over retirement plan assets to an account managed by Registrant, whether it is from an employer’s plan or an existing IRA. The Registrant’s Chief Compliance Officer, David Jajewski, remains available to address any questions that a client or prospective client may have regarding the conflict of interest presented by such rollover recommendation. Please Note:** Generally, the Registrant does not recommend rollovers. Rather, the rollover recommendation, if made, is made by the client’s introducing broker-dealer or investment adviser. In such event, the introducing broker-dealer or investment adviser shall have the responsibility for compliance with the above disclosure obligation and the fiduciary requirements applicable to recommending rollovers. The Registrant shall confirm, in writing, with the client’s introducing investment professional (i.e., the professional that maintains the day-to-day relationship with the client), that the introducing professional has undertaken a review of the client’s current retirement plan, and has determined that a rollover is in the best interest of the client.

12b-1 Compensation. Certain affiliated and unaffiliated mutual funds pay marketing, distribution, and/or shareholder servicing fees, commonly known as 12b-1 fees. Although Registrant will first seek to invest a client in mutual fund share classes that do not pay 12b-1 fees, if such share class is unavailable on a particular mutual fund, Registrant may invest clients in shares classes of the same fund which pay 12b-1 compensation. Where the client is invested in fund(s) that pay 12b-1 fees, the 12b-1 compensation will be collected directly by the account custodian and no portion shall be retained by Registrant. Fund share classes that pay 12b-1 compensation generally have higher internal expense ratios, which adversely impacts performance. **The Registrant’s Chief Compliance Officer, David Jajewski, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

Please Note: Inverse/Enhanced Market Strategies. The Registrant may utilize long and inverse mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be **no assurance** that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct the Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts.

Mutual Fund/Exchange Traded Fund Fees. While the Registrant may recommend allocating investment assets to mutual funds that are not available directly to the public, the Registrant may also recommend that clients allocate investment assets to publicly available mutual funds and exchange traded funds that the client could obtain without engaging Registrant as an investment adviser. However, if a client or prospective client determines

to allocate investment assets to publicly available mutual funds and exchange traded funds without engaging Registrant as an investment adviser, the client or prospective client would not receive the benefit of Registrant's initial and ongoing investment advisory services. In addition to Registrant's investment management fee, brokerage commissions, and/or transaction fees, the client will also incur, relative to all mutual fund and exchange traded funds, charges imposed at the fund level (e.g., management fees and other fund expenses).

Commission/Transaction Fees. Broker-dealers/custodians that execute investment transactions generally charge brokerage commissions, transaction fees, and/or custodial fees for effecting securities transactions. These charges, as well as the charges imposed at the mutual fund and exchange traded fund level, are in addition to Registrant's advisory fee referenced in Item 5 below.

Custodian Charges-Additional Fees. As discussed below at Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, Registrant generally recommends that Axos Clearing ("Axos") or Schwab serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Axos and Schwab charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions. The fees shall differ depending upon the broker-dealer/custodian. These fees/charges are in addition to Registrant's investment advisory fee at Item 5 below. Registrant does not receive any portion of these fees/charges. See additional disclosure at Item 5 below. **ANY QUESTIONS: Registrant's Chief Compliance Officer, David Jajewski, remains available to address any questions that a client or prospective client may have regarding the above.**

Please Note: As set forth below at Item 5, transaction fees for clients of Registrant are generally assessed as an annual asset-based fee, rather than on a transaction-by-transaction basis.

Research Services. The Registrant engages unaffiliated investment providers to provide research services and/or investment signals to assist the Registrant with management of one or more of its investment strategies.

Cybersecurity Risk. The information technology systems and networks that Registrant and its third-party service providers use to provide services to Registrant's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Registrant's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and Registrant are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although Registrant has established its procedures to reduce the risk of cybersecurity incidents, there is no guarantee that these efforts will always be successful, especially considering that Registrant does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

Cash Sweep Accounts.

Cash Sweep Accounts. Account custodians generally require that cash proceeds from account transactions or cash deposits be swept into and/or initially maintained in the custodian's sweep account. The yield on the sweep account is generally lower than those available in money market accounts. To help mitigate this issue, Registrant shall generally purchase a higher yielding money market fund available on the custodian's platform with cash proceeds or deposits, unless Registrant reasonably anticipates that it will utilize the cash proceeds during the subsequent 30-day period to purchase additional investments for the client's account. Exceptions and/or modifications can and will occur with respect to all or a portion of the cash balances for various reasons, including, but not limited to, the amount of dispersion between the sweep account and a money market fund, the size of the cash balance, an indication from the client of an imminent need for such cash, or the client has a demonstrated history of writing checks from the account.

Please Note: The above does not apply to the cash component maintained within the Registrant's actively managed investment strategy (the cash balances for which shall generally remain in the custodian designated cash sweep account), an indication from the client of a need for access to such cash, assets allocated to an unaffiliated investment manager, and cash balances maintained for fee billing purposes. Please Also Note: The client shall remain exclusively responsible for yield dispersion/cash balance decisions and corresponding transactions for cash balances maintained in any of the Registrant's unmanaged accounts.

Asset-Based Pricing Arrangements and Limitations. Registrant may recommend that clients enter into an "Asset-Based" pricing agreement with the account broker-dealer/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 the account, generally expressed in basis points and/or a percentage. One basis point is equal to one one-hundredth of one percent (1/100th of 1.00%, or 0.01% (0.0001)). This differs from transaction-based pricing, which assesses a separate commission/transaction fee against the 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. Under either the asset-based or transaction-based pricing scenario, the fees charged by the respective broker-dealer/custodian are separate from, and in addition to, the advisory fee payable by the client to Registrant per Item 5 below. Registrant does not receive any portion of the asset-based transaction fees payable by the client to the account custodian. The client is under no obligation to enter into an asset-based arrangement, and, if the client does so, the client can request at any time to switch from asset-based pricing to transactions-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 the client to switch to transaction-based pricing could prove to be economically disadvantageous.

Data Aggregation Platforms. Registrant may provide its clients with access to an online platform hosted by Orion, Envestnet, or other providers (the "Platforms"). The Platforms allow a client to view their complete asset allocation, including those assets that Registrant does not manage (the "Excluded Assets"). Registrant does not provide investment management, monitoring, or implementation services for the Excluded Assets. Therefore, Registrant shall not be responsible for the investment performance of the Excluded Assets. Rather, the client and/or their advisor(s) that maintain management authority for the Excluded Assets, and not Registrant, shall be exclusively responsible for such investment performance. The client may choose to engage Registrant to manage some or all of the Excluded Assets pursuant to the terms and conditions of the IAA between Registrant and

the client. The Platforms also provide access to other types of information, including financial planning concepts, which should not, in any manner whatsoever, be construed as services, advice, or recommendations provided by Registrant. Finally, Registrant shall not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the Platforms without Registrant's assistance or oversight.

Use of Unaffiliated Broker-Dealers and Investment Advisers. The Registrant primarily manages accounts referred to it by unaffiliated broker-dealers and investment advisers, pursuant to which the Registrant generally pays a portion of its management fee to the referring broker-dealer or investment adviser in accordance with the parameters of SEC Rule 206(4)-3. **The referring broker-dealers and investment advisers maintain both the initial and ongoing day-to-day relationship with the client, including initial and ongoing determination of client suitability for the Registrant's designated strategies.** The Registrant does not maintain physical possession of client funds or securities. Accounts are primarily maintained at the custodian designated by the referring broker-dealer/investment adviser. Other than the advisory fees earned by the Registrant from the referred account, the Registrant does not derive any economic benefit from the referring investment adviser or broker-dealer. *See* Items 13A and 14B below.

Model Provider. In the event that an unaffiliated registered investment adviser firm desires to utilize Registrant's models and/or strategies on the *Envestnet* and/or *FTJ FundChoice* platforms, the Firm will receive a platform fee payable by the investor. The platform fee payable to the Firm is separate, and in addition to, any advisory fee payable to the underlying investment manager. Thus, in addition to the platform fee payable to the Firm, the investor will also incur an investment management fee payable to the unaffiliated investment manager for the selected strategy. If the Adviser, on behalf of its investor client, determines to utilize one of the Firm's models, the Firm, in lieu of an investment management fee payable directly to the Firm by the investor, shall receive only its management fee. In addition to platform and management fees, the investor will also incur custodial fees, no portion of which shall be received by the Firm. **The unaffiliated investment adviser maintains both the initial and ongoing day-to-day relationship with the client, including initial and ongoing determination of client suitability for the Firm's models. The Firm does not have any relationship with the adviser's clients**

Portfolio Activity. Registrant has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Registrant 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, market conditions, style drift, and/or if the Registrant is informed of a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Registrant 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 Registrant will be profitable or equal any specific performance level(s). Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity.

Please Note: Cash Positions. The Registrant continues to treat cash as an asset class. As such, unless determined to the contrary by Registrant, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating Registrant's advisory fee. 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), Registrant may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Registrant's advisory fee could exceed the interest paid by the client's money market fund. **ANY QUESTIONS: Registrant's Chief Compliance Officer, David Jajewski, remains available to address any questions that a client or prospective may have regarding the above fee billing practice.**

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

Disclosure Statement. A copy of the Registrant's written Brochure as set forth on Part 2 of Form ADV, along with the Form CRS Relationship Summary, shall be provided to each client prior to, or contemporaneously with, the execution of the IAA.

- C. The Registrant shall provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss with each client, his/her/their/its particular investment objective(s). The Registrant shall allocate each client's investment assets consistent with his/her/their/its designated investment objective(s). Client may, at any time, impose restrictions, in writing, on the Registrant's services.
- D. The Registrant does not participate in a wrap fee program.
- E. As of December 31, 2023, the Registrant had \$59,547,202 in assets under management on a discretionary basis.

Item 5 Fees and Compensation

A.

INVESTMENT ADVISORY SERVICES

If a client determines to engage the Registrant to provide discretionary investment advisory services on a *fee* basis, the Registrant's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under the Registrant's management (generally between 0.80% and 2.50%). The Registrant does not determine the percentage advisory fee payable except to the extent that the current maximum annual advisory fee is 2.50%. The referring broker-dealer and/or investment adviser determines whether the client will pay the maximum or some lesser fee percentage. The client remains free to negotiate the advisory fee with the referring broker-dealer and/or investment adviser. The Registrant shall pay a portion of the advisory fee to the referring broker-dealer and/or investment adviser. Certain clients are subject to legacy fee schedules which differ from those described herein (see "Legacy Fee Arrangements" below for more information).

Fee Dispersion: As indicated above, Registrant shall receive an investment advisory fee based upon a percentage (%) of the market value of the assets placed under management. The referring broker-dealer and/or investment adviser determines whether the client will

pay the maximum or some lesser fee percentage. The client remains free to negotiate the advisory fee with the referring broker-dealer and/or investment adviser. As a result, similar clients could pay different fees, which will correspondingly impact a client's net account performance. Moreover, the services to be provided by the Registrant to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly.

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's IAA and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter. The Registrant adjusts the advisory fee for intra-quarter additions and withdrawals
- C. The Registrant does not determine or recommend the custodian-the Registrant is custodian neutral. The Registrant currently maintains relationships with Axos Clearing and Schwab. The choice of custodian is the decision of the client in conjunction with the client's chosen referring broker-dealer/ investment adviser. The Registrant has no economic incentive relative to the client's choice of custodian. The Registrant can manage the assets in the same manner at any such custodian. Fees will differ depending upon the custodian chosen. Currently, custodian charges are 0.15% annually. Higher custodian fees will adversely impact account performance. The client should address custodian choice with the referring broker-dealer/ investment adviser. The timing and/or frequency with which these custodian fees are assessed may differ from Registrant's fee practices, and the client is advised to refer to his or her custodian agreement for specific details. For example, while Registrant's annual fee is paid quarterly in advance, the custodian's annual asset-based transaction fees may be paid quarterly in arrears.

In addition to Registrant's investment management fee and the custodian's 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).

Additional information concerning mutual fund fees and custodial expenses is located in Item 12 – Brokerage Practices of this brochure.

Registrant's Chief Compliance Officer, David Jajewski, remains available to address any questions that a client or prospective client may have regarding Asset-Based versus Transaction- Based pricing.

- D. Registrant's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. The Registrant generally requires an annual minimum asset level of \$20,000 for investment advisory services. However, Registrant, in its sole discretion, may waive or reduce its minimum asset level based upon certain criteria (i.e., anticipated future additional assets, dollar amount of assets to be managed, related accounts, , etc.).

The IAA between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the IAA. Upon termination, the Registrant shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

E. **Securities Commission Transactions.** In the event that the client desires, the client can engage Registrant's representatives, in their individual capacities, as registered representatives of GWN Securities Inc. ("*GWN*"), SEC registered and FINRA member broker-dealers, to implement investment recommendations on a commission basis. In the event the client chooses to purchase investment products through *GWN*, *GWN* will charge brokerage commissions to effect securities transactions, a portion of which commissions *GWN* shall pay to Registrant's representatives, as applicable. The brokerage commissions charged by *GWN* may be higher or lower than those charged by other broker-dealers. In addition, *GWN* as well as Registrant's representatives, relative to commission mutual fund purchases, may also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment. **Please Note:** Neither the Registrant, nor any of its representatives, purchases commission-based products for its advisory clients, and therefore, the Registrant does not have a conflict of interest regarding same relative to its managed accounts.

1. **Conflict of Interest:** The recommendation that a client purchase a commission product from *GWN* presents a conflict of interest, as the receipt of commissions may provide 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 commission products from Registrant's representatives. **The Registrant's Chief Compliance Officer, David Jajewski, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**
2. **Please Note:** Clients may purchase investment products recommended by Registrant through other, non-affiliated broker dealers or agents.
3. The Registrant does not receive more than 50% of its revenue from advisory clients as a result of commissions or other compensation for the sale of investment products the Registrant recommends to its clients.
4. When Registrant's representatives sell an investment product on a commission basis, the Registrant does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, the Registrant's representatives do not also receive commission compensation for such advisory services. **However,** a client may engage the Registrant to provide investment management services on an advisory fee basis and separate from such advisory services purchase an investment product from Registrant's representatives on a separate commission basis.

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

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

Item 7 Types of Clients

The Registrant's clients shall generally include individuals, business entities, investment companies, pension and profit sharing plans, trusts, estates, and charitable organizations. The Registrant generally requires an annual minimum asset level of \$20,000 for investment

advisory services. However, as discussed in Item 5 – Fees and Compensation, Registrant, in its sole discretion, may waive or reduce its minimum asset level based upon certain criteria (i.e., anticipated future additional assets, dollar amount of assets to be managed, related accounts, etc.). Also, minimum asset requirements may vary by strategy. **ANY QUESTIONS:** Registrant’s Chief Compliance Officer, David Jajewski, remains available to address any questions that a client may have regarding its advisory fee schedule.

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

- A. The Registrant shall utilize the following methods of security analysis:
- Charting – (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
 - Fundamental – (analysis performed on historical and present data, with the goal of making financial forecasts)
 - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
 - Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices).

The Registrant shall utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days).

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 the Registrant) will be profitable or equal any specific performance level(s).

Please Also Note: Depending upon market conditions and investment-related trading signals, *Registrant’s* investment strategies can involve frequent trading, which could increase corresponding transactions fees to be charged to client accounts. In addition, there can be no assurance that such frequent trading will be profitable, nor result in any specific level of positive performance. Moreover, frequent trading can result in adverse tax consequences in non-qualified accounts.

- B. The Registrant’s methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis, the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant’s analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant’s primary investment strategies—Long Term Purchases, Short Term Purchases, and Trading—are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term

investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

- C. Currently, the Registrant primarily allocates client investment assets among various individual equities, mutual funds and/or exchange traded funds (“ETFs”) (including inverse ETFs and/or mutual funds that are designed to perform in an inverse relationship to certain market indices), on a discretionary basis in accordance with the client’s designated investment objective(s).

Registrant’s asset allocation strategies have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, such as Registrant’s asset allocation programs, with a non-exclusive safe harbor from the definition of an investment company. In accordance with Rule 3a-4, the following disclosure is applicable to Registrant’s management of client assets:

1. Initial Interview – at the opening of the account, the Registrant, through its designated representatives (i.e., the referring broker-dealer/investment adviser), shall obtain from the client information sufficient to determine the client’s financial situation and investment objectives;
2. Individual Treatment – the account is managed on the basis of the client’s financial situation and investment objectives;
3. Quarterly Notice – at least quarterly the Registrant (via correspondence to the referring broker-dealer/investment adviser) shall notify the client to advise the Registrant whether the client’s financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
4. Annual Contact – at least annually, the Registrant shall contact the client to determine whether the client’s financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
5. Consultation Available – the Registrant shall be reasonably available to consult with the client and/or the client’s designated investment professional/representative relative to the status of the account;
6. Quarterly Report – the client shall be provided with a quarterly report by the account custodian for the account for the preceding period;
7. Ability to Impose Restrictions – the client shall have the ability to impose reasonable restrictions on the management of the account, including the ability to instruct the Registrant not to purchase certain mutual funds;
8. No Pooling – the client’s beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account;
9. Separate Account – a separate account is maintained for the client with the Custodian;
10. Ownership – each client retains indicia of ownership of the account (e.g., right to withdraw securities or cash, exercise or delegate proxy voting, and receive

transaction confirmations).

The Registrant believes that its annual investment management fee is reasonable in relation to: (1) the advisory services provided under the IAA; and (2) the fees charged by other investment advisers offering similar services/programs. However, Registrant's annual investment management fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to Registrant's annual investment management fee, the client will also incur charges imposed directly at the mutual and exchange traded fund level (e.g., management fees and other fund expenses). **Please Note:** Registrant's investment programs may involve above-average portfolio turnover which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account.

Item 9 Disciplinary Information

The Registrant has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. **Registered Representative of GWN.** As disclosed above in Item 5E, one of Registrant's Principals is also registered representatives of GWN, a FINRA member broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or a representative of the foregoing.
- C. **Broker Dealer.** As disclosed above in Item 5E, Registrant's Principal is a registered representative of GWN, a FINRA member broker-dealers. Clients can choose to engage Registrant's Principal in his individual capacity to effect securities brokerage transactions on a commission basis. **Conflict of Interest:** The recommendation by Registrant's representatives that a client purchase a securities commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Registrant's representatives. Clients are reminded that they may purchase securities products recommended by Registrant through other non-affiliated registered representatives. **The Registrant's Chief Compliance Officer, David Jajewski, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

Licensed Insurance Agents. Registrant's Principal and certain Associated Persons, in their individual capacities, are licensed insurance agents. However, Registrant's representatives do not hold themselves out to the public as insurance agents, and do not solicit the Registrant's clients to purchase insurance products. Registrant's representatives' insurance licensing is not material to the Registrant's investment advisory operations, and are set forth on this Brochure for full disclosure purposes.

- D. The Registrant does not receive, directly or indirectly, compensation from investment advisers that it recommends or selects for its clients.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's representatives that is based upon fundamental principles of openness, integrity, honesty, and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. The Registrant or any related person of Registrant will recommend, buy, or sell for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest, including but not limited to the affiliated mutual funds described in Item 4B. Registrant, on both a discretionary basis, manages certain client accounts which are invested in the affiliated mutual funds. The terms and conditions for participation in the affiliated mutual funds, including management fees, conflicts of interest, and risk factors, are set forth in the fund's prospectus. To the extent that Registrant manages client portfolios containing affiliated PSI Fund positions, Registrant will reduce its account management fee, accordingly, in relation to the fee received for managing such Fund positions in client portfolios. Registrant's clients are under absolutely no obligation to consider or make an investment in a mutual fund(s), or to maintain such an investment. Registrant's Chief Compliance Officer, David Jajewski, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any conflict of interest that such arrangement may create.
- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients), and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons." The Registrant's securities transaction policy requires that Access Persons of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects.

- D. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above in Item 11C, the Registrant has a personal

securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

Item 12 Brokerage Practices

- A. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal IAA with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/ custodian. Registrant generally recommends that investment management accounts be maintained at Schwab, or Axos Clearing ("Axos"). Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker- dealer/custodian.

In the event that the Registrant is requested to do so, the factors that the Registrant considers in recommending, Schwab or Axos (or any other broker- dealer/custodian) to clients include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction (to the extent that transaction fees are payable) represents the best qualitative execution, taking into consideration the full range of broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker- dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best price execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

Research and Additional Benefits

Although not a material consideration when determining whether to recommend a particular broker-dealer/custodian, Registrant can receive from a broker-dealer/custodian, investment platform, unaffiliated investment manager, mutual fund sponsor, or vendor, without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software, and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that can be received may assist the Registrant in managing and administering client accounts. Others do not

directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at a broker-dealer as a result of this arrangement. There is no corresponding commitment made by the Registrant to a broker-dealer or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as a result of the above arrangement.

The Registrant's Chief Compliance Officer, David Jajewski, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflict of interest presented by such arrangements.

1. Although the Registrant may receive client referrals from broker-dealers, the Registrant has not entered into an agreement with, nor does it recommend or select broker-dealers to/for its clients in return for client referrals from any particular broker-dealer.
2. The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for his/her/their/its account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. 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.

Please Note: In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

The Registrant's Chief Compliance Officer, David Jajewski, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. The transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional

compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. Program reviews are conducted on an ongoing basis by Registrant's Principal. The Registrant primarily manages accounts referred to it by unaffiliated broker-dealers and investment advisers, pursuant to which the Registrant generally pays a portion of its management fee to the referring broker-dealer or investment adviser in accordance with the parameters of SEC Rule 206(4)-1. The referring broker-dealers and investment advisers generally maintain both the initial and ongoing day-to-day relationship with the client, including initial and ongoing determination of client suitability for the Registrant's designated strategies. Accounts are maintained at the custodian designated by the referring broker-dealer/investment adviser. However, there are underlying custodian/transaction fee differentials based upon the designated custodian. Fees will differ depending upon the custodian chosen. Currently, custodian charges at range from 0.09% to 0.15% annually. Higher custodian fees will adversely impact account performance. The client should address custodian choice with the referring broker-dealer/investment adviser. All investment supervisory clients (directly or through their financial services professional) are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. In performing its services, Registrant 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 thereon. *See* Item 14B below.
- B. The Registrant may conduct account reviews on an *other than periodic basis* upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections, and client request.
- C. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client account(s).

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12A.1. above, the Registrant receives soft dollar economic benefits from broker-dealers. In addition, as also discussed above, The Registrant, without cost (and/or at a discount), can receive non-soft dollar support services and/or products from custodians and other type entities.

The Registrant's Chief Compliance Officer, David Jajewski, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflicts of interest presented by such arrangements.

- B. The Registrant is routinely engaged by new clients who have been solicited on behalf of the Registrant by unaffiliated individuals. If a client is introduced to the Registrant by either an unaffiliated or an affiliated promoter, Registrant generally will pay that promoter a fee in accordance with the requirements of Rule 206(4)-1 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such fee shall be paid solely from the Registrant's investment management fee, and shall not result in any additional charge to the client. In addition to referral fee compensation, certain solicitors

may also receive 12b-1 fees from the underlying mutual funds that comprise the client's account. The Registrant does not receive any portion of the 12b-1 fees. If the client is introduced to the Registrant by an unaffiliated promoter, the promoter, at the time of the solicitation, shall disclose the nature of his/her solicitor relationship, and shall provide each prospective client with a copy of the Registrant's written Brochure with a copy of the written disclosure statement from the promoter to the client disclosing the terms of the solicitation arrangement between the Registrant and the promoter, including the compensation to be received by the promoter from the Registrant. **Please Note: The referring broker-dealers and investment advisers maintain both the initial and ongoing day-to-day relationship with the client, including initial and ongoing determination of client suitability for the Registrant's investment strategies.**

Item 15 Custody

The Registrant shall have the ability to deduct its advisory fee from the client's account on a quarterly basis. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from broker-dealer/custodian and/or program sponsor for the client accounts, at least quarterly. **Please Note:** Clients are advised to carefully review any statements received from the client's broker-dealer/custodian and/or program sponsor. **Please Also Note:** The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

Item 16 Investment Discretion

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, client shall be required to execute an *Investment Advisory Agreement*, naming the Registrant as client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at any time, impose reasonable restrictions, **in writing**, on the Registrant's discretionary authority (i.e., limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

Item 17 Voting Client Securities

- A. The Registrant does not vote client proxies. Clients maintain exclusive responsibility for:
 - (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and
 - (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. The Registrant does not solicit fees of more than \$1,200, per client, six (6) months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

ANY QUESTIONS: The Registrant's Chief Compliance Officer, David Jajewski, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.