

Simpli-FI Alpha LLC

Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Simpli-FI Alpha LLC. If you have any questions about the contents of this brochure, please contact us at (940) 373-0151 or by email at: hunter.lott@simpli-fi-alpha.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 Simpli-FI Alpha LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Simpli-FI Alpha LLC's CRD number is: 331746.

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Registration as an investment adviser does not imply a certain level of skill or training.

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Item 2: Material Changes

Simpli-FI Alpha LLC has the following material changes to report. Material changes relate to Simpli-FI Alpha LLC's policies, practices or conflicts of interest.

- Simpli-FI Alpha LLC has updated its primary address and phone number. (Cover Page)
- Simpli-FI Alpha LLC has updated its fee schedule and performance-based fee. (Item 5 and 19.C)
- Simpli-FI Alpha LLC has updated its primary address, email address, and website address (Cover Page).
- Simpli-FI Alpha LLC has updated its assets under management (Item 4.E).
- Simpli-Fi Alpha LLC has updated Investing Personal Money in the Same Securities as Clients and Trading Securities At/Around the Same Time as Clients. (Item 11)
- Simpli-Fi Alpha LLC has updated Aggregating (Block) Trading for Multiple Client Accounts. (Item 12.B)

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Item 4: Advisory Business

A. Description of the Advisory Firm

Simpli-FI Alpha LLC (hereinafter “SAL”) is a Limited Liability Company organized in the State of Texas. The firm was formed in April 2024 and became registered as an investment adviser in December 2024. The principal owners are Benjamin Hunter Lott and Colby Neal Ivey.

B. Types of Advisory Services

Portfolio Management Services

SAL offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. SAL creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

SAL evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. SAL will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction; however, it will also provide non-discretionary portfolio management at the client’s election.

Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

SAL seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of SAL’s economic, investment or other financial interests. To meet its fiduciary obligations, SAL attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, SAL’s policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is SAL’s policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

Services Limited to Specific Types of Investments

AL generally limits its investment advice to equities, ETFs, derivatives (including options), fixed income securities, real estate funds (including REITs), and treasury inflation protected/inflation linked bonds. SAL may use other securities as well to help diversify a portfolio when applicable.

Written Acknowledgement of Fiduciary Status

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries 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. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

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

C. Client Tailored Services and Client Imposed Restrictions

SAL offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent SAL from properly servicing the client account, or if the restrictions would require SAL to deviate from its standard suite of services, SAL reserves the right to end the relationship.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees and transaction costs. SAL does not participate in wrap fee programs.

E. Assets Under Management

SAL has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$4,401,417.00	\$0.00	December 2025

Item 5: Fees and Compensation

A. Fee Schedule

Lower fees for comparable services may be available from other sources.

Portfolio Management Fees

Total Assets Under Management	Annual Fees
All Assets	2.00%

Fee charged to WA clients will not exceed 2.00%

SAL uses the value of the account as of the last business day of the billing period for purposes of determining the market value of the assets upon which the advisory fee is based. Pursuant to Texas Board Rule 116.13(a) and WAC 460-24A-220(10), such fee is in excess of the industry norm and that similar advisory services can be obtained for less.

In computing the market value of any investment of the Account, the securities in the Account listed on a national securities exchange or otherwise subject to current last-sale reporting shall be valued at the amount reported on the statement that Client receives from the Custodian. Such securities which are not traded nor subject to last-sale reporting shall be valued at the latest available bid price reflected by quotations furnished to SAL by such sources as it may deem appropriate. Any other security shall be valued in such manner as shall be determined by SAL and Client, consistent with SAL’s fiduciary duty, to reflect the security’s fair market value. Client may dispute valuations with SAL if Client disagrees, at which point Client and SAL will discuss the valuation in order to promptly resolve the dispute.

Static or non-managed assets will not be included in SAL’s fee calculations.

These fees are generally negotiable and the final fee schedule will be memorialized in the client’s advisory agreement. Client may terminate the Agreement within five (5) business days of signing the Investment Advisory Contract, without penalty and fee. Thereafter, clients may terminate the Investment Advisory Contract generally with 15 days' written notice, either (i) by phone, in which case a follow-up written confirmation will be

completed and the effective date will be calculated from the date of verbal notification, or (ii) by written notice.

Performance-Based Fees for Portfolio Management

Qualified Clients will pay an annual fee of 1% of assets under management along with a 10% performance fee based on capital appreciation. If the portfolio rises in value, then the client will pay 10% on that increase in value, but if the portfolio drops in value, then the client will not incur a new performance fee until the portfolio reaches the last highest value, adjusted for withdrawals and deposits, which is generally known as a “high water mark.” The high-water mark will be the client’s cumulative net investment gain, and only upon the amount of the client’s cumulative net investment gain for which SAL has not previously received a performance fee. Fees are negotiable.

B. Payment of Fees

Payment of Portfolio Management Fees

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a monthly basis. Fees are paid in arrears.

In all instances, SAL will send the client a written invoice, including the fee, the formula used to calculate the fee, the fee calculation itself, the time period covered by the fee, and, if applicable, the amount of assets under management on which the fee was based. Also, SAL will include the name of the custodian(s) on the fee invoice. SAL will send these to the client concurrent with the request for payment or payment of SAL’s advisory fees. Clients are urged to compare this information with the fees listed in the account statement.

Payment of Performance-Based Portfolio Management Fees

Performance-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis, or may be invoiced and billed directly to the client on a quarterly basis. Clients may select the method in which they are billed. Fees are paid in arrears.

C. Client Responsibility for Third Party Fees

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by SAL. Please see Item 12 of this brochure regarding broker-dealer/custodian.

D. Prepayment of Fees

SAL collects its fees in arrears. It does not collect fees in advance.

E. Outside Compensation for the Sale of Securities to Clients

Neither SAL nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6: Performance-Based Fees and Side-By-Side Management

SAL manages accounts that are billed on performance-based fees (a share of capital gains on or capital appreciation of the assets of a client) and may as well manage accounts that are not billed on performance-based fees. Managing both kinds of accounts at the same time presents a conflict of interest because SAL and/or its supervised persons have an incentive to favor accounts for which SAL receives a performance-based fee. SAL addresses the conflicts by ensuring that clients are not systematically advantaged or disadvantaged due to the presence or absence of performance-based fees. SAL seeks best execution and upholds its fiduciary duty for all clients.

Clients paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

Performance fees are charged to Qualified Clients* only. In general, a "Qualified Client" pursuant to Texas Securities Board Rule 116.13(b) and Washington rule, WAC 460-24A-150(2)(a) is:

- (1) a natural person or company who at the time of entering into such agreement has at least \$1,100,000 under the management of the investment adviser;
- (2) a natural person or company who the adviser reasonably believes at the time of entering into the contract: (A) has a net worth of jointly with his or her spouse of more than \$2,200,000 excluding the value of the client's primary residence; or (B) is a qualified purchaser as defined in the Investment Company Act of 1940, §2(a)(51)(A) (15 U.S.C. 80a-2(51)(A)); or
- (3) a natural person who at the time of entering into the contract is: (A) An executive officer, director, trustee, general partner, or person serving in similar capacity of the investment adviser; or (B) An employee of the investment adviser (other than an employee performing solely clerical, secretarial, or administrative functions with regard to the investment adviser), who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar function or duties for or on behalf of another company for at least 12 months.

Item 7: Types of Clients

SAL generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Charitable Organizations
- ❖ Corporations or Business Entities

There is no account minimum for any of SAL's services.

Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

A. Methods of Analysis and Investment Strategies

Methods of Analysis

SAL's methods of analysis include Charting analysis, Fundamental analysis, Modern portfolio theory, Quantitative analysis and technical analysis.

Charting analysis involves the use of patterns in performance charts. SAL uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Modern portfolio theory is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

Quantitative analysis deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

Technical analysis involves the analysis of past market data; primarily price and volume.

Investment Strategies

SAL uses long term trading, short term trading, short sales, margin transactions and options trading (including covered options, uncovered options, or spreading strategies).

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Charting analysis strategy involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Modern portfolio theory assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Quantitative analysis Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

Investment Strategies

SAL's use of short sales, margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Margin transactions use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

Options transactions involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

Short sales entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

Short term trading risks include liquidity, economic stability, and inflation, in addition to the long-term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

SAL's use of short sales, margin transactions and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond

prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Risks in investing in ETFs include trading risks, liquidity and shutdown risks, risks associated with a change in authorized participants and non-participation of authorized participants, risks that trading price differs from indicative net asset value (iNAV), or price fluctuation and disassociation from the index being tracked. With regard to trading risks, regular trading adds cost to your portfolio thus counteracting the low fees that one of the typical benefits of ETFs. Additionally, regular trading to beneficially “time the market” is difficult to achieve. Even paid fund managers struggle to do this every year, with the majority failing to beat the relevant indexes. With regard to liquidity and shutdown risks, not all ETFs have the same level of liquidity. Since ETFs are at least as liquid as their underlying assets, trading conditions are more accurately reflected in implied liquidity rather than the average daily volume of the ETF itself. Implied liquidity is a measure of what can potentially be traded in ETFs based on its underlying assets. ETFs are subject to market volatility and the risks of their underlying securities, which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments (as applicable). Foreign securities in particular are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. ETFs that target a small universe of securities, such as a specific region or market sector, are generally subject to greater market volatility, as well as to the specific risks associated with that sector, region, or other focus. ETFs that use derivatives, leverage, or complex investment strategies are subject to additional risks. The return of an index ETF is usually different from that of the index it tracks because of fees, expenses, and tracking error. An ETF may trade at a premium or discount to its net asset value (NAV) (or indicative value in the case of exchange-traded notes). The degree of liquidity can vary significantly from one ETF to another and losses may be magnified if no liquid market exists for the ETF's shares when attempting to sell them. Each ETF has a unique risk profile, detailed in its prospectus, offering circular, or similar material, which should be considered carefully when making investment decisions.

Real estate funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real

estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

Options are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither SAL nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither SAL nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Neither SAL nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

SAL does not utilize nor select third-party investment advisers.

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

A. Code of Ethics

SAL has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. SAL's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

SAL does not recommend that clients buy or sell any security in which SAL or a related person has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

The principal owners of SAL (Benjamin Hunter Lott and Colby Neal Ivey) maintain personal investment accounts that are managed by SAL alongside client accounts within the same Interactive Brokers custodial platform.

Simultaneous Execution: When SAL executes group trades using Interactive Brokers' Allocation Order Tool or Model Portfolio functionality, all participating accounts, including the principals' personal accounts, receive executions at the same time and price. No account receives preferential treatment.

Aligned Interests: The principals invest their own capital using the same strategies recommended to clients, creating alignment between the interests of SAL and its clients.

Conflict Mitigation: The structure of Interactive Brokers' allocation tools makes front-running mechanically impossible for coordinated trades, as all accounts participate in the same block order simultaneously.

SAL will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage.

D. Trading Securities At/Around the Same Time as Clients' Securities

As described in Item 11.C above, SAL's principals routinely execute securities transactions at the same time as clients through aggregated order execution using Interactive Brokers' institutional trading tools.

Additionally, principals may execute individual trades in their personal accounts for portfolio management purposes (such as rebalancing, tax-loss harvesting, or personal withdrawals) that are independent of client trading activity. Such trades are permitted provided they do not disadvantage any client.

The Chief Compliance Officer conducts periodic reviews of trading activity to confirm fair treatment of clients and to identify any potential conflicts of interest.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

Custodians/broker-dealers will be recommended based on SAL's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and SAL may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in SAL's research efforts. SAL will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

SAL will require clients to use Interactive Brokers LLC.

1. Research and Other Soft-Dollar Benefits

SAL receives no research, product, or services other than execution from broker-dealers or custodians in connection with client securities transactions (“soft dollar benefits”).

2. Brokerage for Client Referrals

SAL receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

SAL will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

B. Aggregating (Block) Trading for Multiple Client Accounts

AL aggregates securities transactions for multiple client accounts using Interactive Brokers' institutional trading tools, including the Allocation Order Tool and Model Portfolio functionality. When SAL identifies a trading opportunity appropriate for multiple clients, a single order may be placed and allocated across participating accounts.

Allocation Methods:

- i. Options trades are typically executed using the Interactive Brokers Allocation Order Tool, which allows SAL to place a single order and allocate fills across selected client accounts. Allocation methods include equal distribution, proportional allocation based on account size, or custom allocation based on client-specific factors.
- ii. Long equity positions are typically managed through Interactive Brokers' Model Portfolio tool, which invests client accounts to target allocations and rebalances accounts simultaneously.
- iii. Individual account trades may be executed separately when appropriate for specific client circumstances, such as tax-loss harvesting, accommodating client withdrawals, or individual rebalancing needs.

Fair Allocation Policy: When partial order fills occur, allocations are made on a pro-rata basis across all participating accounts. No account systematically receives better or worse execution than others. SAL's policy is to seek fair and equitable allocation of investment opportunities among its clients over time, consistent with SAL's fiduciary duties.

Aggregating orders in this manner generally benefits clients by potentially achieving better execution prices and lower transaction costs than if orders were placed separately.

Item 13: Review of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

All client accounts for SAL's advisory services provided on an ongoing basis are reviewed at least monthly by Benjamin Hunter Lott, Managing Partner and Chief Compliance Officer, with regard to clients' respective investment policies and risk tolerance levels. All accounts at SAL are assigned to this reviewer.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each client of SAL's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

SAL does not receive any economic benefit, directly or indirectly from any third party for advice rendered to SAL's clients.

B. Compensation to Non - Advisory Personnel for Client Referrals

SAL does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

When advisory fees are deducted directly from client accounts at client's custodian, SAL will be deemed to have limited custody of client's assets. Because client fees will be withdrawn directly from client accounts, in states that require it, SAL will:

- (A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.
- (B) Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account and verify that the qualified custodian sends invoices to the client.
- (C) Send the client a written invoice itemizing the fee upon or prior to fee deduction, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Clients are urged to compare the account statements they received from custodian with those they received from SAL.

Item 16: Investment Discretion

SAL provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, SAL generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. Clients may, but typically do not, impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

Item 17: Voting Client Securities (Proxy Voting)

SAL acknowledges its fiduciary obligation to vote proxies on behalf of those clients that have delegated to it, or for which it is deemed to have, proxy voting authority. SAL will vote proxies on behalf of a client solely in the best interest of the relevant client and has established general guidelines for voting proxies. SAL may also abstain from voting if, based on factors such as expense or difficulty of exercise, it determines that a client's interests are better served by

abstaining. Further, because proxy proposals and individual company facts and circumstances may vary, SAL may vote in a manner that is contrary to the general guidelines if it believes that doing so would be in a client's best interest to do so. If a proxy proposal presents a conflict of interest between SAL and a client, then SAL will disclose the conflict of interest to the client prior to the proxy vote and, if participating in the vote, will vote in accordance with the client's wishes.

Clients may obtain a complete copy of the proxy voting policies and procedures by contacting SAL in writing and requesting such information. Each client may also request, by contacting SAL in writing, information concerning the manner in which proxy votes have been cast with respect to portfolio securities held by the relevant client during the prior annual period.

Item 18: Financial Information

A. Balance Sheet

SAL neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither SAL nor its management has any financial condition that is likely to reasonably impair SAL's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

SAL has not been the subject of a bankruptcy petition in the last ten years.

Item 19: Requirements For State Registered Advisers

A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background

The education and business backgrounds of SAL's current management persons, Benjamin Hunter Lott and Colby Neal Ivey, can be found on the Form ADV Part 2B brochure supplements for those individuals. Form ADV Part 2B will be delivered in conjunction with Form ADV Part 2A.

B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)

Other business activities for each relevant individual can be found on the Form ADV Part 2B brochure supplement for each such individual.

C. Calculation of Performance-Based Fees and Degree of Risk to Clients

Qualified Clients will pay an annual fee of 1% of assets under management, along with a 10% performance fee based on capital appreciation. If the portfolio rises in value, then the client will pay 10% on that increase in value, but if the portfolio drops in value, then the client will not incur a new performance fee until the portfolio reaches the last highest value, adjusted for withdrawals and deposits, which is generally known as a "high water mark." The high-water mark will be the client's cumulative net investment gain, and only upon the amount of the client's cumulative net investment gain for which SAL has not previously received a performance fee. Fees are negotiable.

Clients paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

D. Material Disciplinary Disclosures for Management Persons of this Firm

There are no civil, self-regulatory organization, or arbitration proceedings to report under this section.

E. Material Relationships That Management Persons Have with Issuers of Securities (If Any)

See Item 10.C and 11.B.