

## ITEM 1 - COVER PAGE

Synergy Capital of Colorado LLC  
doing business as



### **Synergy Capital of Colorado LLC**

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Fort Collins, CO 80521  
(970) 837-3088

## Form ADV Part 2A Brochure

June 16, 2025

This brochure provides information about the qualifications and business practices of Synergy Capital of Colorado LLC ("Synergy Capital"). If you have any questions about the contents of this brochure, please contact us at 970-837-3088. 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. Synergy Capital is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Synergy Capital of Colorado LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as an IARD number. The IARD number for Synergy Capital of Colorado LLC is 334117.

## ITEM 2 - MATERIAL CHANGES

### Summary of Material Changes

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

**There are no material changes to disclose.**

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Compliance Officer Tracy Powell Warne at 970-837-3088 or [tracy@synergy-colorado.com](mailto:tracy@synergy-colorado.com).

We encourage you to read this document in its entirety.

### **I T E M 3 - T A B L E O F C O N T E N T S**

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## ITEM 4 - ADVISORY BUSINESS

This Disclosure document is being offered to you by Synergy Capital of Colorado LLC ("Synergy Capital") about the investment advisory services we provide. It discloses information about the services that we provide and the manner in which those services are made available to you, the Client.

We are an SEC-registered investment adviser with its principal place of business located in Fort Collins, Colorado. The Firm's managing members are Michael K Warne and Tracy P Warne. Tracy P Warne serves as the Firm's Chief Compliance Officer. We will offer an initial complimentary meeting in our discretion; however, investment advisory services are initiated only after you execute a Client Agreement ("Agreement").

### **Investment Advisory Services**

We offer discretionary investment management and investment supervisory services for a fee based on a percentage of your assets under management. These services include investment analysis, allocation of investments, quarterly portfolio statements, financial commentaries, and ongoing monitoring of client portfolios. We primarily allocate client assets among cash, individual stocks, individual bonds, exchange traded funds ("ETFs"), mutual funds and other public securities or investments. If appropriate and suitable, we may recommend private or alternative investments for Clients. We generally invest Client's cash balances in money market funds, FDIC Insured Certificates of Deposit, and/or government backed debt instruments. Ultimately, we try to achieve the prudent return on our client's cash balances through relatively low-risk and conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to this service.

We primarily provide portfolio management to accounts belonging to individuals based on their specific needs. During our data-gathering process, we determine each client's individual investment objectives, goals, time horizons, risk tolerances, restrictions, liquidity needs and any legal or regulatory constraints. As appropriate, we may also review and discuss a client's prior investment history, as well as family composition and background. From this information, we may develop a custom investment policy statement (IPS) with the client that we use to create and manage their portfolio.

Since we are an independent registered investment adviser, our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. Although we do not limit management to specific types of securities, we will only use types of investments we feel are consistent with a client's objectives, tolerance for risk, liquidity, etc. In addition, clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors in their IPS. We will review with clients their IPS as needed or periodically.

We will rebalance the portfolio as we deem appropriate to meet your financial objectives. We trade these portfolios and rebalance them on a discretionary basis based on our market views and on your objectives, using our investment process. We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives.

In all cases, you, the Client, have a direct and beneficial interest in your securities, rather than an undivided interest in a pool of securities. We do have limited authority to direct the Custodian to deduct our investment advisory fees from your accounts, but only with the appropriate authorization from you.

Where appropriate, we may also provide advice about any type of legacy position or other investment held in client portfolios. Clients may engage us to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance, annuity contracts, assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans).

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that may adversely affect an account's performance. This could result in capital losses in your account.

Synergy Capital requires an initial minimum portfolio value of \$1,000,000 for new investment advisory clients. In limited circumstances, this minimum portfolio value requirement is negotiable.

### **Unmanaged Assets**

From time to time, a Client may decide to hold certain securities or other property for which our Firm does not provide investment advisory services ("Unmanaged Assets") in the account(s) held at the Custodian or outside the Custodian. Requests to hold an Unmanaged Asset must be made in writing and require the approval of our Firm. Our Firm will have no duty, responsibility or liability whatsoever with respect to these assets, and therefore, our Firm will not charge an investment advisory fee. However, if you have an account that solely contains Unmanaged Assets, the Custodian may charge an account maintenance fee as disclosed in the Custodian account paperwork executed by the Client. In all cases, it is the client's sole responsibility to monitor, manage, and transact all Unmanaged Assets (securities and/or accounts).

### **Financial Planning Services**

Financial Planning services are included with our investment management services. In limited circumstances, our Firm offers stand-alone financial planning services. For clients engaging our Firm for financial planning services only, financial planning is offered under a separate agreement and separate fee. The specific services and deliverables will be defined in the Financial Planning Agreement. For clients participating in our financial planning services, we conduct an analysis of your current situation and identify and implement appropriate financial planning and investment management techniques to help you meet your specific financial objectives. Such services may include various reports on specific goals and objectives or general investment and/or planning recommendations, guidance regarding outside assets and periodic updates.

In preparing your analysis, we may address any or all of the six areas of financial planning established by the National Endowment for Financial Education. These include: financial position, risk management, protection planning, investment planning, income tax planning, retirement planning, and estate planning.

Our specific services in preparing your plan may include:

- Review and clarification of your financial goals.
- Assessment of your overall financial position, including cash flow, balance sheet, investment strategy, risk management and estate planning.
- Creation of a unique plan for each goal you have, including personal and business real estate, education, retirement or financial independence, charitable giving, estate planning, business succession and other personal goals.
- Development of a goal-oriented investment plan around tax suggestions, asset allocation, expenses, risk and liquidity factors for each goal. This includes IRA and qualified plans, taxable and trust accounts that require special attention.
- Design of a risk management plan including risk tolerance, risk avoidance, mitigation and transfer, including liquidity as well as various insurance and possible company benefits.
- Crafting and implementation of, in conjunction with your estate and/or corporate attorneys as tax adviser, an estate plan to provide for you and/or your heirs in the event of an incapacity or death.
- Generation of a benefits plan, risk management plan and succession plan for your business, if applicable.

Periodic reviews may also be provided to review specific courses of action recommended in the financial planning process. More frequent reviews may occur but are not necessarily communicated to the you unless immediate changes are recommended.

### **SMA Sub-Advisor (“SMA”) Services**

Occasionally our firm will recommend utilizing the services of a Sub-Advisor in a “Separately Managed Account” (SMA) for the management of specific accounts. Upon the recommendation, we will review with the client initial due diligence on the SMA Managers we work with, and if the client agrees with the recommendation, the SMA’s Manager will be engaged to handle security selection and trading within the parameters we establish with the client and the SMA Adviser.

We currently work with various SMA managers. Certain managers allow Synergy Capital to enter into the agreement on behalf of our clients, while the other requires a direct agreement with the specific client. In both cases, a separate account is set up at the custodian for the assets that will be contributed to the SMA. Within the parameters established the SMA manager selects and executes all security purchases and sales. Synergy Capital monitors all account activity and performance and reports the SMA account information on our regular quarterly report to the respective client. If, at any time, Synergy Capital no longer believes that the SMA is still a good solution, we will contact the respective client to discuss changes.

### **Retirement Plan Consulting Services**

Our Firm offers Retirement Plan Consulting Services to employer-sponsored retirement plans and their participants. Our Firm may direct clients in need of 3(21) and/or 3 (38) plan sponsor services to unaffiliated third-party sub advisors. Synergy Capital does not offer 3(21) or 3 (38) plan sponsor services directly.

Retirement Plan Consulting Services are designed to allow our IARs to assist the Sponsor in meeting his/her fiduciary duties to administer the Plan in the best interests of Plan participants and their beneficiaries. Retirement Plan Consulting Services are performed so that they would not

be considered “investment advice” under ERISA. The Sponsor may elect for our IARs to assist with any of the following services:

<b>ADMINISTRATIVE SUPPORT</b>
Assist Sponsor in reviewing objectives and options available through the Plan
Review Plan committee structure and administrative policies/procedures
Recommend Plan participant education and communication policies under ERISA 404(c)
Assist with development/maintenance of fiduciary audit file and document retention policies
Deliver fiduciary training and/or education periodically or upon reasonable request
Recommend procedures for responding to Plan participant requests
<b>SERVICE PROVIDER SUPPORT</b>
Assist fiduciaries with a process to select, monitor and replace service providers
Assist fiduciaries with review of Covered Service Providers ("CSP") and fee benchmarking
Provide reports and/or information designed to assist fiduciaries with monitoring CSPs
Coordinate and assist with CSP replacement and conversion
<b>INVESTMENT MONITORING SUPPORT</b>
Periodic review of investment policy in the context of Plan objectives
Assist the Plan committee with monitoring investment performance
Educate Plan committee members, as needed, regarding replacement of DIA(s) and/or QDIA(s)
<b>PARTICIPANT SERVICES</b>
Facilitate group enrollment meetings and coordinate investment education
Assist Plan participants with financial wellness education, retirement planning and/or gap analysis

### Potential Additional Retirement Services Provided Outside of the Agreement

We and our IARs, in the course of providing Retirement Plan Services or otherwise, may establish a client relationship with one or more plan participants or beneficiaries. Such client relationships develop in various ways, including, without limitation:

- as a result of a decision by the plan participant or beneficiary to purchase services from us not involving the use of plan assets;
- as part of an individual or family financial plan for which any specific recommendations concerning the allocation of assets or investment recommendations relating to assets held outside of a plan; or
- through a rollover of an Individual Retirement Account ("IRA Rollover").

In providing these optional services, we may offer employers and employees information on other financial and retirement products or services offered by us and our IARs. If we are providing Retirement Plan Services to a plan, IARs may, when requested by a participant or beneficiary, arrange to provide services to that participant or beneficiary through a separate agreement.

When a participant requests assistance with an IRA Rollover from his/her plan to an account advised or managed by us, we will have a conflict of interest if our fees are reasonably expected to be higher than those we would otherwise receive in connection with the Retirement Plan Services. For participants invested in plans which we do not advise, we also have a conflict of interest given that we may not earn any compensation if they remain invested in their current plan. We will disclose relevant information about the applicable fees charged by us prior to opening an IRA account. Any decision to affect the rollover or about what to do with the rollover assets remain that of the plan participant or beneficiary alone.

### **Financial Institution Consulting Services**

Synergy Capital provides investment consulting services to certain broker/dealers' customers ("Brokerage Customers") who provide written consent requesting to receive the firm's consulting services. Brokerage Customers have entered into a written advisory agreement with Synergy Capital.

### **Disclosure Regarding Rollover Recommendations**

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you, the Client, regarding your retirement plan account or individual retirement account, we are also 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. We must 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. An individual 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) rollover the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) rollover to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, income and other factors, result in adverse tax consequences). Our Firm may recommend an investor roll over plan assets into an IRA for which our Firm provides investment advisory services. As a result, our Firm and its representatives will earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave their plan assets with their previous employer or roll over the assets to a plan sponsored by a new employer that Synergy Capital will not provide investment advisory services on, will generally result in no compensation to our Firm (unless our firm has been specifically engaged to manage those assets). Our Firm therefore has an economic incentive to encourage a client to roll plan assets into an IRA that our Firm will manage, which presents a conflict of interest. To mitigate the conflict of interest, there are various factors that our Firm will consider before recommending a rollover, including but not limited to: (i) the investment options available in the plan versus the investment options available in an IRA, (ii) fees and expenses in the plan versus the fees and expenses in an IRA, (iii) the services and responsiveness of the plan's investment professionals versus those of our Firm, (iv) protection of assets from creditors and legal judgments, (v) required minimum distributions and age considerations, and (vi) employer stock tax consequences, if any. Our Firm's Chief Compliance Officer remains available to address any questions that a client or prospective client has regarding the oversight.

### **Wrap Fee Program**



Synergy Capital does not offer a wrap fee program.

**Assets** – As of June 12, 2025, the firm manages \$102,192,028 of discretionary assets. There are \$0 of non-discretionary assets under management.

## **I T E M 5 - F E E S A N D C O M P E N S A T I O N**

### **Advisory Fees and Compensation**

We charge a fee as compensation for providing Investment Management services on your account, not to exceed 2.00%. These services include advisory services, trade entry, investment supervision, and other account-maintenance activities. Fee billing methods are defined in the client Investment Advisory Agreement. Although Synergy Capital has established a maximum annual fee as stated above, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These factors include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, reports, among others. The specific annual fee schedule is identified in the contract between the adviser and the client. Fees are assessed on all assets under management, including securities, cash and money market balances. When invested in a managed model there is typically a small percentage invested in cash as part of that model (i.e., 1%). That “cash” will be included in the AUM fee. See Additional Fees and Expenses below for additional details.

In limited circumstances, our fees and the timing of the fee payments may be negotiated. For example, an employee’s family related account may be charged a reduced fee for our services.

Fees are based on a percentage of assets under management. Fees are billed quarterly, in advance, based on the market value of the account(s) on the last day of the prior quarter. All fees for new clients are charged on a pro rata basis, based on the actual number of days under management during the quarter.

At our discretion, we will aggregate asset amounts in accounts from your same household together to determine the advisory fee for all your accounts. We could do this, for example, where we also service accounts on behalf of your minor children, individual and joint accounts for a spouse, and/or other types of related accounts. This consolidation practice is designed to allow you the benefit of an increased asset total, which could potentially cause your account(s) to be assessed a lower advisory fee based on the asset levels available in our fee schedule.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. Written authorization will be required from you authorizing the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement at least quarterly directly to you indicating all the amounts deducted from the account including our advisory fees. At our discretion, you may pay the advisory fees by check. You are encouraged to review your account statements for accuracy.

A client Agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination, all fees are charged on a pro rata basis, based on the actual number of days under management during the quarter. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets.

### **Financial Planning Service Fees**

For clients engaged in our investment management services, our financial planning services are included in advisory fees described above. For clients engaged with our Firm for financial planning services only, financial planning is outlined under a separate agreement with its own fee. The fee will be determined based on factors including, the complexity of the Client's financial situation, the number of financial planning services agreed upon, along with the deliverables provided to the Client by the Adviser. Our stand-alone financial planning fee will be agreed to in advance of services being performed and negotiated with the Client. The fixed fees range from \$2,500 to \$10,000. The specific fee for a Client's financial plan will be discussed with the Client and specified in the Client's financial planning agreement with Synergy Capital. If the Client chooses to terminate the financial planning agreement, they must provide Synergy Capital notice within 30 days of the signing of the agreement.

The time to create and complete a financial plan will vary and depend on a number of factors, including the Client having provided all the necessary and requested information, but typically Synergy Capital will be ready to present a plan between 60 and 90 days from the commencement date of the project. Fees are billed and payable at the time the financial plan is delivered to the Client.

If Client chooses to terminate the financial planning agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any earned portion of the fee will be billed to you based on the hours that our firm has spent on creating your financial plan prior to termination. The hourly rate used for this purpose is \$300/hour. The hourly rate would be stated in your executed Financial Planning Agreement.

We will not require prepayment of more than \$1200 in fees per client, six (6) or more months in advance of providing any services. In no case are our fees based on, or related to, the performance of your funds or investments.

### **SMA Sub-Adviser ("SMA") Fees**

As discussed in Item 4 above, occasionally our firm will recommend utilizing the services of a Sub-Adviser in a "Separately Managed Account" (SMA) for the management of specific accounts. The fee for the SMA Manager will be deducted directly from the respective account that they are managing through the custodian. For clients engaged with a Sub Advisor, the client will pay a portion of the fee to Synergy Capital, and a portion of the fee will be paid to the sub advisor. The all-in fee of Synergy Capital and the Sub Advisor will not exceed 2.00%. For clients using SMAs, the total annual maximum investment advisory fees on those SMA accounts are a combination of Synergy Capital's maximum fee plus the maximum SMA's management fee. The all-in, combined fee will not exceed 2.00%.

Other SMAs may have higher or lower fees than other programs available through Synergy Capital or available elsewhere. Investment management programs may differ in the services provided and method or type of management offered, and each may have different account minimums.

### **Plan Sponsored Retirement Consulting Services**

For Retirement Plan Consulting Services compensation, we charge an annual fee as negotiated with the client and disclosed in the Retirement Plan Consulting Agreement. The compensation method is explained and agreed upon in advance before any services are rendered. Annual fees range from 0.50% to 1.25%. Advisory fees may be paid directly by the plan sponsor or paid from the plan assets. The amount payable each quarter, calculated as 25% of the annual fee, is charged in accordance with the parameters established by the respective plan administrator. The above fee range applies to company sponsored retirement plans. For Plans where the advisory fee is billed to the custodian, the fee is deducted directly from the participant accounts. Written authorization permitting us to be paid directly from the custodial account is outlined in the Advisory Agreement.

Either party may terminate the Agreement at any time in accordance with the parameters established by the respective plan Agreement.

### **Financial Institutional Consulting Service Fees**

Synergy Capital receives a consulting fee based on the Assets Under Management from Brokerage Customers who have provided written consent to a broker/dealer to receive the investment consulting service from Synergy Capital and have entered into a written advisory contract with Synergy Capital. The consulting fee is calculated from the Assets Under Management as of the end of a calendar quarter period multiplied by the annualized rate of from 0.50% to 0.85% basis points. The initial fee is paid only after the completion of one full calendar quarter period following the date of the executed agreement with broker/dealers.

### **Administrative Services Provided by Advyzon**

We have contracted with Advyzon to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, client database maintenance, quarterly performance evaluations, payable reports, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, Advyzon will have access to client information, but Advyzon will not serve as an investment adviser to our clients. Our Firm and Advyzon are non-affiliated companies. Advyzon charges our Firm an annual fee for each account administered by Advyzon. Please note that the fee charged to the client will not increase due to the annual fee our Firm pays to Advyzon; the annual fee is paid from the portion of the management fee retained by our Firm.

There may be a possibility for price or account value discrepancies due to quarter-end transactions in an account. Dividends or trade date settlements may occur and our third- party billing software may report a slight difference in account valuation at quarter end compared to what is reported on your Statement from the Custodian. Our firm has the ability to produce billing summaries, which can be provided upon request.

### **Other Additional Fees**

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees. In addition to the advisory fees paid to our Firm, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks, and other financial

institutions (collectively “Financial Institutions”). These additional charges include custodial fees, transaction fees, charges imposed by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, regulatory fees assessed by the SEC and/or FINRA, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Our brokerage practices are described at length in Item 12, below.

**Regulatory Fees:** To facilitate the execution of trades, regulatory Trading Activity Fees (TAF) are added to applicable sales transactions. The Securities and Exchange Commission (SEC) regulatory fee is assessed on client accounts for sell transactions, and a FINRA fee is assessed on client accounts for sell transactions, for certain covered securities. This fee is not charged by our Firm but is accessed and collected by the custodian. The Custodian that our Firm uses, is a FINRA member firm. These fees recover the costs incurred by the SEC and FINRA, for supervising and regulating the securities markets and securities professionals. The fee rates vary depending on the type of transaction and the size of that transaction. For more information on the SEC and FINRA fees, please visit their websites: [www.sec.gov/fast-answers/answerssec31htm.html](http://www.sec.gov/fast-answers/answerssec31htm.html) or [www.finra.org/industry/trading-activity-fee](http://www.finra.org/industry/trading-activity-fee)

**Non-Transaction Fee (NTF) Mutual Fund Fees:** When selecting investments for our clients’ portfolios we might choose mutual funds on your account custodian’s Non-Transaction Fee (NTF) list. This means that your account custodian will not charge a transaction fee or commission associated with the purchase or sale of the mutual fund. The mutual fund companies that choose to participate in your custodian’s NTF fund program pay a fee to be included in the NTF program. The fee that a mutual fund company pays to participate in the program is ultimately borne by the owners of the mutual fund including clients of our Firm. When we decide whether to choose a fund from your custodian’s NTF list or not, we consider our expected holding period of the fund, the position size and the expense ratio of the fund versus alternative funds. Depending on our analysis and future events, NTF funds might not always be in your best interest.

### Treatment of Mutual Fund Share Classes

Mutual funds often offer multiple share classes with differing internal fee and expense structures. Our firm’s planning methodology does not include the purchase of mutual fund portfolios. However, if mutual funds are transferred to our platform, they may not be the lowest cost share class option. Other instances that may not include the lowest share class. These instances include but are not limited to:

- ***Instances in which a certain custodian has a share class available that has a lower internal fee and expense structure than is available for the same mutual fund at other custodians:*** In such instances, our Firm will select the lowest cost share class available at the custodian that holds your account even though a lower cost share class is available at another custodian.
- ***Instances in which the custodian that holds your account offers others a share class with a lower internal fee and expense structure than what is available to our Firm at the same custodian:*** In such instances, our Firm will select the lowest cost share class that the custodian makes available. This situation sometimes occurs because the custodian places conditions on the availability of the lower cost share class that our Firm

has determined are not appropriate to accept due to additional costs imposed by said conditions.

- ***Instances in which a share class with a lower internal fee and expense structure than the share class you currently hold is available at your custodian, but there are limitations as it relates to share class eligibility, custodian restrictions, or additional fees/taxes that the conversion would trigger:*** Our Firm cannot convert to a share class with a lower internal fee and expense structure if the account is ineligible (e.g., the fund company only allows certain types of registration types to use the share class or the account doesn't meet the investment minimum for the share class) or if the fund company won't accept a conversion if the share amount is too small. Our Firm also cannot convert to a lower internal fee and expense structure if the custodian will not allow it (e.g., custodial restrictions). Also, our Firm does not convert to a share class with a lower internal fee and expense structure if the conversion will cause a taxable event or other expense/cost to you that negates the advantage of the lower cost share class.
- ***Instances in which a Model Manager selects a share class for inclusion in a model that is not the lowest cost share class available:*** Our firm uses model managers that build investment portfolios that are designed to meet the needs of our clients and fall within in their risk scores. Our firm does not have the authority to modify or provide input to the selection of the securities in the model.
- ***Instances in which you make your own investment selections in a Client-Directed Account:*** In such circumstances, our Firm does not screen for the lowest mutual fund share class available.

### ***Treatment of No Transaction Fee Securities***

As described in our Brochure, certain securities qualify for no transaction fee pricing (i.e., \$0.00 commissions) with our custodian. If you participate in transactions that qualify for no transaction fee pricing, please know that our Firm does not require your IAR to lower their fee. Our Firm may receive favorable pricing on specific securities offered at our custodians for the trading of ETFs and individual equities. Depending on the products you hold in your account, our Firm sometimes does not incur custodial service fees from the custodian. In the event our Firm does not incur custodial fees, no additional discounts are applied to the fees you pay our Firm. Additionally, an investment in a no transaction fee mutual fund does not necessarily mean that the investment is in that mutual fund's lowest share class, nor will it necessarily be the lowest cost option when comparing funds and classes.

### ***Periods of Portfolio Inactivity***

The firm has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, the firm 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, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when the firm determines that changes to a client's portfolio are neither necessary nor prudent. Notwithstanding, unless otherwise agreed in writing, the firm's annual investment advisory fee will continue to apply during

these periods, and there can be no assurance that investment decisions made by the firm will be profitable or equal any specific performance level(s).

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

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees).

## ITEM 7 - TYPES OF CLIENTS

We provide advisory services to the following types of clients:

- Municipalities;
- Corporations or other businesses;
- High net worth individuals;
- Pension, profit sharing plans, and 401k plans;
- Trusts and Foundations; and
- Estates

Synergy Capital requires an initial minimum portfolio value of \$1,000,000 for new investment advisory clients. In limited circumstances, this minimum portfolio value requirement is negotiable.

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

### **Methods of Analysis**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

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

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

**Qualitative Analysis.** We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

**Asset Allocation.** We attempt to identify an appropriate ratio of equity securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp share price increases in a particular

security, industry or market sector. Another risk is that the ratio of equity securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

For investments such as Mutual Funds, Exchange Traded Funds (ETFs), and Exchange Traded Notes (ETNs), we look at the experience and the track record of the manager in an attempt to determine if that manager has demonstrated an ability to invest successfully over a period of time and in different economic conditions. We also monitor the investments in an attempt to determine if they are continuing to follow their stated investment strategy. As in all investments, past performance does not guarantee future results.

### **Investment Strategies**

We are generally a long-term oriented investment manager. We primarily provide two different types of portfolio management strategies, one based on individual security selection and the other based on allocating and diversifying assets across mutual funds and ETFs.

Accounts managed according to our individual security selection strategy are diversified and generally consist of allocations to stocks, bonds, and cash or cash equivalents, which can include money market funds and/or Treasury bills. In selecting stocks, we follow a contrarian or "out-of-favor" approach that seeks to take advantage of short-term fluctuations in the stock market. Individual security portfolios generally include approximately twenty-one stocks that meet our value criteria with a three-to-five year investment time horizon. However, we may purchase securities with the idea of selling them within a short period of time, typically one year or less, if we believe that we can take advantage of conditions that will soon result in a price movement. Fixed income investments held in such accounts are generally selected based on financial quality, current yield, and total return characteristics, with maturities selected based on specific time objectives. Finally, cash and cash equivalents are selected based on their relative safety, liquidity, and current yield.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our assumptions are incorrect, a security may decline sharply in value before we make the decision to sell.

Accounts managed according to our mutual fund and ETF strategies are generally diversified across various asset classes which may include U.S. large-capitalization stocks, U.S. mid-capitalization stocks, U.S. small-capitalization stocks, International large-capitalization stocks, emerging markets stocks, commodities, fixed income, and cash equivalents based on the asset allocation recommended in the client's IPS. We monitor the allocation levels and rebalance portfolios when material shifts in the allocation levels occur.

We may offer clients a strategy that combines the individual security selection and mutual fund/ETF strategies, or other strategies customized to the client's investment needs and objectives. Under the appropriate circumstances, we may also recommend the use of margin, short sales, option transactions, and short-term trading in the management of client accounts. All investments in securities involve risk of loss that clients should be prepared to bear.



When purchasing mutual funds, our policy is to select institutional share classes whenever appropriate. The institutional share class generally has the lowest expense ratio relative to other classes. Mutual fund expense ratios are in addition to our fee, and we do not receive any portion of these charges. If an institutional share class is not available, or is not the optimal solution given trading frequency, time horizon or other unique circumstances, the adviser will purchase the least expensive share class available. As share classes with lower expense ratios become available, we may convert the existing mutual fund position to the lower-cost share class.

Additionally, as assets are transitioned from a client's prior advisers to us, clients may hold legacy securities. Legacy securities are those that a client owned prior to or separate from the portfolio managed by our firm.

When selecting investments for our clients' portfolios we might choose mutual funds on your account custodian's Non-Transaction Fee (NTF) list. This means that your account custodian will not charge a transaction fee or commission associated with the purchase or sale of the mutual fund.

The mutual fund companies that choose to participate in your custodian's NTF fund program pay a fee to be included in the NTF program. The fee that a mutual fund company pays to participate in the program is ultimately borne by the owners of the mutual fund including clients of our Firm. When we decide whether to choose a fund from your custodian's NTF list or not, we consider our expected holding period of the fund, transaction frequency, the position size and the expense ratio of the fund versus alternative funds. Depending on our analysis and future events, NTF funds might not always be in your best interest.

### **Third Party Manager Analysis**

Our Firm seeks to recommend an investment strategy that will give a client a diversified portfolio consistent with the client's investment objective. We will analyze various securities, investment strategies, and third-party investment management firms if our firm feels the expertise of a particular manager is best suited for our client.

We examine the experience, expertise, investment philosophies and past performance of independent third-party managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We will monitor the managers' underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of the due-diligence process that is conducted annually, our firm will survey the managers' compliance, business enterprise risks, Synergy Capital directly with the manager, if accessible, or the firm's research team to determine the manager is still a recommendation of our firm's list of third-party managers.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as our Firm does not control the underlying investments in the managers' portfolio, there is also a risk that the manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for clients of our firm. Moreover, as we do not control the managers' daily business and

compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

### **Risk of Loss**

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, we are unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate the Client from losses due to market corrections or declines.

Investors should be aware that accounts are subject to the following risks:

**Market Risk** — Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that the Client will lose money and the Client's investment may be worth more or less upon liquidation.

**Foreign Securities and Currency Risk** — Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

**Capitalization Risk** — Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.

**Interest Rate Risk** — In a rising rate environment, the value of fixed-income securities generally decline, and the value of equity securities may be adversely affected.

**Credit Risk** — Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.

**Securities Lending Risk** — Securities lending involves the risk that a fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.

**Short term trading** — There are additional trading costs and tax consequences associated with short term trading.

**Exchange-Traded Funds** — ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."

**Option Risk** — Options on securities are subject to greater fluctuations in value than investing in the underlying securities. Purchasing and writing put or call options are highly specialized activities and involve greater investment risk. Puts and calls are the right to sell or buy a specified amount of an underlying asset at a set price within a set time.

**Performance of Underlying Managers** — We select the mutual funds and ETFs to help meet specific asset allocations. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.

**Cybersecurity Risk** - These risks include both intentional and unintentional events at our Firm or one of its third party counterparties or service providers that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because unknown threats may emerge in the future.

### **Product Risks**

**Options:** Variable degree of risk. Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of option (i.e., put or call) which they contemplate trading and the associated risks. Traders of options should calculate the extent to which the value of the options must increase for the position to become profitable, taking into account the premium and all transaction costs. The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a future, the purchaser will acquire a futures position with associated liabilities for margin (see the section on Futures below). If the purchased options expire worthless, the purchaser will suffer a total loss of the investment. In purchasing deep out-of-the-money options, the purchaser should be aware that the chance of such options becoming profitable ordinarily is remote. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavorably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller being obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a future, the seller will acquire a position in a future with associated liabilities for margin (see the section on Futures below). If the option is "covered" by the seller holding a corresponding position in the underlying interest or a future or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited. Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments

not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

**Structured Notes:** Structured products are designed to facilitate highly customized risk-return objectives. While structured products come in many different forms, they typically consist of a debt security that is structured to make no interest payments, but a principal payment based upon various assets, rates, or formulas. Many structured products include an embedded derivative component. Structured products may be structured in the form of a security, in which case these products may receive benefits provided under federal securities law, or they may be cast as derivatives, in which case they are offered in the over-the-counter market and are subject to no regulation. Investment in structured products includes significant risks, including valuation, liquidity, price, credit/issuer default, and market risks. One common risk associated with structured products is a relative lack of liquidity due to the highly customized nature of the investment. Moreover, the full extent of returns from the complex performance features is often not realized until maturity. As such, structured products tend to be more of a buy-and-hold investment decision rather than a means of trading in and out of a position with speed and efficiency. Another risk with structured products is the credit quality and related default risk of the issuer. Although the cash flows are derived from other sources, the products themselves are legally considered to be the issuing financial institution's liabilities. The vast majority of structured products are from investment-grade issuers, but that does not eliminate default risk by the issuer. Also, there is a lack of pricing transparency. Synergy Capital will value structured notes at the price determined by the client's custodian, it will not attempt to assess the value of structured notes independently for the purposes of client reporting and billing. There is no uniform standard for pricing, making it harder to compare the net-of-pricing attractiveness of alternative structured product offerings than it is, for instance, to compare the net expense ratios of different mutual funds or commissions among broker-dealers. Synergy Capital will purchase Structured Notes on a discretionary basis in client portfolios only when the investment is suitable for the client, without notifying the client in advance of the specific terms and conditions of each note.

**Alternative Investments:** Investments classified as "alternative investments" may include a broad range of underlying assets including, but not limited to, hedge funds, managed futures funds, long-short equity funds, private equity, venture capital, and registered, publicly traded securities. Alternative investments are speculative, not suitable for all clients and intended for only experienced and sophisticated investors who are willing to bear the high risk of the investment, which can include: loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative investment practices; lack of liquidity in that there may be no secondary market for the fund and none expected to develop; volatility of returns; potential for restrictions on transferring interest in the fund; potential lack of diversification and resulting higher risk due to concentration of trading authority with a single advisor; absence of information regarding valuations and pricing; potential for delays in tax reporting; less regulation and typically higher fees than other investment options such as mutual funds. The SEC may require investors be accredited to invest in these more speculative alternative investments. Investing in a fund that

concentrates its investments in a few holdings may involve heightened risk and result in greater price volatility.

**Leveraged and Inverse ETFs and Mutual Funds:** Leveraged ETFs and mutual funds, sometimes labeled “ultra” or “2x” for example, are designed to provide a multiple of an underlying index’s return, typically on a daily basis. Inverse products are designed to provide the opposite of the return of the underlying index, typically on a daily basis. These products are different from and can be riskier than traditional ETFs and mutual funds. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of fund expenses and other factors. This is referred to as tracking error. Continual re-setting of returns within the product may add to the underlying costs and increase the tracking error. As a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, in particular for leveraged products. In highly volatile markets with large positive and negative swings, return distortions may be magnified over time. Some deviations from the stated objectives, to the positive or negative, are possible and may or may not correct themselves over time. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs and mutual funds.

### **Non-Liquid Alternative Investments**

From time to time, our Firm can recommend to certain qualifying clients that a portion of such clients’ assets be invested in private funds, private fund-of-funds and/or other alternative investments (collectively, “Nonliquid Alternative Investments”). Nonliquid Alternative Investments are not suitable for all our Firm’s clients and are offered only to those qualifying clients for whom our Firm believes such an investment is suitable and in line with their overall investor profile. Nonliquid Alternative Investments typically are available to only a limited number of sophisticated investors who meet the definition of “accredited investor” under Regulation D of the Securities Act of 1933, as amended (the “Securities Act”), or “qualified client” under the Investment Advisors Act of 1940, or “qualified purchaser” under the Investment Company Act of 1940. Nonliquid Alternative Investments present special risks for our Firm’s clients, including without limitation, limited or no liquidity, higher fees and expenses, volatile performance, no assurance of investment returns, heightened risk of loss, limited transparency, additional reliance on underlying management of the investment, special tax considerations, subjective valuations, use of leverage and limited regulatory oversight. When a Nonliquid Alternative Investment invests part or all its assets in private investments which are not publicly traded and for which no public market pricing is available, there are additional risks that are unique to private investments, including but not limited to: limitations of the appraisal value. Additional risks include the borrower’s financial conditions (if the underlying asset has been obtained by a loan), including the risk of foreclosures on the asset; similar asset values; the supply of and demand for assets of like kind; and certain city, state and/or federal regulations. Additionally, real estate investing is also subject to possible loss due to uninsured losses from natural and man-made disasters. Certain non-liquid alternative investment funds may also have the ability, at the fund

sponsor's sole discretion, to limit or stop its investor's ability to withdrawal investments in the fund. The above list is not exhaustive of all risks related to an investment in Nonliquid Alternative Investments. A more comprehensive discussion of the risks associated with a particular Nonliquid Investment is set forth in that fund's offering documents, which will be provided to each client subscribing to a Nonliquid Alternative Investment, for client review and consideration. It is important that each potential, qualified investor carefully read each offering or private placement memorandum prior to investing.

**Margin Risk** - When the Client purchases securities, the Client may pay for the securities in full or the Client may borrow part of the purchase price from the Client's brokerage firm. If the Client chooses to borrow funds through a margin account, securities purchased are the firm's collateral for the loan to the Client. If the securities in the Client's account decline in value, so does the value of the collateral supporting the Client's loan, and, as a result, the firm can take action, such as issue a margin call and/or sell securities or other assets in any of the Client's accounts held with the member, in order to maintain the required equity in the account. Investing with margin is characterized by unique risks including amplified losses due to increased leverage; margin calls; forced liquidations; and additional fees including margin interest charges. In order to manage margin risk, we recommend leveraging responsibly (borrowing less than the amount available); keeping a diversified portfolio; and monitoring the account and evaluating risk regularly. Before investing on margin, be sure to read the Margin Disclosure Statement provided by the Client's custodian.

## **ITEM 9 - DISCIPLINARY INFORMATION**

We do not have any legal, financial or other "disciplinary" items to report.

## **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Our firm does not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

Our firm nor any of its management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

### **Insurance**

Some of the registered advisory personnel of Synergy Capital are licensed insurance agents and may recommend insurance products to advisory clients. They may sell various life insurance products, long term care and fixed annuities. IARs receive compensation (commissions, or other compensation from the respective product sponsors) as a result of effecting insurance transactions for clients. Insurance compensation passes through Synergy Insurance Services LLC Synergy Insurance Services LLC. Is an affiliated, commonly owned entity used for bookkeeping purposes. A small portion of the time IARs spend is in connection with these insurance activities and it represents less than 5% of the ongoing revenue for our IARs. The advisor has an incentive to recommend insurance, and this incentive creates a conflict of interest between your interests and

our Firm. Clients should note that they have the right to decide whether or not to engage the services of our IARs. Further, clients should note they have the right to decide whether to act on the recommendations and the right to choose any professional to execute the advice for any insurance products through our IAR or any licensed insurance agent not affiliated with our Firm. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to avoid any conflicts of interest.

### **Other Affiliations**

Tracy Warne is managing member of One Best Life, LLC. This entity is currently dormant.

### **Disclosure of Conflicts of Interest**

Clients should be aware that the ability to receive additional compensation by our Firm and its management persons or employees creates inherent conflicts of interest in the objectivity of the Firm and these individuals when making advisory recommendations. Our Firm endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps, among others to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for the Firm, investment advisors, and our employees to earn compensation from advisory clients in addition to the Firm's advisory fees.
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives, and liquidity needs.
- the Firm conducts regular reviews of each client advisory account to verify that all recommendations made to a client are in the best interest of the client's needs and circumstances.
- we require that our investment advisors and employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed.
- we periodically review these outside employment activities of the investment advisor to verify that any conflicts of interest continue to be properly disclosed by the investment advisor; and
- we educate our investment advisors regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

## **ITEM 11 - CODE OF ETHICS PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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

Our Firm and persons associated with us are allowed to invest for their own accounts or to have a financial investment in the same securities or other investments that we recommend or acquire for the Client's account, and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to act in your best interest and have established policies to mitigate conflicts of interest.

Our Firm may aggregate trades when our associated persons trade in the same security on the same day as clients as a means to avoid personally benefiting from client trades. If an aggregated trade that includes an associated person's trades is not completed, all client trades must be filled first before any associated person's trades are allocated. If there are not enough shares traded to complete all client trades, the trade will be allocated on a pro-rata basis between the client accounts. When our firm places a block trade in the same security on the same day at different custodians, the manager shall enter trades as equitably as possible to attempt to achieve the best price for all clients in the trade at all custodians.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate any conflicts of interest. Our Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

- 1) No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
- 2) No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
- 3) No principal or employee may purchase shares in an IPO.
- 4) Any private security investments by principals or employees must be disclosed in writing to



our Chief Compliance Officer. (Note: Synergy Capital does not invest in private security investments for our clients.)

5) We maintain documentation of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.

6) We have established procedures for the maintenance of all required books and records.

7) Clients can decline to implement any advice rendered.

8) All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

9) We require delivery and acknowledgment of the Code of Ethics by each supervised person of our firm.

Any individual who violates any of the above restrictions may be subject to termination.

You may request a complete copy of our Code of Ethics by contacting us at the telephone number on the cover page of this Part 2; Attn: Chief Compliance Officer.

## **ITEM 12 - BROKERAGE PRACTICES**

We generally recommend that clients utilize the custody and brokerage services of Fidelity Institutional Wealth Services, ("Fidelity" or the "Custodian") for investment management accounts. Our Custodian is an independent and unaffiliated FINRA-registered broker-dealer. We may recommend that you establish accounts with this custodian to maintain custody of your assets and to effect trades for your accounts. Some of the products, services and other benefits provided by our Custodian benefit us and may not benefit you or your account. Our recommendation/requirement that you place assets with this custodian may be based in part on benefits they provide us, and not solely on the nature, cost or quality of custody and execution services provided by the Custodian.

We are independently owned and operated and not affiliated with any custodian. Fidelity provides us with access to their institutional trading and custody services. These services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors.

In the event you request us to recommend a broker/dealer Custodian for execution and/or custodial services, we generally recommend your account to be maintained at Fidelity. We may recommend that you establish accounts with the Custodian to maintain custody of your assets and to effect trades for your accounts. You have the right to not act upon any recommendations, and if you elect to act upon any recommendations, you have the right to not place the transactions through any broker/dealer we recommend. Our recommendation is generally based on the broker's cost and fees, skills, reputation, dependability and compatibility with the client. We place trades for your account subject to our duty to seek best execution and other fiduciary duties. You may be able to obtain lower commissions and fees from other brokers and the value of products,

research and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions. Fidelity's execution quality may be different than other broker-dealers.

For our client accounts maintained in custody with a Custodian, the Custodian generally does not charge separately for custody but is compensated by account holders through 12b-1 fees and ticket charges.

The Custodian we utilize makes available to us other products and services that benefit us but may not benefit your accounts in every case. Some of these other products and services assist us in managing and administering your accounts. These include software and technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of our fees from your account, and assist with back-office functions, record-keeping and reporting.

Many of these services generally may be used to service all or a substantial number of our accounts. The Custodian also makes available to us other services intended to help us manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, the Custodian may make available, arrange and/or pay for these services rendered to us by third parties. The Custodian may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us.

While as a fiduciary, we endeavor to act in your best interest, our recommendation that you maintain your assets in accounts at our recommended Custodian may be based in part on the benefit to us or the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the Custodian, which may create a conflict of interest. IARs endeavor at all times to put the interest of our clients first as a part of their fiduciary duty.

### **Aggregation and Allocation of Transactions**

We may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for our clients and is consistent with the disclosures made to clients and terms defined in the client Investment Advisory Agreement. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day. We will aggregate clients' trades providing that the following conditions are met:

1. Our policy for the aggregation of transactions shall be fully disclosed to our existing clients (if any) and the broker/dealer(s) through which such transactions will be placed.
2. We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek the best execution (which includes the duty to seek best price) for you and is consistent with the terms of our Investment Advisory Agreement with you for which trades are being aggregated.
3. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all our transactions in a

given security on a given business day, with transaction costs based on each client's participation in the transaction.

4. We will prepare a written statement ("Allocation Statement") specifying the participating client accounts and how to allocate the order among those clients.
5. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the allocation statement; if the order is partially filled, the accounts that did not receive the previous trade's positions should be "first in line" to receive the next allocation.
6. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for difference of allocation is explained in writing and is reviewed by our compliance officer. Our books and records will separately reflect, for each client account, the orders of which aggregated, the securities held by, and bought for that account.
7. We will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and
8. Individual advice and treatment will be accorded to each advisory client.

### **Brokerage for Client Referrals**

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

### **Trade Errors**

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole, and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the Custodian, the Custodian will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

### **Directed Brokerage**

We do not routinely recommend, request or require that you direct us to execute transaction through a specified broker dealer. Additionally, we typically do not permit you to direct brokerage. We place trades for your account subject to our duty to seek best execution and other fiduciary duties.

## ITEM 13 - REVIEW OF ACCOUNTS

### **Account Reviews and Reviewers – Investment Supervisory Services**

The underlying securities held within Individual Portfolio Management Services accounts are continually monitored. These accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. Client activity in Individual Portfolio Management Services accounts is reviewed by the operations department or a portfolio manager of the account(s). Investment management strategy is reviewed on an ongoing basis by a portfolio manager and/or our investment committee. You are urged to notify us of any changes in your personal circumstances.

Retirement Plan Service reviews depend on the scope of the relationship and occur as agreed upon contractually.

### **Statements and Reports**

In addition to the monthly or quarterly statements and confirmations of transactions that the custodian/broker provides to the client, we can provide a quarterly statement that includes account performance. The Client is urged to compare the reports provided by our firm against the account statements the Client receives directly from the Client's account custodian.

Retirement Plan Service reports depend on the scope of the relationship and are provided as agreed upon.

## ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

The Firm receives an economic benefit from Fidelity in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Fidelity. Clients do not pay more for assets maintained at Fidelity as a result of these arrangements. However, the Firm benefits from the referral arrangement because the cost of these services would otherwise be borne directly by us. Client should consider these conflicts of interest when selecting a custodian. The products and services provided by Fidelity, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices).

Synergy Capital's policy is not to accept or allow our related persons to accept any form of compensation, including cash, sales awards, or other prizes, from a non-client in conjunction with the advisory services we provide to our clients. An Investment Adviser Representative who is invited to meet with portfolio managers of a mutual fund company will be allowed to attend.

At times, we will receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are a result of attendance at due diligence and/or investment training events hosted by investment sponsors. Marketing expense reimbursements are the result of informal expense sharing arrangements in

which investment sponsors will underwrite costs incurred for marketing such as client appreciation events, advertising, publishing, and seminar expenses. Receipt of these travel and marketing expense reimbursements are dependent upon specific sales quotas; the investment sponsor reimbursements are made by those sponsors for which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of our clients. We attempt to control this conflict by always basing investment decisions on the individual needs of our clients. Our Firm and our supervised persons do not accept or receive compensation based on the sale of securities. Supervised people can be compensated for obtaining prospective clients through marketing initiatives.

Synergy Capital may be asked to recommend a financial professional, such as an attorney, accountant or mortgage broker. In such cases, our Firm does not receive any direct compensation in return for any referrals made to individuals or firms in our professional network. Clients must independently evaluate these firms or individuals before engaging in business with them and clients have the right to choose any financial professional to conduct business. Individuals and firms in our financial professional network may refer clients to our Firm. Again, our Firm does not pay any direct compensation in return for any referrals made to our firm. Our Firm does recognize the fiduciary responsibility to place your interests first and have established policies in this regard to mitigate any conflicts of interest.

## **I T E M 1 5 - C U S T O D Y**

Custody, as it applies to investment advisers, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

### **Deduction of Advisory Fees**

We are deemed to have custody of client funds and securities whenever we are given the authority to have fees deducted directly from client accounts. For accounts in which we have the authority to have fees deducted directly from client accounts, the firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. The Client should carefully review those statements and are urged to compare the statements against reports received from us. When the Client has questions about account statements, the Client should contact our firm or the qualified custodian preparing the statement. The Client will provide written authorization permitting the fees to be

paid directly from the Client account held by the qualified custodian. When fees are deducted from an account, we are responsible for calculating the fee and delivering instructions to the custodian.

### **Standing Letters of Authorization ("SLOA")**

Our Firm is deemed to have custody of clients' funds or securities when you have standing authorizations with their custodian to move money from your account to a third-party ("SLOA") and, under that SLOA, it authorizes us to designate the amount or timing of transfers with the custodian. The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisors Act of 1940 ("Advisors Act"). The letter provided guidance on the Custody Rule as well as clarified that an Advisor who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our Firm has adopted the following safeguards in conjunction with our custodians. The firm has elected to meet the SEC's seven conditions to avoid the surprise custody exam, as outlined below:

1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
2. The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
4. The client has the ability to terminate or change the instruction to the client's qualified custodian.
5. The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
6. The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

## **I T E M 1 6 - I N V E S T M E N T D I S C R E T I O N**

For discretionary accounts, the Client will enter a written Agreement with us granting us the authority to supervise and direct, on an on-going basis, investments in accordance with the Client's investment objective and guidelines. In addition, the Client will need to execute additional documents required by the Custodian to authorize and enable us, in our sole discretion, without prior consultation with or ratification by the Client, to purchase, sell or exchange securities in and for the Client's accounts. We are authorized, in our discretion and without prior consultation with the Client, to: (1) buy, sell, exchange and trade any stocks, bonds or other securities or assets and (2) determine the amount of securities to be bought or sold and (3) place orders with the custodian. Any limitations to such authority will be communicated by the Client to us in writing.

The limitations on investment and brokerage discretion held by our firm for the Client are:

1. For discretionary clients, we require that we be provided with authority to determine which securities and the amounts of securities to be bought or sold.
2. Any limitations on this discretionary authority shall be included in this written authority statement. The Client may change/amend these limitations as required. Such amendments shall be submitted in writing.

Research products and services received by us from broker-dealers will be used to provide services to all our clients.

**Company Sponsored Retirement Plan Consulting Services:** For company sponsored retirement plan consulting, the scope of our non-discretionary authority is outlined in the Plan Sponsor Consulting Agreement.

## **ITEM 17 - VOTING CLIENT SECURITIES**

We will not vote proxies on your behalf. You are welcome to vote proxies or designate an independent third-party at your own discretion. You designate proxy voting authority in the custodial account documents. You must ensure that proxy materials are sent directly to you or your assigned third party. We do not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies. You can contact our office with questions about a particular solicitation by phone at 970-837-3088.

## **ITEM 18 - FINANCIAL INFORMATION**

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