

Cover Page - Item 1



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**January 17, 2024**

### **Form ADV Part 2A Brochure**

Acute Investment Advisory, LLC is an investment adviser registered with the Securities Division of the Arizona Corporation Commission. An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Acute Investment Advisory, LLC. If you have any questions about the contents of this brochure, please contact us at 480-620-6907. 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 Acute Investment Advisory, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Material Changes - Item 2**

The purpose of this page is to inform you of any material changes since the previous version of this brochure.

On January 17, 2024, we submitted our annual updating amendment filing for fiscal year 2023. There were no material changes to report.

We review and update our brochure at least annually to make sure that it remains current. If you would like to receive a complete copy of our current brochure free of charge at any time, please contact us at 480-620-6907.

**Table of Contents - Item 3**

**Contents**

Cover Page - Item 1.....	1
Material Changes - Item 2.....	2
Table of Contents - Item 3 .....	3
Advisory Business - Item 4 .....	4
Fees and Compensation - Item 5 .....	6
Performance-Based Fees and Side-By-Side Management - Item 6 .....	8
Types of Clients - Item 7.....	8
Methods of Analysis, Investment Strategies and Risk of Loss - Item 8.....	9
Disciplinary Information - Item 9 .....	14
Other Financial Industry Activities or Affiliations - Item 10.....	14
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - Item 11 .....	15
Brokerage Practices - Item 12 .....	15
Review of Accounts - Item 13 .....	19
Client Referrals and Other Compensation - Item 14 .....	20
Custody - Item 15.....	21
Investment Discretion - Item 16 .....	21
Voting Client Securities - Item 17 .....	22
Financial Information - Item 18 .....	22
Requirements of State-Registered Advisers - Item 19.....	22
IRA Rollover Services Disclosure .....	22
Acute Investment Advisory, LLC – Privacy Notice.....	23
Form ADV Part 2B Brochure Supplement .....	1
Form ADV Part 2B Brochure Supplement.....	4
Form ADV Part 2B Brochure Supplement.....	7

#### **Advisory Business - Item 4**

Acute Investment Advisory, LLC (“AIA” or the “firm”) is a registered investment adviser based in Phoenix, Arizona. We are a limited liability company under the laws of the State of Arizona. AIA was created in 2014 and registered as an investment advisor in 2014 and is owned by its two principals, Matthew Deaton and Damon Roberts.

The following paragraphs describe our services. Also, you may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who is an officer, employee, and all individuals providing investment advice on behalf of our firm. Such persons must register and are properly registered as investment adviser representatives in required jurisdictions. Currently, we offer the following investment advisory services:

- **Portfolio Management Services**
- **Third Party Advisory Services**

##### ***Portfolio Management Services***

Our firm offers discretionary and non-discretionary portfolio management services. Discretionary portfolio management services means that once the portfolio has been agreed upon, the ongoing supervision and management of the portfolio will be our responsibility. This allows our firm to decide on specific securities, the quantity of the securities and placing buy or sell orders for your account without obtaining your approval for each transaction. This type of authorization is granted to us either in the Investment Management Agreement you sign with our firm, a limited power of attorney agreement, or trading authorization forms. You may limit this authority by setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing.

The non-discretionary portfolio management service means that we must obtain your approval prior to making any transactions in your account.

Our investment advice is tailored to meet our clients’ needs and investment objectives. If you decide to hire our firm to manage your portfolio, we will meet with you to gather your financial information, determine your goals, and decide how much risk you should take in your investments. The information we gather will help us implement an asset allocation strategy that will be specific to your goals, whether we are actively investing for you or simply providing you with advice.

AIA primarily uses exchange traded funds in its portfolios. However, where deemed appropriate, we may also invest in exchange listed equities, American Depositary Receipts, corporate debt securities, commercial paper, certificates of deposit, municipal securities, mutual funds, U.S. Government securities, options contracts on securities and/or commodities, private equity instruments, structured notes, and interests in partnership investing in real estate. Additionally, will provide advice on existing investments you may hold at the inception of the advisory relationship or on other types of investments for which you ask advice.

##### ***Use of Sub Advisers***

In some cases, our asset allocation and advisory services are offered in conjunction with a sub adviser. The sub adviser assists our firm with back-office support, billing, report preparation, and/or trading. We use model portfolios developed by our firm, the sub adviser and/or other model providers that are properly registered as investment advisers or are exempt from registration requirements. These other investment advisers are responsible for services, such as research and security selection within model portfolios, reporting, day-to-day trading, billing calculation, and/or other back-office operations. AIA is responsible for the supervision of the account, portfolio reallocations and rebalancing, and ongoing client interaction and servicing. At this time, AIA uses the following sub advisers:

- *Brookstone Capital Management, LLC (CRD#141413)*: Brookstone Capital Management, LLC gives us access to its proprietary portfolio models, models provided by other investment advisers and models developed by our firm. All disclosure information about these entities is available on the SEC's public disclosure site, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). All clients will be provided with a current copy of Brookstone Capital Management, LLC's Form ADV Part 2 Brochure at the inception of services. This document provides important disclosures about Brookstone Capital Management, LLC's services, portfolio models, fees, conflicts of interest, disciplinary history (if any), and other important information that would help clients understand the scope of sub advisory services provided by Brookstone Capital Management, LLC.
- *Prostatis Financial Advisors Group (CRD#132662)*: Prostatis Financial Advisors Group gives us access to Fidelity Institutional's custodial platform and assists our firm with billing and report preparation. All disclosure information about is available on the SEC's public disclosure site, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

#### *Management of Held Away Assets*

As part of our overall portfolio management services, we provide asset allocation review, rebalancing and management services for accounts that are not held in custody of the qualified custodian(s) recommended by our firm. These services are provided through an account aggregation service called Pontera (formerly FeeX). The service primarily applies to ERISA and non-ERISA plan assets such as 401(k)s and 403(b)s, and other assets that must be held in custody of the plan custodian(s). We regularly review the available investment options in these accounts, monitor them, and periodically rebalance and implement our strategies using different tools as necessary. If you elect to allow our firm to manage your assets through Pontera, you will be notified via email when AIA places trades through Pontera.

We will monitor your portfolio's performance on a continuous basis, and rebalance the portfolio whenever necessary, as changes occur in market conditions, your financial circumstances, or both.

#### ***Selection of Third-Party Investment Advisers***

AIA has entered into agreements with various other third-party investment advisers for the provision of certain investment advisory services. Factors considered in the selection of a third-party adviser include but may not be limited to: i) AIA's preference for a particular third-party adviser; ii) the client's risk tolerance, goals and objectives, as well as investment experience; and, iii) the amount of client assets available for investment. In order to assist clients in the selection of a third-party adviser, an Associated Person of AIA will typically gather information from the client about the client's financial situation, investment objectives, and reasonable restrictions the client wants imposed on the management of the account.

The third-party adviser customizes the client's portfolio by blending traditional investment strategies with an allocation to asset classes. The investment strategy adopted by the third-party adviser may embrace value, growth, or contrarian investing styles. Generally, securities transactions will be decided upon and executed by the third-party adviser on a discretionary basis. This means that the manager selected will have the ability to buy and sell securities in your account without obtaining your approval. AIA and its Associated Persons will not manage, or obtain discretionary authority over the assets in accounts participating in these programs; however, clients may grant AIA the discretionary authority to hire and fire such third party managers. Generally, clients may not impose restrictions on investing in certain securities or types of securities in accounts managed by a third-party adviser.

Associated Persons of AIA will periodically review reports provided to the client. An Associated Person of AIA will contact the client at least annually, or more often as agreed upon with each client, to review the client's financial situation and objectives, communicate information to the third-party adviser managing the account as necessary, and to assist the client in understanding and evaluating the services provided by the third-party adviser. Clients

will be expected to notify AIA of any changes in their financial situation, investment objectives, or account restrictions.

The third-party adviser may offer wrapped or non-wrapped pricing options. Wrap pricing structures allow the client to pay an all-inclusive fee for management, brokerage, clearance, custody, and administrative services. In a non-wrap pricing structure, the third-party adviser's fee may be separated from the advisory fee charged by AIA. Transaction costs may also be charged for the execution and clearance of advisory transactions directed by such third-party adviser. A complete description of the programs and services provided, the amount of total fees, the payment structure, termination provisions and other aspects of each program are detailed and disclosed in: i) the third-party adviser's Form ADV Part 2A; ii) the program wrap brochure (if applicable) or other applicable disclosure documents; iii) the disclosure documents of the portfolio manager(s) selected; or, iv) the third-party adviser's account opening documents. A copy of all relevant disclosure documents of the third-party adviser and of the individual portfolio manager(s) will be provided to anyone interested in these programs/managers.

**Wrap Fee Programs**

We do not sponsor or manage any wrap fee programs.

**Assets Under Management**

As of January 16, 2024, we manage approximately \$221,343,914 in client assets on a discretionary basis and approximately \$1,284,504 in client assets on a non-discretionary basis.

**Fees and Compensation - Item 5**

***Portfolio Management Services***

AIA charges a portfolio management that is based on a percentage of client assets under management. Account management fees are calculated monthly, in arrears, based on the average daily market value of client's account during the preceding month as reported by client's account custodian. The exact payment arrangement will be listed in the Investment Management Agreement signed by the firm and the client.

At this time, our fees are based on the following blended fee schedule:

<b>Assets Under Management</b>	<b>Advisory Fee</b>
First \$500,000	1.30%
Next \$500,000	1.25%
over \$1,000,000	1.20%

The fee is deducted from the client's account held at the custodian. Either AIA or the sub adviser calculates the fee and debits such fees from the client's custodial account. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance. In limited cases, we may invoice the client directly for the payment of fees. The fee listed above includes the compensation received by the model provider and the sub adviser. We may modify the fee at any time upon 30 days' written notice.

For held away assets managed through Pontera, Pontera does not offer us the ability to deduct fees from the account. As such, fees for the management of held away assets will either be paid directly by the Client or deducted from another account that we manage for the Client at the qualified custodian(s) recommended by our firm.

Our annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which will be incurred by the client. However, we will not receive any portion of the commissions, fees, and costs. Please see Item 12 – Brokerage Practices for further information on brokerage and transaction costs.

At the inception of investment management services, the first month's fees will be calculated on a pro-rata basis. The Investment Management Agreement between AIA and the client will continue in effect until either party terminates the Investment Management Agreement in accordance with the terms of the Investment Management Agreement. Refunds are not applicable because the fee is payable in arrears.

#### **Third Party Adviser (TPAs) Fees**

AIA will perform management searches of various independent registered investment advisers for referral to AIA clients. AIA will share in the fee paid to the TPA. The management fee is disclosed in the TPA's disclosure documents. These fees may or may not be negotiable. AIA's compensation may differ depending upon the firm's individual agreement with each TPA. AIA or its Associated Persons may have an incentive to recommend one TPA over another TPA with whom it has less favorable compensation arrangements or other advisory programs offered by TPAs with which it has no compensation arrangements.

#### **Additional Information about Fees and Expenses**

The fees AIA charges are negotiable based on the amount of assets under management, complexity of client goals and objectives, and level of services rendered. As described above, the fees are charged as described and are not based on a share of capital gains of the funds of an advisory client. All fees paid to AIA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the services of AIA. In that case, the client would not receive the services provided by AIA which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by AIA to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Negotiability of Fees:** We allow Associated Persons servicing the account to negotiate the exact investment management fees within the range disclosed in our Form ADV Part 2A Brochure. As a result, the Associated Person servicing your account may charge more or less for the same service than another Associated Person of our firm. Further, our annual investment management fee may be higher than that charged by other investment advisors offering similar services/programs.

**Billing on Margin:** Unless otherwise agreed in writing, the gross amount of assets in the client's account, including margin balances, are included as part of assets under management for purposes of calculating the firm's advisory fee. Clients should note that this practice will increase total assets under management used to calculate advisory fees which will in turn increase the amount of fees collected by our firm. This practice creates a conflict of interest in that our firm has an incentive to use margin in order to increase the amount of billable assets. At all times, the firm and its Associated Persons strive to uphold their fiduciary duty of fair dealing with clients. Clients are free to restrict the use of margin by our firm. However, clients should note that any restriction on the use of margin may negatively impact an account's performance in a rising market.

**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).

#### **Compensation for the Sale of Insurance Products**

Certain Executive officers and other Associated Persons of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to our clients. Insurance commissions earned by these persons are separate from and in addition to our advisory fees. The sale of insurance instruments and other commissionable products offered by Associated Persons are intended to complement our advisory services. However, this practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. We address this conflict of interest by recommending insurance products only where we, in good faith, believe that it is appropriate for the client's particular needs and circumstances and only after a full presentation of the recommended insurance product to our client. In addition, we explain the insurance underwriting process to our clients to illustrate how the insurer also reviews the client's application and disclosures prior to the issuance of a resulting insuring agreement. Clients to whom the firm offers advisory services are informed that they are under no obligation to purchase insurance services. Clients who do choose to purchase insurance services are under no obligation to use our licensed Associated Persons and may use the insurance brokerage firm and agent of their choice

Where fixed annuities are sold, clients should also note that the annuity sales result in substantial up-front commissions and ongoing trails based on the annuity's total value. In addition, many annuities contain surrender charges and/or restrictions on access to your funds. Payments and withdrawals can have tax consequences. Optional lifetime income benefit riders are used to calculate lifetime payments only and are not available for cash surrender or in a death benefit unless specified in the annuity contract. In some annuity products, fees can apply when using an income rider. Annuity guarantees are based on the financial strength and claims-paying ability of the issuing insurance company. We urge our clients to read all insurance contract disclosures carefully before making a purchase decision. Rates and returns mentioned on any program presented are subject to change without notice. Insurance products are subject to fees and additional expenses.

We strive to identify all potential and actual material conflicts of interest between you, our firm, and our Associated Persons in this Disclosure Brochure. If additional conflicts arise in the future, we will notify you in writing and/or provide you an updated Disclosure Brochure.

#### **Performance-Based Fees and Side-By-Side Management - Item 6**

Performance based fees are based on a share of capital gains on or capital appreciation of the client's assets. We and our Associated Persons do not accept performance-based fees.

#### **Types of Clients - Item 7**

We provide advisory services to a variety of types of clients including individuals, trusts, individual's pension plan accounts, and retirement plan trustees. We do not currently impose a minimum account size requirement.



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

Asset allocation models used by the sub advisers and/or other third-party model providers (listed under Item 4 above) are developed in accordance with investment programs developed by these entities. Clients should refer to the relevant sub advisers' and/or third-party model provider's brochures for more information about the methods of analysis and investment strategies used by those firms.

The following are different methods of analysis that we may use when providing you with investment advice:

- Fundamental analysis is a method of evaluating a company or security by attempting to measure its intrinsic value. In other words, trying to determine a company's or a security's true value by looking at all aspects of the business, including both tangible factors (e.g., machinery buildings, land, etc.) and intangible factors (e.g., patents, trademarks, "brand" names, etc.). Fundamental analysis also involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial factors (e.g., company debt, interest rates, management salaries and bonuses, etc.), qualitative factors (e.g., management expertise, industry cycles, labor relations, etc.), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of determining what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.
- Technical analysis is a technique that relies on the assumption that current market data (such as charts of price, volume, and open interest) can help predict future market trends, at least in the short term. It assumes that market psychology influences trading and can predict when stocks will rise or fall. Technical trading models are mathematically driven based upon historical data and trends of domestic and foreign market trading activity, including various industry and sector trading statistics within such markets. Technical trading models, through mathematical algorithms, attempt to identify when markets are likely to increase or decrease and identify appropriate entry and exit points. The primary risk of technical trading models is that historical trends and past performance cannot predict future trends, and there is no assurance that the mathematical algorithms employed are designed properly, updated with new data, and can accurately predict future market, industry, and sector performance.

We use one or more of the following investment strategies when advising you on investments:

- *Long Term Purchases* – securities purchased with the expectation that the value of those securities will grow over a relatively long period, generally greater than one year. Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.
- *Short Term Purchases* – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can

affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.), but they may have a smaller impact over longer periods.

- *Trading* – securities are sold within 30 days. The principal type of risk associated with trading is market risk. There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Other factors, such as changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and government, economic or monetary policies, may affect investments as well. Additionally, trading is speculative. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument markets and such intervention (as well as other factors) may cause these markets to move rapidly.
- *Short Sales* – securities transaction in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price, but if the price of the shares increase, the potential losses are unlimited.

The investment advice provided along with the strategies suggested by AIA will vary depending on each client's specific financial situation and goals. This brief statement does not disclose all of the risks and other significant aspects of investing in financial markets. In light of the risks, you should fully understand the nature of the contractual relationship(s) into which you are entering and the extent of your exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed will be appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

#### **Investing in securities involves risk of loss that clients should be prepared to bear**

**General Investment Risk:** All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for everyone. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments in which you intend to invest.

**Loss of Value:** There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political, and economic developments, and government, economic, or monetary policies.

**Interest Rate Risk:** Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes.

**Credit Risk:** Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower

the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

**Foreign Exchange Risk:** Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation, and other economic and political conditions. If the currency in which a security is denominated appreciates against the U.S. Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

**Risks Associated with Investing in Equities:** Investments in equities generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

#### **Recommendation of Particular Types of Securities**

As disclosed under the Advisory Business section in this brochure, we recommend all types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with that investment.

**Risks Associated with Investing in Options:** Transactions in options carry a high degree of risk. A relatively small market movement will have a proportionately larger impact, which may work for or against the investor. Placing certain orders, which are intended to limit losses to certain amounts, may not be effective because market conditions may make it impossible to execute such orders. Selling 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 also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

**Cybersecurity Risk:** AIA relies on the use of technologies to conduct business, and is susceptible to operational, information security and related risks, including risks of unintentional cyber incidents and deliberate cyber-attacks. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of corrupting data, or causing operational disruption, as well as denial-of-service attacks on websites. Cyber incidents may cause disruptions and impact business operations, potentially resulting in financial losses, interference with a client's ability to value its securities or account investments, impediments to trading, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. While AIA and its most significant counterparties and vendors have established business continuity plans and risk management systems to help mitigate cyber incidents, there are inherent limitations in such plans and systems that AIA is not in a position to control.

**Pandemic Risk:** Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption. It is difficult to predict the long-term impact of such events because they are dependent on a variety of factors including the global response of regulators and governments to address and mitigate the worldwide

effects of such events. Workforce reductions, travel restrictions, governmental responses and policies and macroeconomic factors will negatively impact investment returns.

**Recommendation of Other Advisers:** In the event we recommend a third-party investment adviser to manage all or a portion of your assets, we will advise you on how to allocate your assets among various classes of securities or third-party investment managers, programs, or managed model portfolios. As such, we will primarily rely on investment model portfolios and strategies developed by the third-party investment advisers and their portfolio managers. If there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark, we may recommend changing models or replacing a third-party investment adviser. The primary risks associated with investing with a third party is that while a particular third party may have demonstrated a certain level of success in the past; it may not be able to replicate that success in future markets. In addition, as we do not control the underlying investments in third party model portfolios, there is also a risk that a third party may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. To mitigate this risk, we seek third parties with proven track records that have demonstrated a consistent level of performance and success over time. A third party's past performance is not a guarantee of future results and certain market and economic risks exist that may adversely affect an account's performance that could result in capital losses in your account. Please refer to the third-party investment adviser's advisory agreements, Form ADV Brochure, and associated disclosure documents for details on their specific investment strategies, methods of analysis, and associated risks.

**Risks Associated with Investing in Mutual Funds:** Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. In addition, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns.

**Risks Associated with Investing in Exchange Traded Funds (ETF):** Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency. Detailed information about the risks associated with each ETF is provided in the relevant ETF's prospectus. Below are some specific risks related to the ETFs recommended by our firm:

- **Leveraged and Inverse ETF Risk:** A leveraged ETF generally seeks to deliver multiples of the daily performance of the index or benchmark that it tracks. An inverse ETF generally seeks to deliver the opposite of the daily performance of the index or benchmark that it tracks. Inverse ETFs often are marketed as a way for investors to profit from, or at least hedge their exposure to, downward-moving markets. Some ETFs are both inverse and leveraged, meaning that they seek a return that is a multiple of the inverse performance of the underlying index. To accomplish their objectives, leveraged and inverse ETFs use a range of investment strategies, including swaps, futures contracts and other derivative instruments. Leveraged, inverse, and leveraged inverse ETFs are more volatile and riskier than traditional ETFs due to their exposure to leverage and derivatives, particularly total return swaps and futures. At times, we will recommend leveraged and/or inversed ETFs, which may amplify gains and losses.

Most leveraged ETFs are typically designed to achieve their desired exposure on a daily (in a few cases, monthly) basis, and reset their leverage daily. A "single day" is measured from the time the leveraged ETF calculates its net asset value ("NAV") to the time of the leveraged ETF's next NAV calculation. The

return of the leveraged ETF for periods longer than a single day will be the result of each day's returns compounded over the period. Due to the effect of this mathematical compounding, their performance over longer periods of time can differ significantly from the performance (or inverse performance) of their underlying index or benchmark during the same period of time. For periods longer than a single day, the leveraged ETF will lose money when the level of the Index is flat, and it is possible that the leveraged ETF will lose money even if the level of the Index rises. Longer holding periods, higher index volatility and greater leverage all exacerbate the impact of compounding on an investor's returns. During periods of higher Index volatility, the volatility of the Index may affect the leveraged ETF's return as much as or more than the return of the Index itself. Therefore, holding leveraged, inverse, and leveraged inverse ETFs for longer periods of time increases their risk due to the effects of compounding and the inherent difficulty in market timing. Leveraged ETFs are riskier than similarly benchmarked ETFs that do not use leverage. Non-traditional ETFs are volatile and not suitable for all investors. Positions in nontraditional ETFs should be monitored closely due to their volatile nature and inability to track the underlying index over an extended period of time.

**Buffer ETFs:** Buffer ETFs are also known as defined-outcome ETFs, since the ETF is designed to offer downside protection for a specified period of time. These ETFs are modeled after options-based structured notes, but are generally cheaper, and offer more liquidity. Buffer ETFs are designed to safeguard against market downturns by employing complex options strategies. Buffer ETFs typically charge higher management fees that are considerably more than the index funds whose performance they attempt to track. Additionally, because buffer funds own options, they do not receive dividends from their equity holdings. Both factors result in the underperformance of the Buffer ETF compared to the index they attempt to track. Clients should carefully read the prospectus for a buffer ETF to fully understand the cost structures, risks and features of these complex products.

**Structured Notes:** Below are some specific risks related to the structured notes recommended by our firm:

- *Complexity:* Structured notes are complex financial instruments. Clients should understand the reference asset(s) or index(es) and determine how the note's payoff structure incorporates such reference asset(s) or index(es) in calculating the note's performance. This payoff calculation may include leverage multiplied on the performance of the reference asset or index, protection from losses should the reference asset or index produce negative returns, and fees. Structured notes may have complicated payoff structures that can make it difficult for clients to accurately assess their value, risk and potential for growth through the term of the structured note. Determining the performance of each note can be complex and this calculation can vary significantly from note to note depending on the structure. Notes can be structured in a wide variety of ways. Payoff structures can be leveraged, inverse, or inverse-leveraged, which may result in larger returns or losses. Clients should carefully read the prospectus for a structured note to fully understand how the payoff on a note will be calculated and discuss these issues with our firm.
- *Market risk.* Some structured notes provide for the repayment of principal at maturity, which is often referred to as "principal protection." This principal protection is subject to the credit risk of the issuing financial institution. Many structured notes do not offer this feature. For structured notes that do not offer principal protection, the performance of the linked asset or index may cause clients to lose some, or all, of their principal. Depending on the nature of the linked asset or index, the market risk of the structured note may include changes in equity or commodity prices, changes in interest rates or foreign exchange rates, and/or market volatility.
- *Issuance price and note value:* The price of a structured note at issuance will likely be higher than the fair value of the structured note on the date of issuance. Issuers now generally disclose an estimated value of the structured note on the cover page of the offering prospectus, allowing investors to gauge the difference between the issuer's estimated value of the note and the issuance price. The estimated value of the notes is likely lower than the issuance price of the note to investors because issuers include the costs for selling, structuring and/or hedging the exposure on the note in the initial price of their notes.

After issuance, structured notes may not be re-sold on a daily basis and thus may be difficult to value given their complexity.

- *Liquidity*: The ability to trade or sell structured notes in a secondary market is often very limited, as structured notes (other than exchange-traded notes known as ETNs) are not listed for trading on securities exchanges. As a result, the only potential buyer for a structured note may be the issuing financial institution's broker-dealer affiliate or the broker-dealer distributor of the structured note. In addition, issuers often specifically disclaim their intention to repurchase or make markets in the notes they issue. Clients should, therefore, be prepared to hold a structured note to its maturity date, or risk selling the note at a discount to its value at the time of sale.
- *Credit risk*: Structured notes are unsecured debt obligations of the issuer, meaning that the issuer is obligated to make payments on the notes as promised. These promises, including any principal protection, are only as good as the financial health of the structured note issuer. If the structured note issuer defaults on these obligations, investors may lose some, or all, of the principal amount they invested in the structured notes as well as any other payments that may be due on the structured notes.

#### Disciplinary Information - Item 9

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or of the integrity of our management. Neither AIA nor its management persons have a history of material legal or disciplinary events that are required to be reported in this section.

#### Other Financial Industry Activities or Affiliations - Item 10

Matthew Deaton and Damon Roberts are licensed insurance agents and can effect transactions in insurance products for their clients and earn commissions for these activities. Mr. Deaton owns The Deaton Group, LLC and Mr. Roberts owns Acute Financial. Messrs. Deaton and Roberts collectively own Acute Wealth Advisors. All three entities are insurance agencies based in the State of Arizona. Insurance commissions earned by these individuals and entities are separate and in addition to AIA's advisory fees.

The firm expects that clients to whom it offers advisory services may also be clients for whom Messrs. Deaton and Roberts act as insurance agents. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. Clients are instructed that the fees paid to the firm for advisory services are separate and distinct from the commissions earned by Messrs. Deaton and Roberts for placing the client in insurance products. Clients to whom the firm offers advisory services are informed that they are under no obligation to use Messrs. Deaton and Roberts for insurance services and may use the insurance brokerage firm and agent of their choice. Messrs. Deaton and Roberts spend about 50% of their time in their capacities as insurance agents with the remaining 50% spent in their capacities as the Managing Members and investment adviser representatives of AIA.

Matthew Deaton and Damon Roberts are volunteers and presenters with The Foundation For Financial Education, a 501(c)(3) nonprofit organization that provides financial education classes to members of the general public. In some cases, attendees to these classes may hire AIA for portfolio management services and may purchase insurance products from AIA's related persons in their separate capacities as insurance agents. This creates a material conflict of interest. AIA strives to uphold its fiduciary duty at all times. In addition, attendees to these classes are informed that they are under no obligation to obtain investment advisory services from AIA or

insurance services from AIA's related persons, as they are free to obtain investment advisory and/or insurance services from any service provider they chose.

#### **Recommendation of Other Advisors**

We may recommend that you use a third-party adviser as part of our asset allocation and investment strategy. AIA will share in the compensation received by the third-party adviser for managing your account. The compensation arrangement presents a conflict of interest due to a financial incentive to recommend the services of the third-party adviser. You are not required to use the services of any third-party adviser we recommend.

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

#### **Description of Our Code of Ethics**

AIA has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes AIA's policies and procedures developed to protect client's interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics.
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of AIA's Code of Ethics is available upon request to Matthew Deaton, Managing Member, at 480-620-6907.

#### **Personal Trading Practices**

At times, AIA and/or its Advisory Representatives may take positions in the same securities as clients. This is considered a conflict of interest with clients. AIA and its Advisory Representatives will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to client trades, however, we will uphold our fiduciary responsibilities to our clients. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (e.g., a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Mutual fund purchases are not subject to these policies because the transactions are executed at NAV at the end of the trading day.

Where client accounts are managed by a sub adviser, the firm and persons associated with the firm would not necessarily be aware of timing of trades being considered by a third-party investment adviser prior to the transaction. However, where the firm and/or its Associated Persons are aware that a sub adviser is considering specific transactions for clients' accounts on a specific trading day where there is a potential material conflict, they will make every effort to be "last in" and "last out" for the trading day when trading occurs in close proximity to client trades.

### **Brokerage Practices - Item 12**

AIA does not maintain custody of your assets that we manage, although we are deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15—Custody, below). Your assets

must be maintained in an account at a “qualified custodian,” generally a broker-dealer, bank, or trust company, for example. We routinely recommend that our clients use Charles Schwab & Co., Inc. (“Schwab”) or Fidelity Institutional Wealth Services and/or its affiliate, National Financial Services LLC (collectively “Fidelity”) as the qualified custodians.

We are independently owned and operated and are not affiliated with Schwab or Fidelity. Schwab and Fidelity will hold your assets in a brokerage account and buy and sell securities when we or you instruct them to. While we recommend that you use Schwab and Fidelity as custodian/broker, you will decide whether to do so and will open your account with Schwab and/or Fidelity by entering into an account Agreement directly with them. Conflicts of interest associated with this arrangement are described below as well as in Item 14 (Client Referrals and Other Compensation). You should consider these conflicts of interest when selecting your custodian.

We do not open the account for you, although we may assist you in doing so. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by us. Even though your account is maintained at Schwab and/or Fidelity, and we anticipate that most trades will be executed through Schwab, we can still use other brokers to execute trades for your account as described below (see “Your Brokerage and Custody Costs”).

#### **How We Select Brokers/Custodians**

When considering whether the terms that Schwab and Fidelity provide are, overall, most advantageous to you when compared with other available providers and their services, we take into account a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payments, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Services delivered or paid for by Schwab and/or Fidelity
- Availability of other products and services that benefit us, as discussed below

In recognition of the value of research services and additional brokerage products and services recommended broker-dealers/custodians provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere. Additionally, recommended third party advisers may routinely recommend or require clients to utilize a particular broker-dealer/custodian in order to participate in such third-party programs as described in the relevant third-party adviser’s disclosure document(s) and/or advisory agreement(s).

We have provided additional disclosures about each custodial broker dealer used by our firm below:

#### **Charles Schwab & Co., Inc.**

##### **Your Brokerage and Custody Costs**

For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, certain mutual funds and ETFs) do not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your



account in Schwab's Cash Features Program. In addition to transaction fees, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we will have Schwab execute most trades for your account.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trades through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How We Select Brokers/Custodians"). By using another broker or dealer you may pay lower transaction costs.

***Research and Other Soft Dollar Benefits***

Although the following products and services are not purchased with "soft dollar" credits, we will receive certain economic benefits (soft dollar benefits) from Schwab in the form of access to Schwab's institutional brokerage and support services at no additional cost or a discounted cost. Below is a detailed description of Schwab's support services:

***Products and Services Available to Us from Schwab***

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like ours. They provide our clients and us with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us.

*Services that Benefit You:* Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

*Services that Do Not Directly Benefit You:* Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide pricing and other market data
- facilitate payment of our fees from our clients' accounts
- assist with back-office functions, recordkeeping, and client reporting

*Services that Generally Benefit Only Us:* Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology and business needs

- Consulting on legal and compliance-related needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support
- Recruiting and custodial search consulting

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. Schwab also provides us with other benefits, such as occasional business entertainment for our personnel. If you did not maintain your account with Schwab, we would be required to pay for those services from our own resources.

AIA understands its duty for best execution and considers all factors in making recommendations to clients. These research services may be useful in servicing all AIA clients and may not be used in connection with any particular account that may have paid compensation to the firm providing such services. While AIA may not always obtain the lowest commission rate, AIA believes the rate is reasonable in relation to the value of the brokerage and research services provided.

#### **Our Interest in Schwab's Services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services.

Schwab has also agreed to pay for certain technology, research, marketing, and compliance consulting products and services on our behalf once the value of our clients' assets in accounts at Schwab reaches certain thresholds.

The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate our recommendation of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How We Select Brokers/Custodians") and not Schwab's services that benefit only us.

#### **Fidelity Institutional Wealth Services/National Financial Services LLC**

We also recommend the services of Fidelity Institutional Wealth Services and/or its affiliate, National Financial Services LLC (collectively "Fidelity"). Fidelity is an independent and unaffiliated SEC-registered broker-dealer and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). Fidelity offers us services that include custody of securities, trade execution, clearance, and settlement of transactions.

Although not considered "soft dollar" compensation, we may receive some economic benefits from Fidelity in the form of access to its institutional brokerage, trading, custody, reporting and related services, some of which are not typically available to Fidelity retail customers. Fidelity also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Fidelity's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us.

*Services that Benefit You:* Fidelity's services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Fidelity include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Fidelity's services described in this paragraph generally benefit you and your account.

*Services that May Not Directly Benefit You:* Fidelity also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include limited scope investment research. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Fidelity. In addition to investment research, Fidelity also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

#### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

#### **Directed Brokerage**

AIA does not accept directed brokerage arrangements. As such, all clients will be required to use the services of Schwab or Fidelity. Not all advisers require their clients to direct brokerage to a particular broker-dealer/custodian. By directing brokerage, we may be unable to always achieve the most favorable execution of client transactions, which may result in higher commissions and/or trading costs than those that may be available elsewhere.

#### **Block Trades**

We combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading") whenever possible. We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. In rare instances, such as partial fills or limited shares of thinly traded or illiquid stocks, it may be necessary to place block trades for only small groups of clients over a period of time. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment. We do not combine multiple orders for shares of the same mutual funds purchased for advisory accounts we manage because mutual funds do not trade in blocks.

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

AIA monitors the individual investments within AIA's portfolio management accounts each day the market is open. Portfolio performance is reviewed, at a minimum, on a quarterly basis. AIA offers portfolio management clients an in-person portfolio review meeting on an annual basis. The Associated Person assigned to the account will perform account reviews.

Triggering factors for interim reviews include changes in market conditions, change of employment, re-balancing of assets to maintain proper asset allocation and any other activity that is discovered as the account is reviewed.

Clients will receive statements directly from their account custodian(s) on at least a quarterly basis.

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

##### **Custodial Benefits**

As described in Item 12 above, we receive economic benefits from our custodial broker dealer in the form of support products and services they make available to us and other independent investment advisors whose clients maintain their accounts at these custodial broker dealers. The availability of custodial products and services is not dependent upon or based on the specific investment advice we provide our clients, such as buying or selling specific securities or specific types of securities for our clients. The products and services provided by the custodial broker dealer, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices).

##### **Economic Benefits Received from Vendors and Product Sponsors**

Occasionally, our firm and our Associated Persons will receive additional compensation from vendors. Compensation could include such items as gifts; an occasional dinner or ticket to a sporting event; reimbursement in connection with educational meetings with an Associated Person, reimbursement for consulting services, client workshops, or events; or marketing events or advertising initiatives, including services for identifying prospective clients. Receipt of additional economic benefits presents a conflict of interest because our firm and Associated Persons have an incentive to recommend and use vendors based on the additional economic benefits obtained rather than solely on the client's needs. We address this conflict of interest by recommending vendors that we, in good faith, believe are appropriate for the client's particular needs. Clients are under no obligation contractually or otherwise, to use any of the vendors recommended by us.

AIA, The Deaton Group, LLC, Acute Financial, LLC, Acute Wealth Advisors, LLC, and our Associated Persons have ongoing business relationships with various third-party vendors and insurance product sponsors. From time to time, these vendors (including Brookstone Capital Management, LLC) provide advertising development, marketing assistance, software, portfolio analysis assistance, and other services that are designed to assist our firm primarily with client acquisition and servicing. In addition, Associated Persons of our firm attend training and/or due diligence meetings sponsored by such vendors. Some of the products and services made available by such vendors benefit our firm, but may not benefit our clients. These products or services assist us in managing and administering client accounts, including clients who have no direct relationship with these vendors. Other services made available by such vendors are intended to help us manage and further develop our business enterprise. As part of our fiduciary duties to clients, our firm endeavors at all times to put the interests of our clients first. You should be aware, however, that our firm's receipt of economic benefits in and of itself creates a conflict of interest because it gives our firm an incentive to work with vendors that provide such services over vendors that provide no additional services.

Brookstone Capital Management, LLC has agreed to provide us certain services in exchange for a monthly fee or a commitment to maintain a certain amount of clients' assets with them. These services include access to portfolio management and reporting software, portfolio design, performance calculations, and development of performance advertisements, among others. This presents a conflict of interest because our firm has an incentive to recommend Brookstone Capital Management, LLC to our clients over other sub-advisers that do not provide us with such additional services. Client portfolios that are directly managed by us are subject to the same fee schedule as those managed by Brookstone Capital Management, LLC. In addition, the portfolio allocation models used by our firm were developed in coordination with Brookstone Capital Management, LLC and are similar to the portfolio models used by them. Our firm believes this sufficiently addresses this conflict. Further, you are not required to use the services of any sub-adviser we recommend.

### **Sale of Insurance Products**

Associated Persons of AIA will solicit, offer, and sell insurance products to you for commissions in their separate capacity as insurance agents. This represents a conflict of interest since AIA and the Associated Persons receive fees and/or commissions if you choose to implement the recommendations of your Associated Persons in his or her separate capacity as an insurance agent. You are under no obligation to implement recommendations through your Associated Persons and are free to choose any insurance company you wish to implement the recommendations.

### **Recommendation of Other Advisors**

We may recommend that you use a third-party adviser as part of our asset allocation and investment strategy. AIA will share in the compensation received by the third-party adviser for managing your account. The compensation arrangement presents a conflict of interest due to a financial incentive to recommend the services of the third-party adviser.

### ***Ramsey Solutions –SmartVestor™***

We have entered into an advertising agreement with Ramsey Solutions (“RS”) whereby RS provides online advertising services in exchange for a flat monthly marketing fee. The services include advertising space on RS’s web-based SmartVestor™, lists assigned to particular geographic markets, use of the SmartVestor™ marks in advertising, and the provision of other marketing materials. Potential clients using the SmartVestor™ site may select and choose to contact our Associated Persons for services.

### **Custody - Item 15**

AIA does not have custody of client funds or securities.

Generally, clients will receive monthly account statements from the broker-dealer or other qualified custodian. Inactive accounts may receive quarterly account statements. The custodian will not verify the calculation of the advisory fees. As such, we urge our clients to review their custodial account statements for accuracy.

### **Investment Discretion - Item 16**

AIA offers Portfolio Management Services on a discretionary basis. Clients must grant discretionary authority in the Investment Management Agreement. Discretionary authority extends to the types and amounts of securities to be bought and sold in client accounts. Apart from the ability to withdraw management fees, AIA does not have the ability to withdraw funds or securities from the client’s account. The client provides AIA discretionary authority via a limited power of attorney in the Investment Management Agreement and in the contract between the client and the custodian.

If you wish, you may limit our discretionary authority, for example, by setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing. Please refer to the “Advisory Business” section in this Brochure for more information on our discretionary management services.

If you have engaged us for non-discretionary portfolio management services, AIA will obtain your approval prior to executing all transactions in your account(s).

#### Voting Client Securities - Item 17

AIA does not vote proxies. It is the client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

#### Financial Information - Item 18

We are required in this Item to provide you with certain financial information or disclosures about AIA's, financial condition. AIA does not require the prepayment of over \$1,200, six or more months in advance. Additionally, AIA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

#### Requirements of State-Registered Advisers - Item 19

**This section is not applicable because our firm is SEC registered.**

#### IRA Rollover Services Disclosure

In conjunction with the advisory services offered, we may provide education or recommendations related to the rollover of an employer sponsored retirement plan. A plan participant leaving employment has several options. Each choice offers advantages and disadvantages, depending on desired investment options and services, fees and expenses, withdrawal options, required minimum distributions, tax treatment, and the investor's unique financial needs and retirement plans. The complexity of these choices may lead an investor to seek assistance from us.

When our firm or our Associated Person(s) recommend an investor roll over plan assets into an Individual Retirement Account ("IRA"), we and our Associated Person(s) may earn an asset-based fee as a result. However, no compensation is received if assets are retained in the plan. Thus, we have an economic incentive to encourage an investor to roll plan assets into an IRA. In most cases, your fees and expenses will increase because fees will apply to assets rolled over to an IRA and ongoing services will be extended to these assets.

Further, you may incur other levels of fees and expenses, including, but not limited to, investment-related expenses imposed by other service providers and mutual fund managers not affiliated with us, as well as other fees and expenses charged by the custodian, third-party administrator, and/or record-keeper. We make no representations or warranties relating to any costs or expenses associated with the services provided by any third parties, and you understand that these fees are in addition to the fee paid to us for the rollover advice.

In cases where we provide you with rollover advice as defined by the Department of Labor, which may also include setting up and/or completing the rollover transaction, we do not serve as a custodian, and we do not provide legal or tax advice to you. In addition, we do not have any responsibilities or potential liabilities in connection with assets not related to the rollover and investments that are not managed by us.

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. In accordance with various rules and regulations, we must act in your best interest and we must not put our interests ahead of your interests. Additionally, 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 polices, 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 any conflicts of interest.

We rely on all information you provide to us, whether financial or otherwise, without independent verification. We request that you promptly notify us in writing of any material change in the financial and other information provided to us, and to promptly provide any such additional information as may be reasonably requested by us.

Due to the volatile and unpredictable nature of financial markets, we do not guarantee any future performance, any specific level of performance, or the success of any recommendations or strategies that we may take or recommend for you, or the success of our overall recommendations. Investment recommendations are subject to various market, currency, economic, political, and business risks, and that investment decisions will not always be profitable.

#### Acute Investment Advisory, LLC – Privacy Notice

This notice is being provided to you in accordance with the Securities and Exchange Commission’s rule regarding the privacy of consumer financial information (“Regulation S-P”). Please take the time to read and understand the privacy policies and procedures that we have implemented to safeguard your nonpublic personal information.

#### **Information We Collect**

Acute Investment Advisory, LLC must collect certain personally identifiable financial information about its customers to provide financial services and products. The personally identifiable financial information that we gather during the normal course of doing business with you may include:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates, or others;
- Information we receive from a consumer reporting agency.

#### **Information We Disclose**

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted or required by law, or as necessary to provide services to you. In accordance with Section 248.13 of Regulation S-P, we may disclose all of the information we collect, as described above, to certain nonaffiliated third parties such as attorneys, accountants, auditors and persons or entities that are assessing our compliance with industry standards. We enter into contractual agreements with all nonaffiliated third parties that prohibit such third parties from disclosing or using the information other than to carry out the purposes for which we disclose the information.

**Regulation S-AM:** Under Regulation S-AM, we are prohibited from using eligibility information that we receive from an affiliate to make a marketing solicitation unless:

1. the potential marketing use of that information has been clearly, conspicuously and concisely disclosed to the consumer;

2. the consumer has been provided a reasonable opportunity and a simple method to opt out of receiving the marketing solicitations; and
3. the consumer has not opted out.

Acute Investment Advisory, LLC and its affiliated insurance firms, The Deaton Group, LLC and Acute Financial share eligibility information obtained from clients with each other to make marketing solicitations. Please contact us at (480) 620-6907 or at [matt@acutewealthadvisors.com](mailto:matt@acutewealthadvisors.com) if you do not want us or our affiliated insurance firm from sharing your information with each other to make marketing solicitations.

**Regulation S-ID:** Regulation S-ID requires our firm to have an Identity Theft Protection Program (ITPP) that controls reasonably foreseeable risks to customers or to the safety and soundness of our firm from identity theft. We have developed an ITPP to adequately identify and detect potential red-flags to prevent and mitigate identity theft.

**Confidentiality and Security**

We restrict access to nonpublic personal information about you to those Employees who need to know that information to provide financial products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

**Accuracy**

Acute Investment Advisory, LLC strives to maintain accurate personal information in our client files at all times. However, as personal situations, facts and data change over time and we encourage our clients to provide feedback and updated information to help us meet our goals.

A copy of Acute Investment Advisory, LLC's Privacy Notice is available upon request to our firm at (480) 620-6907 or at [matt@acutewealthadvisors.com](mailto:matt@acutewealthadvisors.com)



# Matthew Deaton

Managing Member/Investment Adviser Representative



## Acute Investment Advisory, LLC

### Address

4856 East Baseline Road, Suite 104  
Mesa, AZ 85206

Telephone: 480-620-6907

Fax: 800-537-4185

E-mail: [matt@acutewealthadvisors.com](mailto:matt@acutewealthadvisors.com)

Web site: [www.acutewealthadvisors.com](http://www.acutewealthadvisors.com)

**July 10, 2022**

### Form ADV Part 2B Brochure Supplement

This Brochure Supplement provides information about Matthew Deaton that supplements Acute Investment Advisory, LLC (hereinafter "AIA") Brochure. You should have received a copy of that Brochure. Please contact us at 480-620-6907 if you did not receive Acute Investment Advisory, LLC's Brochure or if you have any questions about the contents of this supplement.

Additional information about Matthew Deaton is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Mr. Deaton's CRD number is 6298275.

### Educational Background and Business Experience - Item 2

#### **Education Background and Business Experience**

##### **Matthew Deaton**

Matthew Deaton was born in 1977. He attended Arizona State University where he earned a Bachelor of Science degree in Finance. He also completed his Masters in Business Administration at Arizona State University.

##### Business Experience

- Acute Investment Advisory, LLC, March 2014 to present, Managing Member
- The Deaton Group, LLC, Member, 2005 to Present
- Acute Wealth Advisors, LLC, February 2017 to present, Member

##### Professional Designations

Mr. Deaton is a licensed insurance agent. To obtain an insurance license, an individual has to pass the Arizona insurance license exam. The examination is made up of bullet-point questions and includes both general and state-specific material. The general questions test the individual's federal insurance product and agent knowledge. The state-specific questions test the individual's knowledge on the Arizona insurance regulations and laws that are necessary to operate as an insurance agent. Before selling, soliciting or negotiating annuity policies in Arizona, an individual must complete a four-hour annuity training course. Licensees are also required to complete Continued Education by taking 48 hours of required training every 4-year license renewal compliance period, and by taking a 4-hour annuity best interest course that provides a basic refresher of required core insurance concepts of annuities including; Fundamentals of an annuity, annuity prospects, contracts, taxation and suitability.

### Disciplinary Information - Item 3

Mr. Deaton does not have material disciplinary history to report in this section.

### Other Business Activities - Item 4

Mr. Deaton is a licensed insurance agent and can effect transactions in insurance products for his clients and earn commissions for these activities. Mr. Deaton is also the owner of The Deaton Group, LLC and a part owner of Acute Wealth Advisors, LLC. Both firms are insurance agencies based in the State of Arizona. The firm expects that clients to whom it offers advisory services may also be clients for whom Mr. Deaton acts as an insurance agent. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs.

The sale of annuity contracts, insurance instruments and other commissionable products offered by Associated Persons are intended to complement AIA's advisory services. However, Associated Persons are incentivized to recommend or sell these products based on the compensation received rather than upon the client's best interests. Clients should also note that the annuity sales result in substantial up-front commissions and ongoing trails based on the annuity's total value. We address this conflict of interest by recommending insurance products only where we, in good faith, believe that it is appropriate for the client's particular needs and circumstances and only after a full presentation of the recommended insurance product to our client. In addition, we explain the insurance underwriting process to our clients in illustrating how the insurer also reviews the client's application

and disclosures prior to the issuance of a resulting insuring agreement. AIA has policies and procedures in place to monitor all client transactions and all client transaction costs will be disclosed to the client.

Clients are instructed that the fees paid to the firm for advisory services are separate and distinct from the commissions earned by Mr. Deaton for placing the client in insurance products. Clients to whom the firm offers advisory services are informed that they are under no obligation to use Mr. Deaton for insurance services and may use the insurance brokerage firm and agent of their choice. Clients are instructed that the fees paid to the firm for advisory services are separate and distinct from the commissions earned by Mr. Deaton for placing the client in insurance products. Mr. Deaton spends about 50% of his time in his capacities as an insurance agent with the remaining 50% spent in his capacities as the Managing Member and investment adviser representative of AIA.

Mr. Deaton is also a member of the following Limited Liability Companies: Equity Point, LLC, VOSE Holdings, LLC, Coolidge 88, LLC, and Matthew J Deaton, PLC (inactive). These entities are designed to hold various real estate holdings. Matthew Deaton is also a Member of Permanent Makeup by Katie, LLC.

#### Additional Compensation – Item 5

Apart from the receipt of compensation from the activities listed under Item 4 above, Mr. Deaton does not receive additional compensation or economic benefits from third party sources in connection to his advisory activities.

#### Supervision - Item 6

Mr. Deaton is an investment adviser representative of AIA. In this role, Mr. Deaton is responsible for the supervision and management of advisory accounts. As Managing Member, Mr. Deaton is responsible for the overall management of the company and supervision of its personnel, including its investment adviser representatives.

AIA has implemented a Code of Ethics that guides each Associated Person in meeting their fiduciary obligations to clients. Mr. Deaton adheres himself to AIA's code of ethics as mandated.

Additionally, AIA is subject to regulatory oversight by various agencies. These agencies require registration by AIA and its management, and its investment adviser representatives. As a registered entity, AIA is subject to examinations by regulators, which may be announced or unannounced. AIA is required to periodically update the information provided to these agencies and to provide various reports regarding firm business and assets under management.

Clients and prospective clients may contact Mr. Deaton at 480-620-6907 to obtain a copy of AIA's code of ethics.

#### Requirements for State-Registered Advisers - Item 7

**This section is not applicable because our firm is SEC registered.**

## **Damon Roberts**

Managing Member/Investment Adviser Representative



## **Acute Investment Advisory, LLC**

### **Address**

4856 East Baseline Road, Suite 104  
Mesa, AZ 85206

Telephone: 480-620-6907

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E-mail: [damon@acutewealthadvisors.com](mailto:damon@acutewealthadvisors.com)

Web site: [www.acutewealthadvisors.com](http://www.acutewealthadvisors.com)

**July 10, 2023**

### **Form ADV Part 2B Brochure Supplement**

This Brochure Supplement provides information about Damon Roberts that supplements Acute Investment Advisory, LLC (hereinafter "AIA") Brochure. You should have received a copy of that Brochure. Please contact us at 480-620-6907 if you did not receive Acute Investment Advisory, LLC's Brochure or if you have any questions about the contents of this supplement.

Additional information about Damon Roberts is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Mr. Roberts's CRD number is 6298279.

## Educational Background and Business Experience - Item 2

### **Education Background and Business Experience**

#### **Damon Roberts**

Damon Roberts was born in 1974. He attended Brigham Young University where he earned a Bachelor of Science degree in Psychology. He also received a Master of Science degree in Social Work from Arizona State University.

#### Business Experience

- Acute Investment Advisory, LLC, September 2014 to present, Managing Member
- Acute Financial, LLC, February 2009 to Present, Member
- Acute Wealth Advisors, LLC, February 2017 to Present, Member

#### Professional Designations

Mr. Roberts is a licensed insurance agent. To obtain an insurance license, an individual has to pass the Arizona insurance license exam. The examination is made up of bullet-point questions and includes both general and state-specific material. The general questions test the individual's federal insurance product and agent knowledge. The state-specific questions test the individual's knowledge on the Arizona insurance regulations and laws that are necessary to operate as an insurance agent. Before selling, soliciting or negotiating annuity policies in Arizona, an individual must complete a four-hour annuity training course. Licensees are also required to complete Continued Education by taking 48 hours of required training every 4-year license renewal compliance period, and by taking a 4-hour annuity best interest course that provides a basic refresher of required core insurance concepts of annuities including; Fundamentals of an annuity, annuity prospects, contracts, taxation and suitability.

## Disciplinary Information - Item 3

Mr. Roberts does not have material disciplinary history to report in this section.

## Other Business Activities - Item 4

Mr. Roberts is a licensed insurance agent and can effect transactions in insurance products for his clients and earn commissions for these activities. Mr. Roberts is also the owner of Acute Financial, LLC and a part owner of Acute Wealth Advisors. Both firms are insurance agencies based in the State of Arizona. The firm expects that clients to whom it offers advisory services may also be clients for whom Mr. Roberts acts as an insurance agent. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs.

The sale of annuity contracts, insurance instruments and other commissionable products offered by Associated Persons are intended to complement AIA's advisory services. However, Associated Persons are incentivized to recommend or sell these products based on the compensation received rather than upon the client's best interests. Clients should also note that the annuity sales result in substantial up-front commissions and ongoing trails based on the annuity's total value. We address this conflict of interest by recommending insurance products only where we, in good faith, believe that it is appropriate for the client's particular needs and circumstances and only after a full presentation of the recommended insurance product to our client. In addition, we explain the insurance underwriting process to our clients in illustrating how the insurer also reviews the client's application

and disclosures prior to the issuance of a resulting insuring agreement. AIA has policies and procedures in place to monitor all client transactions and all client transaction costs will be disclosed to the client.

Clients are instructed that the fees paid to the firm for advisory services are separate and distinct from the commissions earned by Mr. Roberts for placing the client in insurance products. Clients to whom the firm offers advisory services are informed that they are under no obligation to use Mr. Roberts for insurance services and may use the insurance brokerage firm and agent of their choice. Mr. Roberts spends about 50% of his time in his capacities as an insurance agent with the remaining 50% spent in his capacities as the Managing Member and investment adviser representative of AIA.

#### Additional Compensation – Item 5

Apart from the receipt of compensation from the activities listed under Item 4 above, Mr. Roberts does not receive additional compensation or economic benefits from third party sources in connection to his advisory activities.

#### Supervision - Item 6

Mr. Roberts is an investment adviser representative of AIA. In this role, Mr. Roberts is responsible for the supervision and management of advisory accounts. As Managing Member, Mr. Roberts is responsible for the overall management of the company and supervision of its personnel, including its investment adviser representatives. Mr. Roberts is supervised by Matthew Deaton, the CCO of AIA.

AIA has implemented a Code of Ethics that guides each Associated Person in meeting their fiduciary obligations to clients. Mr. Roberts adheres himself to AIA's code of ethics as mandated.

Additionally, AIA is subject to regulatory oversight by various agencies. These agencies require registration by AIA and its management, and its investment adviser representatives. As a registered entity, AIA is subject to examinations by regulators, which may be announced or unannounced. AIA is required to periodically update the information provided to these agencies and to provide various reports regarding firm business and assets under management.

Clients and prospective clients may contact Mr. Roberts at 480-620-6907 to obtain a copy of AIA's code of ethics.

#### Requirements for State-Registered Advisers - Item 7

**This section is not applicable because our firm is SEC registered.**

## **Abbey E. Brennan**

Account Manager/Investment Adviser Representative



## **Acute Investment Advisory, LLC**

### **Address**

4856 East Baseline Road, Suite 104  
Mesa, AZ 85206

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Web site: [www.acutewealthadvisors.com](http://www.acutewealthadvisors.com)

**May 31, 2022**

### **Form ADV Part 2B Brochure Supplement**

This Brochure Supplement provides information about Abbey Brennan that supplements Acute Investment Advisory, LLC (hereinafter "AIA") Brochure. You should have received a copy of that Brochure. Please contact us at 480-620-6907 if you did not receive Acute Investment Advisory, LLC's Brochure or if you have any questions about the contents of this supplement.

Additional information about Abbey Brennan is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Ms. Brennan's CRD number is 5102728.

### Educational Background and Business Experience - Item 2

#### **Education Background and Business Experience**

##### **Abbey E. Brennan**

Abbey Brennan was born in 1983. She attended the University of Arizona where she earned a Bachelor of Arts degree in Communication.

##### Business Experience

- Acute Investment Advisory, LLC, September 2015 to Present, Account Manager/Investment Adviser Representative
- Wells Fargo Advisors, May 2010 to September 2015, Registered Client Associate

### Disciplinary Information - Item 3

Ms. Brennan does not have material disciplinary history to report in this section.

### Other Business Activities - Item 4

Ms. Brennan is a licensed insurance agent and can effect transactions in insurance products for her clients and earn commissions for these activities. The firm expects that clients to whom it offers advisory services may also be clients for whom Ms. Brennan acts as an insurance agent. Clients are instructed that the fees paid to the firm for advisory services are separate and distinct from the commissions earned by Ms. Brennan for placing the client in insurance products. Clients to whom the firm offers advisory services are informed that they are under no obligation to use Ms. Brennan for insurance services and may use the insurance brokerage firm and agent of their choice. Ms. Brennan spends about 0% of her time in her professional capacities as an insurance agent.

### Additional Compensation – Item 5

Apart from the receipt of compensation from the activities listed under Item 4 above, Ms. Brennan does not receive additional compensation or economic benefits from third party sources in connection to her advisory activities.

### Supervision - Item 6

Ms. Brennan is an investment adviser representative of AIA. In this role, Ms. Brennan is responsible for the supervision and management of advisory accounts. Ms. Brennan is supervised by Damon Roberts, Managing Member of AIA. As Managing Member, Mr. Roberts is responsible for the overall management of the company and supervision of its personnel, including its investment adviser representatives.

AIA has implemented a Code of Ethics that guides each Associated Person in meeting their fiduciary obligations to clients. Ms. Brennan adheres herself to AIA's code of ethics as mandated.



Additionally, AIA is subject to regulatory oversight by various agencies. These agencies require registration by AIA and its management, and its investment adviser representatives. As a registered entity, AIA is subject to examinations by regulators, which may be announced or unannounced. AIA is required to periodically update the information provided to these agencies and to provide various reports regarding firm business and assets under management.

Clients and prospective clients may contact Ms. Brennan at 480-620-6907 to obtain a copy of AIA's code of ethics.

**Requirements for State-Registered Advisers - Item 7**

**This section is not applicable because our firm is SEC registered.**