

ITEM 1 COVER PAGE



**STORYONE FAMILY OFFICE**

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Leawood, KS 66211

CRD #: 331394

May 10, 2024

**This brochure provides information about the qualifications and business practices of StoryOne Family Office. If you have any questions about the contents of this brochure, please contact us at 816-210-4422. 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. Registration (e.g. “registered investment advisor”) does not imply a certain level of skill or training.**

**Additional information about StoryOne Family Office is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ITEM 2 MATERIAL CHANGES**

Pursuant to SEC rules, StoryOne Family Office will ensure that clients receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after the Firm's fiscal year end, December 31. This means that if there were any material changes over the past year, clients will receive a summary of those changes no later than April 30. At that time, StoryOne Family Office will also offer a copy of its most current disclosure brochure and may also provide other ongoing disclosure information about material changes as necessary. If there are no material changes over the past year, no notices will be sent.

Clients and prospective clients can always receive the most current disclosure brochure for StoryOne Family Office at any time by contacting their investment advisor representative.

This is a new brochure as of May 10, 2024.

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## **ITEM 4 ADVISORY BUSINESS**

### ***Firm Description***

StoryOne, LLC, d/b/a StoryOne Family Office (the “Firm” or “SOFO”) is an SEC-registered investment advisor. The Firm was founded on April 9, 2024.

The Principal Owner and Chief Compliance Officer of SOFO is John Christensen.

### ***Types of Advisory Services***

The Firm offers a large variety of services, including portfolio management, investment analysis, and financial planning for individuals and high net worth individuals. The Firm offers these services to clients or prospective clients (“Client” or “Clients”)

Prior to providing any investment advisory services, SOFO requires a written financial services agreement (“FSA”) be executed by the Client. The FSA will outline the services available to the Client and the fees the Client will incur.

### **Discretionary Investment Management Services**

#### **Models:**

The Firm constructs model portfolios based on risk, asset allocation, diversification, and expected returns. These models can be utilized at the account level to help Clients accomplish their financial goals. These models are constructed by utilizing third party research, which includes economic research, market research, and publicly available information. Models may be comprised of publicly traded stocks, bonds, mutual funds, exchange traded funds (ETFs), exchanged traded notes (ETNs), closed end mutual funds, and money markets or cash equivalents. Models may include non-publicly traded securities such as certificates of deposit (CDs), or structured notes. These models include aggressive (90 to 100% equities), growth (75% to 90% equities), balanced growth (60 to 75% equities), balanced (46 to 60% equities) and conservative (30 to 45% equities). These models may be utilized at the individual account level or aggregated at the household level to accomplish the target asset allocation for clients.

#### **Custom Portfolios:**

The Firm may construct custom portfolios for Clients. These portfolios are constructed by utilizing third party research, which includes economic research, market research, and publicly available information. Portfolios may be comprised of publicly traded stocks, bonds, mutual funds, exchange traded funds (ETFs), exchanged traded notes (ETNs), closed end mutual funds, foreign currency, options contracts, and money markets or cash equivalents. Portfolios may include non-publicly traded securities such as certificates of deposit (CDs), structured notes, hedge funds, funds of funds, private real estate or private real estate funds, private equity or private equity funds, venture capital or venture capital funds, private credit or private credit funds. Non-publicly traded securities may be direct investments or custodied at a custodian

selected by SOFO. Custom portfolios take into account the long-term goals of Client, while taking into consideration the Client’s ability to manage and accept the lack of liquidity and marketability of non-publicly traded securities. Custom portfolios may utilize firm constructed model portfolios, and investments that are not held in those model portfolios, which when taken in aggregate is designed to accomplish the clients target risk and return.

Family Office:

Family Office is for families with substantial, multi-generational wealth in need of a more sophisticated approach to managing the complexity of their wealth and family dynamic. Family Office services include Wealth Design Services, Trust Administration Services, Lifestyle Management, Investments, Family Coaching, Mentoring and Education, Philanthropic Services, Tax Services, and Insurance Services. These services are in addition and more complex than a typical financial plan, and the scope of work will typically take years to complete or will continue for the duration of the Client’s life.

The Firm does not offer a Wrap Fee Program

As of May 10, 2024, SOFO has the following assets under management:

Discretionary assets: \$0  
 Non-discretionary assets: \$0

**ITEM 5 FEES AND COMPENSATION**

*Individually Managed Accounts*

Fees for individually managed accounts are tier priced as follows:

<i>Account Size</i>	<i>Fee (Annual percentage)*</i>
<b>\$0 to \$2 million</b>	<b>1.35%</b>
<b>\$2 to \$5 million</b>	<b>1.10%</b>
<b>\$5 to \$10 million</b>	<b>0.85%</b>
<b>\$10 to \$25 million</b>	<b>0.70%</b>
<b>\$25 to \$50 million</b>	<b>0.30%</b>
<b>\$50 to \$100 million</b>	<b>0.25%</b>
<b>\$100 to \$200 million</b>	<b>0.20%</b>
<b>Above \$200 million</b>	<b>0.15%</b>

All asset-based fees are deducted by the qualified custodian of record quarterly, in advance, based on the previous quarters’ daily average, or as otherwise indicated in the FSA. Client statements for prior deductions will be provided on a monthly basis.

All fees paid to SOFO for investment advisory services are separate and distinct from the expenses charged by third-party managers and investment companies to their shareholders.

These fees and expenses are described to the Client in separate disclosures. These fees will generally include third-party management fees, an investment company management fee, other fund expenses, and in some situations a possible distribution fee.

The Firm will provide investment advisory services and portfolio management services but will not provide custodial or other administrative services. At no time will SOFO accept or maintain custody of a Client funds or securities except for authorized fee deduction. The Client may contact the Custodian directly for disbursements, or account record changes, and may also do so in writing to the custodian. The Firm may act at the Client's convenience to facilitate such written communications to the Custodian, provided that such action is not construed to be custody of Client assets.

Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. Fees paid to SOFO are separate and distinct from the custodian and execution fees.

Clients may request to terminate their advisory contract with SOFO, in whole or in part, by providing advance written notice. Upon termination, any fees paid in advance will be prorated to the date of termination and any excess will be refunded to Client through the Custodian. Client's advisory agreement with the Advisor is non-transferable without Client's written approval.

### ***Fixed Fees***

The Firm offers Family Office services for families with complex planning needs. These services are in addition and more complex than a typical financial plan, and the scope of work will typically take years to complete or will continue for the duration of the Client's life. Family Office fees are initially calculated by taking into account the expected scope of work to be completed, and the allocation of time the firm will need to complete said tasks, and then negotiated with the Client from time to time, to make sure that the Client and SOFO are satisfied with the existing arrangement. Family Office fees may be stand alone or bundled with investment management services.

All fixed fees for services offered by SOFO will be determined in advance by the FSA and based on the information provided by the Client at that time. Unless otherwise set out int FSA, fixed fees will be charged on a quarterly basis in advance.

Fixed fees paid in advance will be prorated to the date of termination and the excess refunded to the Client by check as soon as practicable. Where SOFO may request a fee in advance, the amount paid in advance will not be more than \$1,200 per Client and or no longer than six (6) months in advance.

### ***Right of Cancellation***

In addition to the right to terminate the FSA pursuant to its terms, a Client its FSA with SOFO within five (5) business days of first receiving a copy of this disclosure brochure and supplement without penalty or fee.

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

The Firm does not accept performance-based fees and so does not use side-by-side management.

## **ITEM 7 TYPES OF CLIENTS**

The Firm provides investment management and financial planning services to:

- Individuals, including high net worth individuals.
- Families, trusts, and estates.
- Corporations and other business entities.
- Qualified and 401k plans.

The Firm has a minimum investment account balance of \$1,000,000. Generally, this minimum investment account balance is negotiable.

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

### ***Methods of Analysis***

The Firm may use the following methods when considering investment strategies and recommendations.

#### Charting Review

Charting is a technical analysis that charts the patterns of stocks, bonds, and commodities to help determine buy and sell recommendations for Clients. It is a way of gathering and processing price and volume information in a security by applying mathematical equations and plotting the resulting data onto graphs in order to predict future price movements. A graphical historical record assists the analyst in spotting the effect of key events on a security's price, its performance over a period of time, and whether it is trading near its high, near its low or in between. Chartists believe that recurring patterns of trading, commonly referred to as indicators, can help them forecast future price movements.

#### Fundamental Review

A fundamental analysis is a method of evaluating a company or security by attempting to measure its intrinsic value. Fundamental analysis attempts to determine the true value of a company or security by looking at all aspects of the company or security, 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 with the aim of determining what sort of position to take with that security (e.g., if underpriced, the security should be bought; if overpriced the security should be sold). Fundamental analysis uses 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 many types of securities.

### Technical Review

A technical analysis is a method of evaluating securities that analyzes statistics generated by market activity, such as past prices and volume. Technical analysis does not attempt to measure a security's intrinsic value, but instead uses past market data and statistical tools to identify patterns that can suggest future activity. Historical performance of securities and the markets can indicate future performance.

### Cyclical Review

A cyclical analysis assumes the market reacts in reoccurring patterns that can be identified and leveraged to provide performance. Cyclical analysis of economic cycles is used to determine how these reoccurring patterns, or cycles, affect the returns of a given investment, asset, or company. Cyclical analysis is a time-based assessment which incorporates past and present performance to determine future value. Cyclical analyses exist because the broad economy has been shown to move in cycles, from periods of peak performance to periods of low performance. The risks of this strategy are two-fold: (1) the markets do not always repeat cyclical patterns; and (2) if too many investors begin to implement this strategy, it changes the very cycles of which they are trying to take advantage.

### Economic Review

An economic analysis determines the economic environment over a certain time horizon. This involves following and updating historic economic data such as U.S. gross domestic product and consumer price index as well as monitoring key economic drivers such as employment, inflation, and money supply for the world's major economies.

## ***Investment Strategies***

When implementing investment advice to Clients, SOFO may employ a variety of strategies to best pursue the objectives of Clients. Depending on market trends and conditions, SOFO will employ any technique or strategy herein described, at SOFO's discretion and in the best interests of the Client. The Firm does not recommend any particular security or type of security. Instead, SOFO makes recommendations to meet a particular Client's financial objectives. There is



inherent risk to any investment and Clients may suffer a loss of *all or part* of a principal investment.

### Long-Term Purchases

Long-term purchases are securities that are purchased with the expectation that the value of those securities will grow over a relatively long period, generally greater than one year. Long-term purchases may be affected by unforeseen changes in the company in which a Client is invested or in the overall market. Long-term trading is designed to capture market rates of both return and risk. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. Due to its nature, the long-term strategy can expose Clients to various other types of risk that will typically surface at various intervals during the time the Client owns the investments. These risks include, but are not limited to, inflation (purchasing power) risk, interest rate risk, economic risk, and political/regulatory risk.

### Short-Term Purchases

Short-term purchases are securities that are 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. Short-term trading generally holds greater risk. Frequent trading can affect investment performance due to increased brokerage fees and other transaction costs and taxes.

### Strategic Asset Allocation

Asset allocation is a combination of several different types of investments; typically, this includes stocks, bonds, and cash equivalents among various asset classes to achieve diversification. The objective of asset allocation is to manage risk and market exposure while still positioning a portfolio to meet financial objectives.

### ***Risk of Loss***

Investing inherently involves risk up to and including loss of the principal sum. Further, past performance of any security is not necessarily indicative of future results. Therefore, future performance of any specific investment or investment strategy based on past performance should not be assumed as a guarantee. The Firm does not provide any representation or guarantee that the financial goals of Clients will be achieved.

The potential return or gain and potential risk or loss of an investment varies, generally, with the type of product invested in. Below is an overview of the types of products available on the market and the associated risks of each:

General Risks. Investing in securities always involves risk of loss that the Client should be prepared to bear. The Firm does not represent or guarantee that SOFO's services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or

insulate Clients from losses due to market corrections or declines. The Firm cannot offer any guarantees or promises that a Client's financial goals and objectives can or will be met. Past performance is in no way an indication of future performance. The Firm also cannot assure that third parties will satisfy their obligations in a timely manner or perform as expected or marketed.

General Market Risk. Investment returns will fluctuate based upon changes in the value of the portfolio securities. Certain securities held may be worth less than the price originally paid for them, or less than they were worth at an earlier time.

Common Stocks. Investments in common stocks, both directly and indirectly through investment in shares of ETFs (*i.e.*, exchange-traded funds), may fluctuate in value in response to many factors, including, but not limited to, the activities of the individual companies, general market and economic conditions, interest rates, and specific industry changes. Such price fluctuations subject certain strategies to potential losses. During temporary or extended bear markets, the value of common stocks will decline, which could also result in losses for each strategy.

Portfolio Turnover Risk. High rates of portfolio turnover could lower performance of an investment strategy due to increased costs and may result in the realization of capital gains. If an investment strategy realizes capital gains when it sells its portfolio investments, it will increase taxable distributions to the Client. High rates of portfolio turnover in a given year would likely result in short-term capital gains and under current tax law the Client would be taxed on short-term capital gains at ordinary income tax rates, if held in a taxable account.

Non-Diversified Strategy Risk. Some investment strategies may be non-diversified (e.g., investing a greater percentage of portfolio assets in a particular issuer and owning fewer securities than a diversified strategy). Accordingly, each such strategy is subject to the risk that a large loss in an individual issuer will cause a greater loss than it would if the strategy held a larger number of securities or smaller positions sizes.

Model Risk. Financial and economic data series are subject to regime shifts, meaning past information may lack value under future market conditions. Models are based upon assumptions that may prove invalid or incorrect under many market environments. The Firm may use certain model outputs to help identify market opportunities and/or to make certain asset allocation decisions.

There is no guarantee any model will work under all market conditions. For this reason, SOFO includes model related results as part of its investment-decision process, but often weigh professional judgment more heavily in making trades or asset allocations.

ETF Risks, including Net Asset Valuations and Tracking Error. An ETF's performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned

by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depository Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

Clients should be aware that to the extent they invest in ETF securities they will pay two levels of advisory fees – advisory fees charged by SOFO plus any advisory fees charged by the issuer of the ETF. While SOFO is not compensated by any fees paid to the issuer, this scenario may cause a higher advisory cost (and potentially lower investment returns) than if a Client purchased the ETF directly. An ETF typically includes embedded expenses that may reduce the ETF's net asset value, and therefore directly affect the ETF's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. Expenses of the ETF may include investment advisor management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. ETF tracking error and expenses may vary.

Mutual Funds Risks – a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets. Open-End Mutual Funds – a type of mutual fund that does not have restrictions on the amount of shares the fund will issue and will buy back shares when investors wish to sell. Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature. Closed-End Mutual Funds – a type of mutual fund that raises a fixed amount of capital through an initial public offering (IPO). The fund is then structured, listed and traded like a stock on a stock exchange. Clients should be aware that closed-end funds available within the program are not readily marketable. To provide investor liquidity, the funds may offer to repurchase a certain percentage of shares at net asset value on a periodic basis. Thus, clients may be unable to liquidate all or a portion of their shares in these types of funds.

Inflation, Currency, and Interest Rate Risks. Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by SOFO may be affected by the risk that currency devaluations affect Client purchasing power.

Liquidity Risk. Liquidity is the ability to readily convert an investment into cash to prevent a loss, realize an anticipated profit, or otherwise transfer funds out of the particular investment. Generally, investments are more liquid if the investment has an established market of purchasers and sellers, such as a stock or bond listed on a national securities exchange. Conversely, investments that do not have an established market of purchasers and sellers may be considered illiquid. An investment in illiquid investments may be for an indefinite time, because of the lack of purchasers willing to convert the investment to cash or other assets.

Legislative and Tax Risk. Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment advisor or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations, particularly for options, swaps, master limited partnerships, Real Estate Investment Trust, Exchange Traded Products/Funds/Securities.

Foreign Investing and Emerging Markets Risk. Foreign investing involves risks not typically associated with U.S. investments, and the risks maybe exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social, and economic developments affecting one or more foreign countries.

In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be inadequate or irregular.

Information Security Risk. The Firm may be susceptible to risks to the confidentiality and security of its operations and proprietary and customer information. Information risks, including theft or corruption of electronically stored data, denial of service attacks on SOFO's website or websites of SOFO's third-party service providers, and the unauthorized release of confidential information are a few of the more common risks faced by us and other investment advisors. Data security breaches of the Firm's electronic data infrastructure could have the effect of disrupting the Firm's operations and compromising the Firm's customers' confidential and personally identifiable information. Such breaches could result in the inability of the Firm to conduct business, potential losses, including identity theft and theft of investment funds from customers, and other adverse consequences to customers. The Firm proactively takes steps to secure Client data and have implemented policies and procedures to increase cybersecurity.

Tax Risks. Tax laws and regulations applicable to an account with SOFO may be subject to change and unanticipated tax liabilities may be incurred by an investor as a result of such changes. In addition, customers may experience adverse tax consequences from the early assignment of options purchased for a customer's account. Customers should consult their own tax advisors and counsel to determine the potential tax-related consequences of investing.

Advisory Risk. There is no guarantee that the Firm's judgment or investment decisions on behalf of any particular account will necessarily produce the intended results. The Firm's judgment may prove to be incorrect, and an account might not achieve its investment objectives. In addition, it is possible that SOFO may experience computer equipment failure, loss of internet access,

viruses, or other events that may impair access to the custodians' software. The Firm and its representatives are not responsible to any account for losses unless caused by SOFO breaching its fiduciary duty.

Dependence on Key Employees. An accounts success depends, in part, upon the ability of SOFO's key professionals to achieve the targeted investment goals. The loss of any of these key personnel could adversely impact the ability to achieve such investment goals and objectives of the account.

The Firm does not primarily recommend a particular type of security.

## **ITEM 9 DISCIPLINARY INFORMATION**

There are no legal or disciplinary events to disclose for the advisory firm or any management personnel of the advisory firm.

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

Neither the advisory firm nor any of its management persons are registered or have an application pending to register as a broker-dealer, a registered representative of a broker-dealer, a futures commission merchant, commodity pool operator, commodity trading advisor, nor is there any association with any of these mentioned types of entities.

The Firm may recommend or select other investment advisors for its Clients and may receive compensation directly or indirectly from those advisors for doing so. This creates a material conflict of interest. This conflict of interest is addressed by SOFO by its seeking to ensure full and fair disclosure in this brochure. The Firm monitors its accounts and evaluates the quality and costs of the services provided by any third-party to determine whether the recommendation or selection of them continues to meet its fiduciary obligations.

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

### ***Fiduciary Status***

According to federal and state law, an investment advisor is considered a fiduciary. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts. In addition, an investment advisor has a duty of utmost good faith to act solely in the best interest of each of its Clients. The Firm and its representatives have a fiduciary duty to all Clients. The fiduciary duty of SOFO and its representatives toward its Clients is considered the core underlying principal for SOFO's Code of Ethics and represents the expected basis for all dealings SOFO's representatives have with its Clients. The Firm has the responsibility to ensure that the interests of its Clients are placed ahead of its own investment interests, as well as the investment interests of its representatives. All representatives will conduct business in an honest, ethical, and fair manner. All representatives will comply with all federal and state securities laws at all times. Full disclosure of all material facts and potential conflicts of interest will be

provided to Clients prior to services being conducted. All representatives have a responsibility to avoid circumstances that might negatively affect or appear to affect their duty of complete loyalty to SOFO's Clients.

### ***Personal Trading in the Same Securities as Clients***

The Firm or its representatives may from time to time purchase or sell products or investments that they may recommend to Clients. The Firm has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the SOFO

In addition, the Code of Ethics governs personal trading by each employee of the SOFO deemed to be an "Access Person" and is intended to ensure that securities transactions effected by Access Persons of SOFO are conducted in a manner that avoids any actual or potential conflict of interest between such persons and Clients of the SOFO or its affiliates.

## **ITEM 12 BROKERAGE PRACTICES**

### ***Selection and Recommendation***

The Firm has a duty to select brokers, dealers, and other trading venues that provide best execution for Clients. The duty of best execution requires an investment advisor to seek to execute securities transactions for Clients in such a manner that the Client's total cost or proceeds in each transaction is the most favorable under the circumstances, taking into account all relevant factors. The lowest possible commission, while very important, is not the only consideration.

It is the policy of SOFO to seek best execution in all portfolio trading activities for all investment disciplines and products, regardless of whether commissions are charged. This applies to trading in any instrument, security, or contract including equities, bonds, and forward or derivative contracts.

The standards and procedures governing best execution are set forth in several written policies. Generally, to achieve best execution, SOFO considers the following factors, without limitation, in selecting brokers and intermediaries:

- Execution capability;
- Order size and market depth;
- Availability of competing markets and liquidity;
- Trading characteristics of the security;
- Availability of accurate information comparing markets;

- Quantity and quality of research received from the broker dealer;
- Financial responsibility of the broker-dealer;
- Confidentiality;
- Reputation and integrity;
- Responsiveness;
- Recordkeeping;
- Ability and willingness to commit capital;
- Available technology; and
- Ability to address current market conditions.

The Firm evaluates the execution, performance, and risk profile of the broker-dealers it uses at least quarterly.

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

Soft dollar practices are arrangements whereby an investment advisor directs transactions to a broker-dealer in exchange for certain products and services that are allowable under federal and state law. Client commissions may be used to pay for brokerage and research services and products as long as they are eligible under Section 28(e) of the Exchange Act of 1934. Section 28(e) sets forth a “safe harbor,” which provides that an investment advisor that has discretion over a Client account is not in breach of its fiduciary duty when paying more than the lowest commission rate available if the advisor determines in good faith that the rate paid is commensurate with the value of brokerage and research services provided by the broker-dealer.

The Firm does not currently have any soft dollar benefit arrangements that fall outside of Section 28(e).

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

The Firm does not receive Client referrals from third parties for recommending the use of specific broker-dealer brokerage services.

#### ***Directed Brokerage***

The Firm generally, does not permit its clients to select a broker-dealer/custodian other than the recommended brokers for trade execution and custodial services (i.e., client directed brokerage). Clients should be aware of the fact that not all investment advisors require clients to use a particular custodian for trade execution services. The Client should further be aware that,

because SOFO requires Clients to engage the recommended brokers, the Firm may not be able to achieve the lowest cost of execution of specific Client transactions. Thus, the exclusive use of only SOFO's recommended brokers may cost Clients more money compared to other arrangements.

### ***Order Aggregation***

The Firm may, at times, aggregate sale and purchase orders of securities ("block trading") for advisory accounts with similar orders in order to obtain the best pricing averages and minimize trading costs. This practice is reasonably likely to result in administrative convenience or an overall economic benefit to the Client. Clients also benefit relatively from better purchase or sale execution prices, or beneficial timing of transactions or a combination of these and other factors. Aggregate orders will be allocated to Client accounts in a systematic non-preferential manner. The Firm may aggregate or "bunch" transactions for a Client's account with those of other Clients in an effort to obtain the best execution under the circumstances.

### ***Trade Error Policy***

The Firm maintains a record of any trading errors that occur in connection with investment activities of its Clients. Both gains and losses that result from a trading error made by SOFO will be borne or realized by SOFO.

## **ITEM 13 REVIEW OF ACCOUNTS**

### ***Periodic Reviews***

The Firm regularly reviews and evaluates Client accounts for compliance with each Client's investment objectives, policies, and restrictions. The Firm analyzes rates of return and allocation of assets to determine model strategy effectiveness. Such reviews are conducted by the Chief Compliance Officer of SOFO and shall occur at least once per calendar year.

### ***Intermittent Review Factors***

Intermittent reviews may be triggered by substantial market fluctuation, economic or political events, or changes in the Client's financial status (such as retirement, termination of employment, relocation, inheritance, etc.). Clients are advised to notify SOFO promptly if there are any material changes in their financial situation, investment objectives, or in the event they wish to place restrictions on their account.

### ***Reports***

Clients may receive confirmations of purchases and sales in their accounts and will receive, at least quarterly, statements containing account information such as account value, transactions, and other relevant information. Confirmations and statements are prepared and delivered by the custodian.



## **ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION**

The Firm receives no compensation other than fees charged to its clients. The Firm has not entered into solicitation or referral agreements with individuals, financial intermediaries or others who are not supervised persons of SOFO.

## **ITEM 15 CUSTODY**

### *Custodian of Assets*

Custody means holding, directly or indirectly, Client funds or securities or having any authority to obtain possession of them.

The Firm does not have direct custody of any Client funds and/or securities. The Firm will not maintain physical possession of Client funds and securities. Instead, Client funds and securities are held by a qualified custodian.

While SOFO does not have physical custody of Client funds or securities, payments of fees may be paid by the custodian from the custodial brokerage account that holds Client funds pursuant to the Client's account application.

In certain jurisdictions, the ability of SOFO to withdraw its management fees from the Client's account may be deemed custody. Prior to permitting direct debit of fees, each Client provides written authorization permitting fees to be paid directly from the custodian.

As part of the billing process, the Client's custodian is advised of the amount of the fee to be deducted from that Client's account. On at least a quarterly basis, the custodian is required to send to the Client a statement showing all transactions within the account during the reporting period. The custodian does not calculate the amount of the fee to be deducted and does not verify the accuracy of SOFO's advisory calculation. Therefore, it is important for Clients to carefully review their custodial statements to verify the accuracy of the calculation. Clients should contact SOFO directly if they believe that there may be an error in their statement.

## **ITEM 16 INVESTMENT DISCRETION**

The Firm may exercise full discretionary authority to supervise and direct the investments of a Client's account. This authority will be granted by Clients upon completion of The Firm's FSA. This authority allows SOFO and its affiliates to implement investment decisions without prior consultation with the Client. Such investment decisions are made in the Client's best interest and in accordance with the Client's investment objectives. Other than agreed upon management fees due to SOFO, this discretionary authority does not grant SOFO the authority to have custody of any assets in the Client's account or to direct the delivery of any securities or the payment of any funds held in the account to SOFO. The discretionary authority granted by the Client to SOFO does not allow SOFO to direct the disposition of such securities or funds to anyone except the account holder.

## **ITEM 17 VOTING CLIENT SECURITIES**

The Firm does not perform proxy voting services on the Client's behalf. Clients are encouraged to read through the information provided with the proxy voting documents and to make a determination based on the information provided. Upon the Client's request, Firm representatives may provide limited clarifications of the issues presented in the proxy voting materials based on his or her understanding of issues presented in the proxy voting materials. However, Clients have the ultimate responsibility for making all proxy voting decisions.

## **ITEM 18 FINANCIAL INFORMATION**

### ***Balance Sheet Requirement***

The Firm is not the qualified custodian for Client funds or securities and does not require prepayment of fees of more than \$1,200 per Client for six months or more in advance.

### ***Financial Condition***

The Firm does not have any financial impairment that would preclude SOFO from meeting contractual commitments to Clients.

### ***Bankruptcy Petition***

The Firm has not been the subject of a bankruptcy petition at any time during the last 10 years.