

# Slaton Capital Advisors Ltd.

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## Firm Brochure – Form ADV Part 2A

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Version Date: March 31, 2021

This Brochure provides information about the qualifications and business practices of Slaton Capital Advisors Ltd. If you have any questions about the contents of this Brochure, please contact us at [info@slatoncapital.com](mailto:info@slatoncapital.com) or (214) 492-3741.

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 as an investment advisor does not imply any specific level of skill or training. This Brochure provides information to assist you in determining whether to retain Slaton Capital Advisors Ltd.

Additional information about our firm is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #306564.

## Item 2: Material Changes

The purpose of this page is to inform you of any material changes since the last annual update to this brochure. If you are receiving this brochure for the first time, this section may not be relevant to you. Slaton Capital Advisors reviews and updates our brochure at least annually to make sure that it remains current. The following material changes since the last update to this brochure, dated March 31, 2020, is as follows:

- Item 4B: Advisory Services Offered
- Item 4D: Wrap Fee Programs
- Item 5A: Fee Schedule

Pursuant to SEC Rules, Slaton Capital Advisors will ensure that clients receive a summary of any materials changes to this Brochure within 120 days of the close of Slaton Capital Advisor's fiscal year. Additionally, as the firm experiences material changes in the future, we will send you a summary of our "Material Changes" under separate cover. For more information about the firm, please visit [www.slatoncapital.com](http://www.slatoncapital.com) or call (214) 492-3741.

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## Item 4: Advisory Business

### A. Description of Advisor Firm

Slaton Capital Advisors Ltd. (“SCA” or “Advisor”) is a registered investment advisor with the State of Texas and is a Corporation organized in the State of Texas. As a registered investment adviser, we are held to the highest standard of client care – a fiduciary standard. As a fiduciary, we always put our client’s interests first and must fully disclose any potential conflicts of interest. We do not directly hold customer funds or securities and all transactions are sent to a qualified custodian which executes, compares, allocates, clears and settles them. The custodian also maintains our clients’ accounts and may grant clients access to them. We provide investment advisory and financial planning services to individuals and high-net-worth individuals. SCA was incorporated in February of 2009. Matthew F. Slaton is the principal owner and Chief Compliance Officer of SCA.

### B. Advisory Services Offered

SCA offers personalized wealth and investment advisory services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and other business entities. Advisory services including financial planning, consulting, tax planning, selection of sub advisers, and portfolio management services, are offered to clients on an all-inclusive basis, as part of an annual retainer program. The process typically begins with an initial consultation during which the various services provided by SCA are explained.

#### 1) Wealth Advisory

Wealth advisory services will typically involve providing a variety of services to clients regarding the management of their financial resources based upon an analysis of their individual needs. SCA will first conduct a complimentary initial consultation. After the initial consultation, if the client decides to engage SCA, pertinent information about the client’s financial circumstances and objectives is collected and such information will be reviewed and analyzed. The primary objective of this process is to allow SCA to assist the client in developing a strategy for the successful management of income, assets, and liabilities in meeting the client’s financial goals and objectives. In general, the services provided will include:

- Identify Life goals and values
- Net worth and cash flow analysis
- Tax reduction strategy
- College funding
- Retirement planning
- Investment portfolio design
- Estate and charitable gift planning
- Multi-generational issues
- Insurance needs analysis
- Real estate and debt management

Clients should be aware that different financial planning software uses different financial planning methodologies and the financial plan will describe the specific methodologies used for the particular plan and should be carefully considered in evaluating the results presented to the client. The analysis contained in the financial plan is currently conducted using financial planning software. The estimated returns generated by the software utilize proprietary formulas and are based on economic assumptions and forecasts. In addition, clients’ financial plans may include a Monte Carlo simulation. Monte Carlo simulations are used to show how variances in rates of return each year can affect results. Results using Monte Carlo simulations indicate the

likelihood that an event may occur as well as the likelihood that it may not occur. SCA may change the software, third-party provider or the methodologies it uses when creating your financial plan. Your financial plan will provide details on the software and methodologies used.

## **2) Investment Advisory**

SCA offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Portfolio management services include, but are not limited to, the following:

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

SCA evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. SCA will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

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

## **3) Third-Party Asset Managers**

SCA may engage the services of a third-party asset manager ("TPAM") with discretionary trading authority.

### ***AssetMark***

SCA may offer advisory services to clients by selecting the AssetMark Platform. For more information regarding the AssetMark Platform, refer to AssetMark Platform Disclosure Brochure.

The minimum investment required on the AssetMark Platform depends upon the Investment Solutions chosen for a client's account and is generally \$10,000 for Mutual Fund and \$100,000 for ETF Accounts, and from \$50,000 for Privately Managed and Unified Managed Accounts, depending on the investment strategy selected for the account. These minimums are described in more detail in the AssetMark Platform Disclosure Brochure. Accounts below the stated minimums may be accepted on an individual basis at the discretion of AssetMark.

## **C. Client Tailored Services and Client Imposed Restrictions**

SCA offers the same suite of services to all its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients may impose written restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

#### **D. Wrap Fee Programs**

Most TPAM programs are considered "wrap fee" programs in which the client pays specified fees for portfolio management services and trade execution. Wrap fee programs differ from other programs in that the asset-based fee structure for wrap programs is intended to be largely all inclusive, whereas non-wrap fee programs typically assess trade-by-trade execution costs that are in addition to the asset-based fees.

Clients utilizing TPAM programs will always be provided with a description of the wrap program fees along with SCA's asset-based fees.

#### **E. Amounts Under Management**

As of December 31, 2020, SCA had \$6,598,830.10 in assets under management ("AUM"), of which \$4,485,308.89 was managed on a discretionary basis and \$2,113,521.21 was managed on a nondiscretionary basis.

### **Item 5: Fees and Compensation**

As described in greater detail below, SCA charges different types of fees, including fees based on a percentage of assets under management and fixed fees. The specific fees charged by SCA will be set forth in the applicable client agreement. Fees are negotiable at the sole discretion of SCA. Although SCA believes its advisory fees are competitive, clients should be aware that lower fees for comparable services may be available from other sources.

#### **A. Fee Schedule**

##### **1) Wealth and Investment Advisory Fees**

SCA is compensated for its Wealth and Investment Advisory services on a fee-only basis. Fees are calculated based on the client's assets under management ("AUM"), or if minimums are not met, a monthly retainer fee in addition to fees on AUM.

AUM fees are assessed monthly or quarterly, in advance, based upon a percentage of the client's assets under management as of the close of business on the last business day of the preceding calendar month or quarter in accordance with the following annual percentages:

## Asset Based Advisory Fees

Market Value of Managed Accounts	Annual Fee	
	Pre-Retiree	Retiree
Up to \$500,000	1.25%	1.15%
For the balance of \$500,001 - \$1,000,000	1.00%	0.90%
For the balance of \$1,000,001 - \$2,500,000	0.90%	0.80%
For the balance of \$2,500,001 - \$5,000,000	0.80%	0.75%
For the balance of \$5,000,000 - \$10,000,000	0.65%	0.65%
For the balance of \$10,000,001 - \$20,000,000	0.50%	0.50%
The balance over \$20,000,001	0.35%	0.35%

## Non-Asset Based Advisory Fees

Market Value of Managed Accounts	Monthly Fee	
	Non-Business Owner	Business Owner
\$0 - \$100,000	\$499	\$899
\$100,001 - \$200,000	\$399	\$799
\$200,001 - \$300,000	\$299	\$699
\$300,001 - \$400,000	\$199	\$599
\$400,001 - \$500,000	\$99	\$499
Over \$500,000	\$0	\$399
Over \$1,000,000	\$0	\$199
Over \$1,500,000	\$0	\$0

SCA's Wealth and Investment Advisory fees are generally negotiable, and the final fee schedule is attached as Exhibit I of the client's Investment Advisory Agreement. Clients may terminate their agreement at any time by providing written 30 days' written notice to SCA.

The Monthly Retainer Fees are calculated annually based on the market value of directly managed investment accounts as of the 30<sup>th</sup> day of November each year.

Advisory fees for TPAMs are comprised of several components. The total advisory fee paid by the client is comprised of:

1. The third-party asset manager or strategist's fee (as applicable); and
2. SCA's Wealth and Investment Advisory Fee

SCA is not compensated by TPAMs for selecting their offerings to clients.

## B. Payment of Fees

Asset-based Wealth Management fees are withdrawn directly from the client's accounts by the custodian upon receiving client's written authorization on a monthly or quarterly basis. SCA will allow, under certain circumstances or for certain account-types, for fees to be paid via automatic billing with a separate online payment processor. Examples of these circumstances which offer automatic billing would be Roth accounts or stand-alone financial planning agreements. Fees are paid in advance.

In the event SCA's services are terminated mid-month/mid-quarter, SCA will refund a pro rata fee for the unearned fees in the final month/quarter. The number of days the account was managed during the month/quarter until termination is used to determine the percentage of the management fee earned/refunded (based on the total number of days in the month/quarter).

For purposes of calculating assets under management, SCA will consider all investment management accounts which constitute "household" of the client's assets. Typically, a client's household consists of any spouse, parent, child, partner or sibling who resides at the same mailing address as the client.

### **C. Client Responsibility for Third-Party Fees**

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

### **D. Outside Compensation for Sale of Securities to Clients**

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

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

SCA does not accept performance-based fees or other fees based on a share of capital gains on, or capital appreciation of, client assets.

## **Item 7: Types of Clients**

SCA has the following types of clients:

- Individuals and High Net Worth Individuals.
- Trusts, Estates or Charitable Organizations.
- Pension and Profit-Sharing Plans.
- Corporations and Business Entities.

SCA generally requires a minimum account size of \$250,000; however, this requirement is negotiable at SCA's discretion. SCA may aggregate certain related client accounts in determining whether the minimum account size requirement is satisfied.

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

### **A. Methods of Analysis**

SCA utilizes a multifaceted approach to investment analysis that focuses on qualitative and quantitative criteria, and which is informed based on research from a variety of research providers as well as its own internal research. SCA's approach is concentrated on the tenants of its

investment philosophy (as described below). Special emphasis is placed on risk management analysis along with scrutiny regarding the internal costs associated with potential investments. SCA measures return, and, as a result evaluates potential investments, on a net of costs basis.

## **B. Investment Strategies**

SCA's investment philosophy is academically based and strongly influenced by diversification strategies developed by Nobel Prize-winning financial economists. Our priority is to manage risk according to each client's individual needs. Our philosophy is influenced by the following principles:

- **Markets are Efficient** - It is virtually impossible to anticipate the future direction of the market as a whole or of any individual security. It is, therefore, unlikely that any portfolio will succeed in consistently "beating the market."
- **Risk and Return are Related** - Equities offer the potential for higher long-term investment returns than cash or fixed income instruments. Equities are also more volatile in their performance. Investors seeking higher rates of return must increase the proportion of equities in their portfolio, while at the same time accepting greater variation of results (including occasional declines in value.)
- **Diversification is the Key** - Portfolio risk can be decreased by increasing the diversification of the portfolio and by lowering the correlation of market behavior among the asset classes selected. (Correlation is the statistical term for the extent to which two asset classes move in tandem or opposition to one another.)
- **Portfolio Structure Determines Performance** - the design of the portfolio is more important than the selection of any particular security within the portfolio. The appropriate allocation of capital among asset classes (stocks, bonds, cash, etc.) will have far more influence on long-term portfolio results than the selection of individual securities or investment managers. Investment for the long-term (preferably longer than 10 years) becomes critical to investment success because it allows the long-term characteristics of the asset class to surface.

## **C. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. SCA will assist clients in determining the appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a client will meet its investment goals.

Each client engagement will entail a review of the client's investment goals, financial circumstances, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for analysis of a client's account. SCA shall rely on the financial or other information provided by the client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the client to inform SCA of any changes in their financial condition, goals, or other factors that may affect this analysis.

SCA primarily employs investment strategies that do not involve significant or unusual risk beyond the risks associated with domestic and/or international securities markets. The risks associated with a particular strategy are provided to each client in advance of investing client's

accounts. SCA will work with each client to determine their tolerance for risk as part of the portfolio construction process.

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

#### **D. Risks of Specific Securities Utilized**

SCA generally pursues investment strategies that do not involve significant or unusual risk beyond the risks associated with domestic and/or international securities markets. However, SCA may utilize options, which generally hold greater risk of capital loss; and clients should be aware that there is a material risk of loss when using such strategies.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned above). All mutual funds have costs that lower investment returns.

**Equities:** Equity investment generally refers to buying shares of stocks 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.

**Treasury Inflation Protected/Inflation Linked Bonds:** The risk of default on these bonds is dependent upon the U.S. Treasury defaulting (very unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

**Fixed Income:** Fixed income investing provides fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

**Debt securities:** Investing in debt securities includes risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

**Exchange Traded Funds (ETF):** Investing in ETF's carries the risk of capital loss (sometimes up to a 100% loss). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

**Hedge Funds:** Hedge funds are not suitable for all investors and involve a high degree of risk due to several factors that may contribute to above average gains or significant losses. Such factors include leveraging or other speculative investment practices, commodity trading, complex tax structures, a lack of transparency in the underlying investments, and generally the absence of a secondary market.

**REITs:** Real estate investment trusts have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

**Precious Metal ETFs:** Gold, Silver, and Palladium Bullion backed “electronic shares”, not physical metals. Investing in precious metal ETFs carries the risk of capital loss.

**Long-term trading:** Long-term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various 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, market risk, and political/regulatory risk.

Short-term trading: short-term trading risks include liquidity, economic stability and inflation.

Options: Options involve a contract to purchase or sell a security at a given price at and/or before a given time, not necessarily at market value, depending on the market.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that a client should be prepared to bear.

## Item 9: Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary event that would be used by a client in evaluating the advisor. Neither SCA, nor its supervised persons have any criminal or civil disciplinary information to report.

SCA and its advisory personnel value the trust our clients place in us, and we encourage clients to perform due diligence on all prospective advisors. A review of SCA's advisory personnel backgrounds is available on the Investment Advisor Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) for your review. To review the firm information contained in ADV Part 1, select the option for Investment Adviser Firm and enter 306564 in the field labeled "Firm IARD/CRD Number." This will provide access to Form ADV Parts 1 and 2. Item 11 of the ADV Parts 1 lists legal and disciplinary information.

## Item 10: Other Financial Industry Activities and Affiliations

### A. Broker-Dealer/Registered Representatives

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

### B. Registered FCMs, CPOs, CTAs

SCA nor its management persons are registered or have an application pending to register as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

### C. Affiliations

SCA nor its management persons have a relationship with any of the following entities: broker-dealer, municipal securities dealer, government securities broker-dealer, investment company or pooled investment vehicle, futures commission merchant, commodity pool operator, commodity trading advisor, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or sponsor syndicator of limited partnerships.

### D. Other Investment Advisers

As described in Item 4, SCA offers clients access to certain TPAMs, including AssetMark. TPAM platform/advisory fees, and any corresponding advisory fees are separate and independent of SCA's Wealth Management fees. SCA is not compensated either directly or indirectly from TPAMs it offers to clients.

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

### A. Code of Ethics

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

### B. Recommendations Involving Material Financial Interests

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

### C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of SCA may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of SCA to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions could create a conflict of interest. To avoid any conflict of interest, SCA will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

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

From time to time, representatives of SCA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of SCA to buy or sell securities before or after recommending securities to clients resulting in representatives profiting from the recommendations they provide to clients. Such transactions could create a conflict of interest. Again, to avoid any conflict of interest, SCA will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

## Item 12: Brokerage Practices

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

Custodians/broker-dealers will be recommended based on SCA's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable

terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and SCA may also consider the market expertise and research access provided by the dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in SCA's research efforts. SCA will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

### **1) Research and Other Soft-Dollar Benefits**

While SCA has no formal soft-dollar program in which soft dollars are used to pay for third party services, SCA may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions (“soft dollar benefits”). SCA may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client’s transactions paid for it, and SCA does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. SCA benefits by not having to produce or pay for the research, products or services, and SCA will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that SCA’s acceptance of soft dollar benefits may result in higher commissions charged to the client.

### **2) Brokerage for Client Referrals**

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

### **3) Clients Directing Which Broker/Dealer/Custodian to Use**

SCA will require clients to use a specific broker-dealer to execute transactions.

## **B. Aggregating (Block) Trading for Multiple Client Accounts**

SCA maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing SCA the ability to purchase larger blocks resulting in smaller transaction costs to the clients. Declining to block trade can cause more expensive trades for clients. There is no obligation to include any client account in a blocked trade and SCA will only do so when it believes it to be in the best interest of the client.

## **Item 13: Review of Accounts**

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

Client accounts are monitored on a regular and continuous basis. Portfolios are informally reviewed with clients on a quarterly basis and formally on at least an annual basis. Clients determine the frequency of reviews.

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

In addition to the investment monitoring noted above, reviews may be triggered by material market, economic or political events, or by changes in a client's financial circumstances (such as retirement, termination of employment, physical move, or inheritance). A client has the right to request a review of his/her account at any time and the client should notify SCA if changes occur in his/her personal financial circumstances that might adversely affect his/her investment plan.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive at least quarterly a written report or statement directly from the custodian that details client's account including assets held and asset values. Client brokerage statements will include all positions, transactions and fees relating to the client's account(s). Clients may also establish electronic access to the custodian's website so that they may view these reports and their account activity. SCA also provides clients with periodic reports regarding their holdings, allocations, and performance.

### **Item 14: Client Referrals and Other Compensation**

SCA may receive an economic benefit from custodians in the form of the support products and services it makes available to SCA and other independent investment advisors whose clients maintain accounts with the custodian. These products and services are described above (see item 12 – Brokerage Practices). The availability of these products and services is not based on SCA providing particular investment recommendations or types of advice, such as buying particular securities for its clients.

SCA does not directly or indirectly compensate any person who is not a member of advisor's personnel for client referrals.

### **Item 15: Custody**

Client assets are held by a qualified, third-party custodian, not SCA. Under government regulations, SCA is deemed to have custody of client assets to the extent clients authorize SCA to instruct the custodian to deduct client advisory fees directly from client accounts held with custodian. Clients will receive account statements directly from their qualified custodian at least quarterly. The statements will be sent to the email or postal mailing address each client provides to the custodian. Clients should carefully review those statements promptly upon receipt.

### **Item 16: Investment Discretion**

SCA generally receives discretionary investment authority from each client in writing at the beginning of the advisory relationship. This authority relates to the investment of client's accounts including the securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to each client before any advisory relationship has commenced. The client provides SCA discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian. In all cases, SCA exercises such discretion in a manner consistent with the client's Investment Policy Statement and any other written client directions.

## Item 17: Voting Client Securities

SCA will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security. Additionally, SCA does not advise or act for clients with respect to any legal matters, including bankruptcies and class actions, for the securities held in clients' accounts.

## Item 18: Financial Information

SCA is not required to provide financial information in this Brochure because:

- Our firm does not require the prepayment of more than \$1,200 in fees when services cannot be rendered within 6 months.
- Our firm does not take custody of client funds or securities.
- Our firm does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.

SCA has never been the subject of a bankruptcy proceeding.

## Item 19: Requirements for State-Registered Advisers

### Executive Officers & Management Persons

Matthew F. Slaton  
Year of Birth: 1976

#### Educational Background:

- 2000: University of North Texas; Bachelor of Business Administration in Entrepreneurship

#### Business Background:

- |                     |                               |                    |
|---------------------|-------------------------------|--------------------|
| • 01/2017 – Present | Insight Financial Group       | Partner            |
| • 01/2012 – Present | Gnarlife LLC                  | Partner            |
| • 02/2009 – Present | Slaton Capital Advisors Ltd.  | Principal          |
| • 04/2005 – Present | Slaton Capital Management LLC | Principal          |
| • 08/2018 – 03/2020 | Equity Services, Inc          | Investment Advisor |
| • 02/2010 – 12/2017 | Influence Health Inc.         | Regional VP        |
| • 11/2001 – 01/2017 | Birchbrook Group Corp         | President          |

#### Exams, Licenses & Other Professional Designations:

- Series 65: Passed 2018, Active
- Series 3: Passed 2005, Voluntary Expiration 2017

Please see Item 10 of this Brochure for any other business in which our firm is actively engaged. Our firm does not charge performance-based fees. Our firm and management persons have not

been involved in any arbitration awards, found liable in any civil, self-regulatory organization or administrative proceedings or have any relationship with issuers or securities apart from what is disclosed above.

Our firm does not have compensation arrangements connected with advisory services which are in addition to our advisory fees. Our management persons and representatives do not have a relationship or arrangement with any issuer of securities. As a fiduciary, our firm always put our Client's interest above our own. Information regarding participation of interest in client transactions can be found in our Code of Ethics as well as Item 11 of this Brochure. Client may obtain a copy of our Code of Ethics by contacting Matthew Slaton; Chief Compliance Officer at (214) 492-3741.