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May 2020

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STA Wealth Management, LLC is an investment adviser that is registered with the United States Securities and Exchange Commission. STA Wealth Management, LLC also does business under the name of STA Wealth Advisors, LLC. STA Wealth Advisors, LLC is not a separately registered entity with the United States Securities and Exchange Commission. Registration does not imply a certain level of skill or training.

This firm brochure provides information about the qualifications and business practices of STA Wealth Management LLC. If you have any questions about the contents of this firm brochure, please contact us at 281-822-8800 and/or hope@stawealth.com. The information in this firm brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about STA Wealth Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

Since our last Annual Amendment filing on March 31, 2019, STA has updated this brochure to report the following material changes:

Item 4 – Advisory Business

Principal owners were added to STA Wealth Management, LLC to include Preston Snow, James Atkinson and Bradley Covey. Please note that principal owners James “Luke” Patterson and Michael Anthony Smith continue to retain majority ownership.

Language was added to disclose a possible conflict of interest regarding Unaffiliated Private Investment Funds.

Language referencing The Lavaca Capital Core Options Strategy was removed as we no longer participate in or offer this strategy to our clients.

Language was added under the WRAP Fee Program to disclose that this Program is no longer available to new clients.

Language was added pertaining to non-discretion account management.

Language was added disclosing the deduction of management fees from clients’ accounts for sub-advisory agreements and third-party managers.

Item 5 – Fees

Language was added to describe the new billing fee calculation (Average Daily Balance, Monthly in Arrears). All new clients will be subject to this fee methodology. STA is working with existing clients to obtain consent to change to this new method.

Language was removed pertaining to the \$25.00 reporting fee as we no longer charge this fee.

Language was added disclosing the deduction of management fees from clients’ accounts by third-party managers.

Item 12 – Brokerage Practices

Order Aggregation – language was added addressing one-off trades. Not all trades are aggregated to receive same terms.

Item 16 – Investment Discretion

Language was added describing STA’s non-discretionary management service. Available under limited circumstances.

ANY QUESTIONS: STA’s Chief Compliance Officer, Hope Edick, remains available to address any questions regarding this brochure and she may be contacted at the telephone number or email address on the cover page of this brochure.

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ITEM 4 - ADVISORY BUSINESS

STA Advisory Description

STA Wealth Management, LLC (“STA”) formerly named Streettalk Advisors, LLC has been in business since October 9, 2002. STA Wealth Management, LLC also uses the name STA Wealth Advisors, LLC. The principal owners are James “Luke” Patterson, Michael Anthony Smith, Preston Snow, James Atkinson, Bradley Covey.

Types of Advisory Services

Investment Management Accounts

STA primarily manages portfolios on a discretionary basis and makes arrangements for efficient custody safekeeping of assets and trade execution. STA advises its clients based on information gathered from the client. Clients are asked to complete a Client Information and Financial Planning Profile Worksheet, which asks for information regarding, but not limited to, net worth, investment attitude risk, and investment goals. According to the information obtained from the worksheet, as well as information obtained from the client during their meeting(s) with one of our advisors, STA will determine and discuss, with the client, an investment strategy believed to best suit the client’s needs. This service is provided to individuals, 401(k) plans, and/or their participants. STA will review, supervise, and manage the account, which consists of all assets covered by the advisory agreement with the client, and all additions to the account.

In very limited circumstances, STA may allow for non-discretion account management services. In these instances, the Advisor will give advice, recommendations and manage the account per the below, however they will call the client before effecting any trades.

Whether using discretion or non-discretion STA provides advice regarding the purchase and sale of mutual funds, stocks, bonds, certificates of deposit, money market funds, government securities and obligations, debt securities, derivative securities or contracts, alternative investments, non-traded investments, and other securities. Generally, all accounts of a client will be aggregated for the purpose of allocating to a model. STA offers many managed model solutions. The majority of STA’s clients are invested in one or more of STA’s managed models, exceptions may be granted to clients who would like to customize their portfolio, therefore not all clients are similarly situated. In these instances, the client will work directly with their Advisor to determine their strategy and allocation. There is no guarantee that the advisory services offered will result in clients’ goals and objectives being met. Nor is there any guarantee of profit or protection from loss.

Please Note-Use of Mutual Funds: Most mutual funds are available directly to the public. Thus, a prospective client can obtain many of the mutual funds that may be recommended and/or utilized by STA independent of engaging STA as an investment advisor. However, if a prospective client determines to do so, he/she will not receive STA’s initial and ongoing investment advisory services. **Separate Fees:** All mutual funds (and exchange traded funds (“ETFs”)) impose fees at the fund level (e.g. management fees and other fund expenses). All mutual fund and ETF fees are separate from, and in addition to, STA’s wealth management fee as described at Item 5 below. **STA’s Chief Compliance Officer, Hope Edick, remains available to address any questions that a client or prospective client may have regarding the above.**

Sub-Advisory Arrangements

STA may engage sub-advisers for the purpose of assisting STA with the management of its client accounts. Unless otherwise disclosed in this brochure or in a separate agreement with the client, the sub-adviser will have discretionary authority over the day-to-day management of the assets that are allocated to it by STA. The sub-adviser will continue in such capacity until the arrangement is terminated or modified by STA or the client. **Please Note:** Should STA or a client engage a sub-advisor the fee charged by the sub-advisor, if any, will be detailed in Schedule A of the STA Investment Advisory Agreement or the agreement with the sub-advisor and will be debited directly from the client account at the custodian.

In addition, in certain cases, STA may be granted oversight on accounts in which it is not considered the investment manager and does not have discretionary authority. In these instances, STA may receive a portion of the advisory fee from the investment manager for review/oversight and planning assistance.

The Hedged Tactical Equity Strategy

STA's Hedged Tactical Equity Strategy is a tactical equity strategy designed to provide long-term capital appreciation through equity exposure with an option overlay strategy that is intended to provide less volatility and lower equity market correlation for portfolios.

In managing the strategy, STA has entered into a Sub-Advisory Agreement with Lavaca Capital, LLC ("Lavaca Capital"). STA and Lavaca Capital are not affiliated entities. As the investment adviser to the strategy, STA manages the strategy's portfolio construction and stock selection. Prior to a client participating in this strategy they will be provided with the Hedged Tactical Equity Strategy Investment Memorandum which provides details on the security selection process and approach used in this strategy.

As sub-adviser, Lavaca Capital will be responsible for managing the option overlay strategy. A description of Lavaca Capital's options strategies and the risks associated with those strategies are described in its Form ADV Part 2A, firm brochure, a copy of which will be provided to clients prior to or at the time of opening a Hedged Tactical Equity Strategy account or portfolio and may be requested at any time by contacting STA's Chief Compliance Officer or your advisor.

The strategy requires that clients provide STA with discretion of their account and generally requires an account minimum of \$1,000,000.00, although STA reserves the right to waive or reduce the minimum account requirement.

Lavaca Capital will receive an annual, asset-based fee of 0.9% based on the amount of assets in a client's account investing in the strategy, even though Lavaca Capital only is responsible for transacting on a portion of a client's assets. STA believes that this arrangement is appropriate, because Lavaca Capital must be knowledgeable about the client's entire portfolio in selecting investments. Lavaca Capital's fee will be prorated, and payable quarterly according to the terms of the client's Advisory Agreement with STA. Lavaca Capital is authorized to instruct the account's custodian to deduct its fee directly from a client's account.

Either Charles Schwab & Co., Inc. (“Schwab”) or Fidelity Institutional Wealth Services (“Fidelity”) will serve as the custodian for accounts. The account custodian will charge a client’s account an annual, asset-based fee in lieu of charging separately for transaction fees. Schwab will charge an annual fee of 0.17%, prorated monthly. Schwab requires a minimum \$500.00 annual fee. Fidelity will charge an annual fee prorated and billed quarterly. Fidelity’s pricing is as follows:

Assets Receiving Asset-Based Pricing for Transactions	Annual Fee
\$500,000 - \$1,000,000	0.21%
\$1,000,000.01 - \$2,000,000	0.17%
\$2,000,000.01 - \$5,000,000	0.15%
> \$5,000,000.01	0.13%

Pricing is not tiered or blended and Clients will receive the annual pricing based on the amount of assets invested in the Strategy. Clients with more than \$2,000,000 invested in the Hedged Tactical Equity Strategy would benefit from maintaining their account with Fidelity when focused exclusively on minimizing costs.

STA negotiated these arrangements with both Schwab and Fidelity to provide greater certainty on the expectation of transactions costs to clients participating in the strategy, even though there is no guarantee from year to year that this arrangement will result in the client minimizing its trading expenses when compared to an arrangement where the client would be responsible for transaction-by-transaction fees, which is how Schwab and Fidelity typically charge for transaction fees. These arrangements only apply to accounts participating in the strategy and a client’s other accounts maintained with Schwab or Fidelity or both will continue to be subject to their ordinary transaction fee arrangements. However, STA believes that the certainty provided by this arrangement and its recommendation of Schwab and Fidelity continues to meet its obligation to seek best execution for client transactions. See Item 12 and Item 14 below for additional information about STA’s arrangements with Schwab and Fidelity.

In addition to the fees a client will pay to both Lavaca and their account’s custodian, clients will also pay to STA an annual, asset-based fee of 0.9% based on the amount of assets in their account investing in the strategy. STA’s fee will be prorated, and STA will be responsible for instructing the account’s custodian to deduct its fee directly from a client’s account. STA’s management fee for the strategy is in lieu of the advisory fee on managed accounts described in Item 5 below. This presents a conflict of interest, because the compensation that STA receives from the strategy may be less than (or more than) the amount of compensation it receives from managing client accounts. STA mitigates this conflict of interest by disclosing it to clients and by recommending that clients invest in the strategy only when it believes it is appropriate.

Based on the fees and expenses outlined above, clients should be aware that client’s investing in this strategy will likely incur higher fees and expenses than STA’s other accounts and investment strategies that employ a buy-and-hold approach. Clients should

be guided accordingly. Similarly, investment advice may be available from other investment advisers at a lower cost.

STA Wrap Fee Program

STA provides investment management services on a wrap fee basis in accordance with our investment management wrap fee program (the "Program"). The services offered under, and the corresponding terms and conditions pertaining to the Program are discussed in the Wrap Fee Program Brochure a copy of which is presented to all prospective Program participants. Under the Program, STA is able to offer participants discretionary investment management services, for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and STA's investment management fees. However, clients may incur additional fees as set forth below. The current annual Program fee ranges from negotiable to 1.50% (**See** Fee Differential disclosure below), depending upon the amount and type of the Program assets. All prospective Program participants should read this Brochure as well as our Wrap Fee Program Brochure, and ask any corresponding questions that they may have, prior to participation in the Program.

Please Note: As indicated in the Wrap Fee Program Brochure, participation in the Program may cost more or less than purchasing such services separately. As also indicated in the Wrap Fee Program Brochure, the Program fee charged by STA for participation in the Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs.

Also, Please Note: Participation in the program is no longer available to new clients. Clients who previously participated in the Program are grandfathered in should they wish to continue under the Agreement. These clients may opt out at any time.

Financial Planning and Consulting Services (Stand-Alone)

To the extent specifically requested by a client, STA *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, business planning, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Fees charged are described in Item 5.

STA gathers information from the client such as assets, liabilities, and financial goals. STA inputs that information into a financial planning/ retirement planning software. The software uses the information to project the likelihood of various investment outcomes and generate a Financial Goal Plan report. The software uses several methods of calculating results. All results are hypothetical in nature and do not reflect actual investment results. Implementation of any financial planning recommendation is entirely at the client's discretion. This service is used merely to help the client understand how much they may need to save in order to meet their retirement goals. No specific investments or products are recommended. There is no guarantee that clients will meet their retirement or investment goals even if they follow all of STA recommendations.

Please Note: STA **does not** serve as an attorney or accountant, and no portion of our services should be construed as same. Accordingly, STA **does not** prepare estate planning documents, or tax returns. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation

purpose (i.e. attorneys, accountants, insurance), including STA's representatives in their separate individual capacities as licensed insurance agents of STA Insurance Agency, LLC. and licensed CPAs (operating as a CPA Firm as an outside business activity).

Affiliated Private Funds

STA Wealth Management, LLC (previously Streetwork Advisors) is the general partner and investment advisor of The Streetwork Advisors Premier Fund, LP ("Premier Fund"), a Texas limited partnership that offered investors access to a diversified, multi-strategy investment portfolio designed to provide long-term growth of capital. STA Wealth Management has exclusive and complete control of the Premier Fund's activities including the selection, retention, and replacement of investment managers. The Streetwork Advisors Premier Fund deployed a fund of funds strategy and invested primarily in different series of Black Swan Funds. In 2015, STA Wealth Management was appointed to act as the liquidating trustee for each series of the Black Swan Funds because the manager of the Black Swan Funds was unable to fulfill his contractual obligation to the investors. The main duty of STA is to oversee the orderly liquidation of each of the fund's assets and the distribution of disposition proceeds in accordance with the liquidation provisions set forth in the applicable Operating Agreements. STA or its Principals are not employees of Black Swan and receive no compensation or fee.

STA Wealth Management, LLC also acts as the investment manager to the STA Real Estate Fund 1, LP, which is a Texas limited partnership that offers investors access to mid-size real estate investment opportunities with a focus on multi-family residential housing and senior living properties. The principals of STA Wealth Management are responsible for the selection of the investment properties. STA Real Estate Company, LLC acts as the general partner, two of the principals of STA Wealth Management, LLC (Michael Smith and Luke Patterson) are affiliated with STA Real Estate Company, LLC. STA clients are under absolutely no obligation to consider or make an investment in STA Real Estate Fund 1, LP.

Interests in the Streetwork Advisors Premier Fund, LP ("Premier Fund") and The STA Real Estate Fund 1, LP are closed to new investors. **This brochure is not a public offer of either of these investments.*

Unaffiliated Private Investment Funds

STA may also provide investment advice regarding unaffiliated private investment funds. STA may recommend that certain accredited and/or qualified clients consider an investment in unaffiliated private investment funds. STA's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, they are required to sign the sponsor subscription documents to transact the investment (thus these assets are considered non-discretion investments – as STA cannot purchase or sell without written approval). The amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of STA calculating its investment advisory fee.

In some instances, STA may consider a private investment opportunity for clients in which certain other STA clients are affiliated as a member of the general partnership and/or sponsor of the investment. This could pose a conflict of interest in that an STA Advisor

could potentially leverage the relationship with the affiliated client sponsor to acquire more assets (thus increasing their investment advisory fee). This could be achieved by an Advisor telling the affiliated client that STA will recommend their investment opportunity to its clients if they add assets to their STA Account. To mitigate this conflict STA uses the same due diligence process on all private investment opportunities regardless of any relationship with the issuer and the decision to participate in any private offering is made by the Investment Committee. No Advisor has the authority to choose what private investments the firm will offer. In addition, it is important to note that there are no special compensation arrangements between any private investment issuer and STA or any of its Advisors. STA Wealth Advisors' clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

Please Note:** Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints, and lack of transparency. A complete discussion is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund and acknowledges and accepts the various risk factors that are associated with such an investment. *Please Also Note: Valuation.** If an STA Client invests in an any unaffiliated private investment fund(s). The value(s) of the investment(s) reported on the custodial statement(s) and/or STA generated report(s) shall reflect the most recent valuation provided by the Fund Sponsor or Issuer. Not all Fund Sponsors report valuations on a set schedule. If no valuation post-purchase is provided by the Fund Sponsor, then the valuation shall reflect the initial purchase price until a valuation may be obtained. Client(s) advisory fees are calculated on the reported value (as of the last day of the preceding quarter). Therefore, if no valuation update is received from the Fund Sponsor before the client's fee is calculated, the client may pay a fee that is significantly more or less than they would have paid should the Fund Sponsor have provided a valuation update.

Tailored Advisory Services

When STA has discretion over client's accounts, clients may instruct STA not to purchase or sell certain investments or participate in a particular sector by notifying STA in writing. For this reason, not all client accounts will contain the same investments even if invested in the same portfolio model.

There is no significant difference between how STA manages wrap fee accounts and non-wrap fee accounts. However, as stated above, if a client engaged us on a wrap fee basis the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody). The services included in a wrap fee agreement or non-wrap fee agreement will depend upon each client's particular need. Clients who engage us on a non-wrap fee basis will pay for services on an unbundled basis, paying for each service separately (i.e. investment advisory, separate account manager fees, brokerage, custody, etc.).

Wrap Program-Conflict of Interest

Under our wrap program, clients generally receive investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single

specified fee. Participation in a wrap program may cost the client more or less than purchasing such services separately. The terms and conditions of a wrap program engagement are more fully discussed in our Wrap Fee Program Brochure. Because wrap program transaction fees and/or commissions are being paid by STA to the account custodian/broker-dealer, STA has an economic incentive to maximize its compensation by seeking to minimize the number of trades in the client's account. Clients participating in the Program are guided accordingly.

Client Assets under Management

As of December 2019, STA had \$1.734 billion in assets under management.

Other Services and Information

Non-Investment Consulting - STA Wealth does not hold itself out as providing consulting services. However, to the extent requested by a client, STA may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.) including, as disclosed below, to certain STA Wealth personnel in their separate capacities as licensed agents (See Item 10 below). The client is under no obligation to engage the service of any such recommended professional. The client retains absolute discretion over all such decisions and is free to accept or reject any recommendation from STA. ***Please Note:** If the client engages any such recommended professional and a dispute arises thereafter, relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Account Minimum/Advisory Fees- STA requires a client (aggregate account) minimum of \$500,000.00 for its discretionary managed account services. STA, in its sole discretion, may reduce its investment advisory fee and/or reduce its minimum \$500,000.00 investable assets per client requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with clients, etc.). Clients under \$500,000.00 who do not generally meet the guidelines set forth above may be introduced to the STA's robo model the *START Platform*. The *START Platform* Brochure is available to anyone upon request.

Retirement Rollovers- Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If STA recommends that a client roll over their retirement plan assets into an account to be managed by STA, such a recommendation creates a conflict of interest if STA will earn an advisory fee on the rolled over assets. **No client is under any obligation to rollover retirement plan assets to an account managed by STA. STA's Chief Compliance Officer, Hope Edick, remains available to address any questions that a client or prospective client may have regarding the conflict of interest presented by such rollover recommendation.**

Separately Managed Accounts - Independent Managers. STA may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated separately managed accounts ("SMAs") and/or independent investment managers in accordance with the client's designated investment objective(s). In such situations, the SMA or independent investment managers shall have day-to-day responsibility for the active discretionary management of the allocated assets. STA shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. STA also retains discretion over the account and may hire and fire the manager. Factors which STA shall consider in recommending SMAs or independent investment managers include the client's designated investment objective(s), the Manager's management style, performance, reputation, financial strength, reporting, pricing, and research. **Please Note:** Should STA or a client engage a third-party manager the fee charged by the Manager will be detailed in Schedule A of the STA Investment Advisory Agreement and/or the agreement with the Manager and will be debited directly from the client account at the custodian.

Fee Differentials. As indicated above with regard to STA's Wrap Fee Program, STA shall receive an investment advisory fee based upon a percentage (%) of the market value of the assets placed under management (between negotiable and 1.50%). However, fees shall vary depending upon various objective and subjective factors, including but not limited to: the representative assigned to the account, the amount of assets to be invested, the complexity of the engagement, the anticipated number of meetings and servicing needs, related accounts, future earning capacity, anticipated future additional assets, and negotiations with the client.

Because we shall generally price our advisory services based upon various objective and subjective factors, similarly, situated clients could pay diverse fees, and the services to be provided by STA to any particular client could be available from other advisers at lower fees.

ERISA PLAN ENGAGEMENTS: STA may also be engaged by Plan sponsors to provide discretionary and/or non-discretionary investment advisory services to ERISA retirement plans, whereby STA shall manage Plan assets in the amount and objective as designated by the Plan sponsor. In such engagements, STA will serve as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 ("ERISA")-either as a 3(21) fiduciary for non-discretionary engagements or as a 3(38) fiduciary for discretionary engagements. In either engagement, STA will generally provide services on an "assets under management" fee basis per the terms and conditions of an Investment Advisory Agreement between the Plan and STA.

Participant Directed Retirement Plans. STA may also provide investment advisory and consulting services to participant directed retirement plans per the terms and conditions of a Retirement Plan Consulting Agreement between STA and the plan. For such engagements, STA shall assist the Plan sponsor to select an investment platform from which Plan participants shall make their respective investment choices, and, to the extent engaged to do so, shall provide corresponding education to assist the participants with their decision-making process.

Client Retirement Plan Assets. If requested to do so, STA shall provide investment advisory services relative to the client's 401(k) plan assets. In such event, STA shall allocate (or recommend that the client allocate) the retirement account assets among the investment options available on the 401(k) platform. STA's ability shall be limited to the allocation of the assets among the investment alternatives available through the plan. STA will not receive any communications from the plan sponsor or custodian, and it shall remain the client's exclusive obligation to notify STA of any changes in investment alternatives, restrictions, etc. pertaining to the retirement account.

Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by STA) will be profitable or equal any specific performance level(s).

Client Obligations - In performing its services, STA is not required to verify any information received from the client or from the client's other professionals and is authorized to rely on such information without verification. Clients remain responsible to promptly notify STA if there is ever any change in their financial situation or investment objectives for the purpose of reviewing/evaluating/revising STA's previous recommendations and/or services.

ITEM 5 - FEES AND COMPENSATION

Fees on Managed Accounts

STA generally charges an annual advisory fee, based on a percentage (%) of the market value of the Assets under management.

In the past, STA offered several different fee methodologies. As of September of 2019, **all new STA client's** and all client's in the WRAP Program are billed and collected monthly, in arrears, and calculated based on the average daily balance of the account (see below: **Billing in Arrears (Monthly) – Average Daily Balance**).

Please Note: All clients have been asked to change their fee methodology to - Billing in Arrears (Monthly) – Average Daily Balance. Not all clients requiring consent have agreed to the change, those that have not will continue to be billed as originally agreed to in their Investment Advisory Agreement until consent is received.

Billing in Arrears (Monthly) – Average Daily Balance

Generally, the advisory fee is deducted from the client's custodian account on or about the 5th day after the last day of the preceding calendar month. However, under special circumstances (e.g., when clients have 401K accounts with Fidelity and/or Schwab), STA's fees can be billed directly to the client, and the client agrees to pay all of STA's fees within 30 days of receipt of the invoice. The fee deduction is included on the custodial account statement and invoices are available from STA upon request.

STA's arrear monthly **Average Daily Balance** fee shall be paid monthly, in arrears, based upon the average daily balance of the Assets in the Account during the preceding month. The average daily balance is the sum of the ending day balance of the assets in the

account divided by the number of days in the billing cycle. Accrued interest is included in the average daily balance calculation.

If the advisory agreement becomes effective after the first day of a calendar month, the fee for that month will be calculated proportionately with respect to the number of days in the month for which the agreement is in effect. If the agreement is terminated prior to the last day of the calendar month, the fee will be calculated proportionately with respect to the number of days in the month that the agreement was in effect.

Previously offered Billing Specifications are calculated in one of the following ways: one fourth of which is payable quarterly in arrears or advance, or one twelfth payable monthly in arrears, using period beginning or period ending value.

Billing in Arrears (Quarterly)

Generally, the advisory fee is deducted from the client's custodian account on or about the 5th day after the last day of the preceding calendar quarter. However, under special circumstances (e.g., when clients have 401K accounts with Fidelity and/or Schwab), STA's fees can be billed directly to the client, and the client agrees to pay all of STA's fees within 30 days of receipt of the invoice. The fee deduction is included on the custodial account statement and invoices are available from STA upon request.

STA's **arrears billing** is calculated based on the market value of the total assets in the account as of the last business day of the preceding calendar quarter. These fees are adjusted for any inflows or outflows during such quarter regardless of the amount of the inflows or outflows. Fees are also charged on accrued interest. If the advisory agreement becomes effective after the first day of a calendar quarter, the fee for that quarter will be calculated proportionately with respect to the number of days in the quarter for which the agreement is in effect. If the agreement is terminated prior to the last day of the calendar quarter, the fee will be calculated proportionately with respect to the number of days in the quarter that the agreement was in effect.

Billing in Arrears (Monthly) - WRAP Fee Clients

Generally, the advisory fee is deducted from the client's custodian account on or about the 5th day after the last day of the preceding calendar month. However, under special circumstances (e.g., when clients have 401K accounts with Fidelity and/or Schwab), STA's fees can be billed directly to the client, and the client agrees to pay all of STA's fees within 30 days of receipt of the invoice. The fee deduction is included on the custodial account statement and invoices are available from STA upon request.

STA's **arrears billing** is calculated based on the market value of the total assets in the account as of the last business day of the preceding calendar month. These fees are adjusted for any inflows or outflows during such month regardless of the amount of the inflows or outflows. Fees are also charged on accrued interest. If the advisory agreement becomes effective after the first day of a calendar month, the fee for that month will be calculated proportionately with respect to the number of days in the month for which the agreement is in effect. If the agreement is terminated prior to the last day of the calendar month, the fee will be calculated proportionately with respect to the number of days in the

month that the agreement was in effect. **Please Note:** This schedule is closed to new investors.

Billing in Advance (Quarterly)

Generally, the advisory fee is deducted from the client's account on or about the 5th day after the beginning of the calendar quarter. However, under special circumstances (e.g., when clients have 401K accounts with Fidelity and/or Schwab), STA Wealth Advisors' fees can be billed directly to the client, and the client agrees to pay all of STA Wealth Advisors' fees within 30 days of receipt of the invoice. The fee deduction is included on the custodial account statement and invoices are available from STA Wealth Advisors upon request.

STA's **advance billing** is calculated based on the market value of the assets in the account as of the last business day of the preceding quarter. Fees are also charged on accrued interest. One quarter of the annual fee will be payable in advance on or about the 5th day of each quarter. In the event this Agreement becomes effective after the first day of a calendar quarter, the fee for such quarter shall be calculated proportionately with respect to the number of days left in such quarter and based on the market value of the account when the account is funded. Once the account has been under STA management for a full quarter, all future fees will be adjusted based on inflows and outflows of the previous quarter. If the agreement is terminated prior to the last day of the calendar quarter, the client will receive a prorated refund of the previous collected fees, only paying fees for the number of days services were rendered.

The table below shows STA's **maximum fee structure for managed accounts**, not participating in the Hedged Tactical Equity Strategy, being serviced on a wrap fee basis, or being managed by a third-party manager. See Item 4 for additional information regarding the fees that STA charges for managing accounts under the Hedged Tactical Equity Strategy. For additional information regarding the fees that STA charged for managing accounts on a wrap fee basis, please review our Wrap Fee Brochure. The table below does not include fees payable to third-party managers for their management or client accounts, such as sub-advisory arrangements, which fees are either (i) disclosed in separate agreements directly with the sub-adviser, (ii) provided in separate disclosures to clients, or (iii) with respect to the Hedged Tactical Equity Strategy disclosed above in Item 4. **Please Note:** Third-party management fees will be debited directly from the client account at the custodian as stated in the Schedule of A of the Investment Advisory Agreement.

STA does not generally consider its advisory fees to be negotiable, although it reserves the right in its discretion based on factors it deems relevant, to agree to a fee for any particular client that varies from the fee set forth in the table below. Therefore, fees may be lower or higher than fees charged to another client with a similar account. Relevant factors that may lead to a variation in fees include the size and scope of the client's overall relationship with STA and its affiliates, the complexity of the client's portfolio or their individual requirements, and the fees that the client's account was charged at another firm prior to transferring to STA. Each client signs an investment advisory agreement which clearly defines the fee that client will pay prior to any account fee deduction. STA's fees may be in excess of the industry norm. Similar advisory services can be obtained for less elsewhere.

Asset Range	Annual Fee
\$500,000 – 749,999	1.50%
\$750,000 – 999,999	1.35%
\$1,000,000 & UP	1.25%

Other Fees on Managed Accounts

The fees listed above do not include any bank fees, mark-ups or markdowns, margin interest, national securities exchange fees, wire transfer fees, clearing fees, brokerage charges, custody fees, or other costs or fees associated with the securities transactions or required by law for which the client is responsible. In addition, when beneficial to the client, individual fixed income transactions may be effected through broker-dealers other than the account custodian, in which event, the client generally will incur both the fee (commission, mark-up/mark-down) charged by the executing broker-dealer and a separate “tradeaway” and/or prime broker fee charged by the account custodian (Schwab or Fidelity).

Other fees may be incurred while client funds are in a money market fund or other no-load mutual fund, such as internal investment management fees and fund operating expenses, which are reflected in the fund’s internal expenses and are disclosed in each fund’s prospectus. These fees are charged and collected by the mutual or money market funds and are in addition to the fee the client pays STA. They are not offset or refundable to the client. Clients investing in mutual funds through STA may also incur transaction fees which would not be incurred if the client were to invest directly with the mutual fund. These transaction fees are charged by the custodian for the convenience of trading in multiple mutual fund families through one account.

As discussed below at Item 12, STA shall generally recommend that Schwab and/or Fidelity serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Schwab and Fidelity charge brokerage commissions and/or transaction fees for effecting certain securities transactions. In addition to STA’s investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Please Note: Clients who engage STA on a wrap fee basis **will not** incur brokerage commissions and/or transaction or asset based custodial fees in addition to the Program fee.

Financial Planning and Consultation Fees

To the extent specifically requested by a client, STA *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, business planning, including estate planning, insurance planning, etc.) on a stand-alone fee basis per the terms and conditions of a separate written agreement between STA and the client. STA’s planning and consulting fees are negotiable, but generally range from \$2,000 to \$30,000 on a fixed fee basis, and from \$150 to \$350 on

an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

Fees for Direct Investments/Private Placements/Hedge Funds/Alternative Investments

Investments in pooled vehicles not affiliated with STA Wealth Management

STA may invest account assets in “hedge funds” or other pooled investment vehicles that invest in securities. These funds may be publicly held, private partnerships, or other types of entities. They may pursue investment strategies that seek to achieve high returns by taking high risks. Typically, investments in these funds are illiquid and are suitable only for investors who can understand and bear the risk of losing all or part of their investment. Investors must meet specific financial criteria. STA cannot guarantee that the advisory services offered will result in clients’ goals and objectives being met, nor is there any guarantee of profit or protection from loss.

When STA advises a client to invest in one of these vehicles, for which STA is not the investment advisor, STA’s compensation is a management fee that is a percentage of the client’s capital account balance in each recommended fund. The percentage applied is the same percentage applied to all other assets managed by STA for the client (thus the fee schedule is the same as that detailed above under “Fees on Managed Accounts”). Internal fees for each fund are set forth in the various private placement memoranda.

Please Note: Valuation. If an STA Client invests in an any unaffiliated private investment fund(s). The value(s) of the investment(s) reported on the custodial statement(s) and/or STA generated report(s) shall reflect the most recent valuation provided by the Fund Sponsor. Not all Fund Sponsors report valuations on a set schedule. If no valuation post-purchase is provided by the Fund Sponsor, then the valuation shall reflect the initial purchase price until a valuation may be obtained. Client(s) advisory fees are calculated on the reported value (as of the last day of the preceding quarter). Therefore, if no valuation update is received from the Fund Sponsor before the client’s fee is calculated, the client may pay a fee that is significantly more or less than they would have paid should the Fund Sponsor have provided a valuation update

Investments in pooled vehicles affiliated with STA Wealth Management

Interests in the StreeTalk Advisors Premier Fund LP are closed to new investors and the fund is currently in liquidation, therefore; STA has opted to discontinue charging a management fee.

The STA Real Estate Fund 1, LP’s fees are set forth in the private placement memorandum. Client’s invested in the Real Estate Fund will incur fees at the fund level therefore the amount of the investment is excluded from the client account value for purposes of calculating the investment advisory fee

Other Fee and Expense Information

The Premier Fund, and the STA Real Estate Fund and managed accounts incur and pay brokerage commissions, financing, and other transaction costs and expenses in

connection with any trading and investment activities, as well as custodian fees for assets held in cash or securities at various banks, broker-dealers, and other financial institutions.

The Premier Fund, and the STA Real Estate Fund pay ongoing operating and offering costs as incurred. These costs include, without limitation, administrative, accounting, custody, transfer, reporting, tax, audit, regulatory, legal fees and expenses as well as any extraordinary expenses, if any.

Cash Positions. At any time and for a substantial length of time we may hold a significant portion of a client's assets in cash or money market mutual funds. Investments in these assets may cause a client to miss out on upswings in the markets. Unless we expressly agree otherwise in writing, account assets consisting of cash and money market mutual funds are included in the value of an account's assets for purposes of calculation of STA's advisory fee. **STA's Chief Compliance Officer, Hope Edick, remains available to address any questions that a client or prospective may have regarding the above fee billing practice.**

Commission Transactions. In the event the client desires, the client can engage certain of STA's representatives in their individual capacities as registered representatives of a broker-dealer, to implement investment recommendations on a fully disclosed commission basis. In the event the client chooses to implement recommendations by purchasing investment products through one of our representatives, in their individual capacities as registered representatives of a broker-dealer, brokerage commissions will be charged by the broker-dealer to effect securities transactions, a portion of which commissions shall be paid by the broker-dealer to the representative(s). Prior to effecting any transactions, the client will be required to enter into a new account agreement with the broker-dealer. The brokerage commissions charged by the broker-dealer may be higher or lower than those charged by other broker-dealers. In addition to brokerage commissions, the client may incur, relative to all mutual fund purchases, charges imposed at the mutual fund level (i.e. advisory fees, 12b-1 distribution charges, and other fund expenses). The broker-dealer, relative to commission mutual fund purchases, may also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment.

Conflict of Interest: The recommendation by certain of our representatives that a client purchase a securities commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from our representatives. Clients are reminded that they may purchase securities recommended by STA through other, non-affiliated representatives of a broker-dealer.

When our representatives sell an investment product on a commission basis, we do not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, our representatives do not also receive commission compensation for such advisory services. However, a client may engage STA to provide investment management services on an advisory fee basis and separate from such advisory services purchase an investment product from our representatives on a separate commission basis.

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

STA nor any of its supervised persons accepts performance-based fees.

ITEM 7 - TYPES OF CLIENTS

STA provides investment supervisory services and manages investment advisory accounts for:

- Individuals,
- High net worth individuals,
- Pension and profit-sharing plans,
- Pooled investment vehicles, and
- Corporations or other business not listed above.

STA generally requires a minimum household asset level of \$500,000.00 for a traditional actively managed account.

Households under the minimum will generally be referred to the STA's Robo Platform named the *START Platform* (this is a separate service and is not actively managed).

The minimum asset level required for the Hedged Tactical Equity Strategy is \$1 million. STA, in its sole discretion, may charge a lesser investment management fee and/or reduce or waive its aggregate account minimum based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

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

Method of Analysis

STA uses a combination of the following types of analysis in evaluating investments for client accounts:

- Charting—Analysis of charts of past stock performance
- Fundamental—Analysis of financial attributes of a company, such as revenue growth, debt to equity ratio, inventory turnover, etc.
- Technical—Analysis which assumes past performance is a predictor of future performance

STA uses the following sources of information in its analysis among others:

- financial newspapers and magazines,
- research materials prepared by others,
- corporate rating services,
timing services,

- annual reports, prospectuses, filings with the Securities and Exchange Commission, and
- company press releases.

Investment Strategies

The investment strategies STA uses to implement investment advice include the following:

- long-term purchases (securities held at least a year),
- short-term purchases (securities sold within a year),
- trading (securities sold within 30 days),
- short sales,
- margin transactions – which requires additional documentation from the client,
- option writing, including covered options, uncovered options, or spreading strategies.

The Premier Fund is currently in liquidation so no further investments will be made. The fund's objective was pursued by allocating Premier Fund capital among one or more managers with a diversified group of underlying investment managers for investments in investment pools or discretionary managed accounts, which are managed in an attempt to achieve high relative returns with reasonable volatility.

The STA Real Estate Fund 1, LP is closed to new investors. The Partnership is invested in existing or to-be-developed real estate investment opportunities with third parties through partnerships, joint ventures or other entities ("**Joint Ventures**"), thereby acquiring non-controlling interests. The objective is to generate risk-adjusted total returns through capital appreciation and current income by providing investors with access to mid-size real estate investment opportunities with a focus on multi-family residential housing and senior living properties.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. STA does not guarantee the future performance of any account, the performance of any investment decision, strategy that STA may use, or the performance of STA's overall management of the account. Investment decisions made by STA, for a client's account, are subject to various market, currency, economic, political, and business risks. Such investment decisions will not always be profitable.

More specifically, these risks include but are not limited to:

- *Short Sales*: Short selling is the practice of selling investments, which are not owned by the seller, generally when the seller anticipates a decline in the price of the investments or for hedging purposes. To complete a short sale, the seller must borrow the investments from a third party in order to make delivery to the buyer. The seller generally will be required to pay a brokerage commission or interest, which will increase the cost to the seller of selling such investments. Until the investments are replaced, the seller will be required to pay, to the lender, amounts equal to any dividends or interest which accrue during the period of the loan of the investments.

Under certain circumstances, including any U.S. or non-U.S. governmental or regulatory action which impacts short selling, a fund may be prematurely forced out of a short position. The lender of a security used to cover a short position generally has the right to demand the return of the stock that has been loaned at any time. In such event, a fund would be required to replace the borrowed securities by borrowing the securities from another lender. If the fund were unable to replace the borrowed securities, it would be required to close out the short position by buying the security in the market to make delivery. When completing a short sale, the fund could incur a significant loss if the security sold short had increased in value.

- *Put and Call Options on specific investments:* The Hedged Tactical Equity Strategy may purchase exchange-listed put and call options on specific investments and the funds may purchase put and call options over-the-counter (“OTC”). In addition, the funds may write and sell covered or uncovered call and put option contracts. A call option gives the purchaser of the option the right to buy and obligates the writer to sell the underlying investments at a stated exercise price at any time prior to the expiration of the option. Similarly, a put option gives the purchaser of the option the right to sell and obligates the writer to buy the underlying investments at a stated exercise price at any time prior to the expiration of the option. Options written by the fund may be wholly or partially covered (meaning that the fund holds an offsetting position) or uncovered. Options on specific investments may be used by funds to seek enhanced profits with respect to a particular investment. Alternatively, they may be used for various defensive or hedging purposes.

The use of put and call options may result in losses to the funds, force the sale or purchase of portfolio investments at inopportune times, force prices higher than (in the case of put options) or lower than (in the case of call options) current market values, limit the amount of appreciation the funds can realize on its investments, or cause the funds to hold an investment it might otherwise sell. For example, a decline in the market price of a particular investment could result in a complete loss of the amount expended by a fund to purchase a call option (equal to the premium paid for the option and any associated transaction charges). An adverse price movement may result in unanticipated losses with respect to covered options sold by a fund. The use of uncovered option writing techniques may entail greater risks of potential loss to a fund than other forms of options transactions. For example, a rise in the market price of the underlying investment will result in the fund realizing a loss on the calls written, which would not be offset by the increase in the value of the underlying investments, to the extent the call option position was uncovered.

- *Withdrawals and Performance:* Numerous hedge funds have experienced material levels of withdrawals and received significant withdrawal requests for upcoming withdrawal dates due to market conditions, fund performance, the need for liquidity by some investors, and other reasons. In response, a number of hedge funds have had to impose liquidity restraints and, in certain cases, dissolve. There can be no assurance that the funds will not in the future experience withdrawal requests at a level that may have an adverse effect on their operations or ability to satisfy such requests.

- *Regulatory Risk:* U.S. and non-U.S. securities and commodities markets are subject to ongoing and substantial regulatory changes. Recently there has been increased government agency scrutiny, as well as self-regulatory scrutiny, of the “hedge fund” industry in general. This includes incidents of regulators unexpectedly announcing regulatory changes or interpretations that prohibited strategies that had been implemented in a variety of formats for many years. For example, in September 2008 the SEC and various non-U.S. regulatory bodies imposed temporary bans on short-selling in a variety of stocks and adopted permanent regulations that may have the effect of making short-selling more difficult or costly. These actions were generally regarded as disrupting market fundamentals and causing unexpected and volatile increases in the stock prices of a variety of issuers, as short sellers closed out their positions by buying securities. Such increased or additional regulation may require the funds to alter the manner in which they do business and could adversely affect their ability to implement their investment programs.

STA will endeavor to regularly monitor the managers of the funds in which its pooled investment vehicles are invested, but STA is unlikely to have access to information about the underlying portfolio positions of investments in the underlying funds on a regular basis. Investors in the pooled investment vehicles typically have no right to demand such information of the managers. Accordingly, STA will not be in a position to analyze or respond to developments within any particular underlying fund unless, and until, information relating thereto is disseminated by the manager to its investors. That information may not necessarily be timely or complete.

Financial Planning Methodology and Risks

When providing financial planning services, STA utilizes the eMoney and Money Guide Pro software programs. These programs were developed by companies that are not affiliated with STA. The methodology underlying eMoney, Money Guide Pro as well as various assumptions, limitations, and risks associated with the software, are discussed with clients at the time STA provides them with financial planning services and delivers the client’s Financial Plan Goal report.

Any recommendations or suggestions made by STA and/or its advisors, as part of its financial planning services, are not automatically implemented in the client’s account. It is entirely up to clients -- in their sole discretion -- to accept or implement STA’s financial planning suggestions or to make changes based on the results shown in the financial planning report. STA may assist clients in implementing recommendations in accounts as to which STA provides advisory services. However, this will be undertaken only at the client’s specific request, not automatically as part of STA’s services. Any changes to other accounts must be made or arranged by clients themselves.

There are limitations and risks inherent in using software for financial planning purposes. The validity of the output produced by the software is dependent on a number of factors, such as the models underpinning the software, the accuracy of the computer coding, the quality of the data put into the models, and the quality of the output generated by the models and ultimately deployed into a report. The potential for errors, such as development, implementation, systems, and human errors are an inherent risk in this process. Risks of loss, corruption, or error due to computer viruses, worms, hacking, intrusions, outages or other factors, and intellectual property disputes could negatively

affect the software, its use and performance, and/or the report delivered to clients. While STA takes reasonable steps to mitigate these risks to the extent under its control, these risks cannot be eliminated entirely.

ITEM 9 - DISCIPLINARY INFORMATION

STA, nor any of its officers or principals, has been convicted in any investment-related criminal or civil actions in a domestic, foreign, or military court.

STA nor any of its officers or principals, has been found (1) to have caused an investment-related business to lose its authorization to do business, and (2) to have been involved in a violation of an investment-related statute or regulation and the subject of an order in connection with any administrative proceedings before the Securities and Exchange Commission, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.

STA has not been involved in any self-regulatory organization proceedings; however, one of the principals had a regulatory action brought against him by the NASD (now FINRA). This action stemmed from an employee agreement. In 2002, Mr. Patterson received a forgivable loan from the firm with which he was employed. The loan was to be forgiven if he stayed with the firm in accordance with his employee agreement. In 2004, Mr. Patterson left the firm for various reasons, which included his not wanting to sell the products the firm offered, as well as differences in investment philosophy. In 2005, the firm filed an arbitration proceeding to collect the portion of the loan that had not been forgiven. Mr. Patterson moved shortly after he left the firm; therefore, he never received the notice of the arbitration and did not appear at the proceeding. This resulted in the suspension of his NASD registration. In 2005, Mr. Patterson's old firm received a default arbitration award. As soon as Mr. Patterson learned of the default arbitration, he contacted the firm and settled the matter. His suspension was lifted by FINRA in 2011.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Affiliations with Pooled Investment Vehicles

STA and its affiliates have sponsored a number of private investment funds that they manage. STA and/or its affiliates serve as the general partners to these funds. The funds do not have independent management. These arrangements are described in more detail above under Item 4 Advisory Business. Certain STA principals and Advisors have also invested personal assets in these private funds.

Although this arrangement may give STA heightened control and discretion over its fund clients, STA manages conflicts of interest by adhering to the investment strategy and investment allocation policy discussed in each client's fund offering documents.

From time to time, STA may recommend that qualifying clients invest in one of these private funds. This poses a conflict of interest for STA to the extent it has a financial incentive to recommend that clients invest in the funds, thereby increasing the assets held by the funds and in turn increasing the compensation payable to STA and/or its affiliates, otherwise benefiting them. However, STA does not charge an advisory fee on any assets in its clients' managed accounts that are invested in these private funds, which is aimed at mitigating this conflict of interest. In addition, STA is constrained by fiduciary principles

to act in its clients' best interests when managing accounts and will recommend that clients invest in the funds only when it is suitable to do so. STA monitors activity in its clients' accounts in an effort to ensure that transactions are appropriate.

Affiliation with Insurance Agency and Licensed Insurance Agents

Clients may receive advice on other insurance-related products such as fixed annuities and various types of insurance. Some of the investment advisor representatives (IAR's) may be independently licensed with various insurance companies and/or the following affiliated insurance agency STA Insurance Agency, LLC.

Affiliated Insurance Agency – Licensed Agents

STA Wealth Management and/or its Principals has an affiliation with the STA Insurance Agency, LLC.

James "Luke" Patterson and Michael Smith both principals of STA Wealth Management, LLC own STA Insurance Agency, LLC. The percentage of interest is as follows: Luke Patterson 50% and Michael Smith 50%. Both Luke Patterson and Michael Smith are licensed agents for STA Insurance Agency.

The recommendation by an STA Wealth representative that a client purchase an insurance product from the firm's affiliated insurance agency, presents a **conflict of interest** as the receipt of commissions to the insurance agency benefits STA Wealth Management, LLC and the other owners of the agency. In addition, Michael Smith and Luke Patterson as licensed agents of STA Insurance Agency, LLC, receive normal and customary commissions for the sale of insurance products. No client is under any obligation to purchase any insurance commission products from STA and/or its representatives. Clients are reminded that they may purchase insurance products recommended by STA through other non-affiliated or insurance agencies. In addition, STA Wealth is constrained by fiduciary principles to act in its clients' best interests when providing advice and will recommend that clients purchase an insurance product only when it is suitable to do so. STA Wealth monitors these arrangements in an effort to ensure that purchases are appropriate.

Non-Affiliated Insurance Agency - Licensed Agents

Some of the IAR's acting in the capacity of an insurance agent may recommend insurance products with non-affiliated agencies. This presents a conflict of interest as the IAR may receive fees for the advice and receive commission on the sale of the product. Clients are reminded that they may purchase insurance products recommended by STA Wealth's advisors through other insurance agents. In addition, STA Wealth is constrained by fiduciary principles to act in its clients' best interests when providing advice and will recommend that clients purchase an insurance product only when it is suitable to do so. STA Wealth monitors these arrangements in an effort to ensure that purchases are appropriate.

Registered Representatives of a Broker-Dealer

As discussed above, certain of our representatives are also, in their separate and individual capacities, registered representatives of Purshe Kaplan Sterling a broker-dealer. Clients can choose to engage these registered individuals to effect securities brokerage transactions on a commission basis.

The recommendation by these representatives that a client purchase a securities commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from STA's representatives. Clients are reminded that they may purchase securities or insurance products recommended by STA through other, non-affiliated insurance agents or registered representatives of a broker-dealer.

STA' Chief Compliance Officer, Hope Edick, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.

Other Business Activity

STA Wealth Management is acting as the liquidating trustee to each series of the Black Swan Opportunity Fund, LP as well as the Black Swan Multi-Strategy Funds. The main duty of STA is to oversee the orderly liquidation of each of the fund's assets and the distribution of disposition proceeds in accordance with the liquidation provisions set forth in the applicable Operating Agreements. STA or its Principals are not employees of Black Swan and receive no compensation or fee.

Liquidating Trustee

While acting in the capacity poses a risk of misappropriating funds from the various Limited Partner Accounts. The risk is mitigated by having the funds held at a qualified custodian, having a fund administrator producing monthly financials, as well as subjecting each fund's financial statements to annual audit. In addition, STA is constrained by the conditions set forth in the Liquidating Trustee Agreement.

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

Code of Ethics

STA has adopted a Code of Ethics which describes the general standards of conduct STA expects of all firm personnel (collectively referred to as "employees"). Failure to uphold the Code of Ethics may result in disciplinary sanctions, including termination with STA. Any client or prospective client may request a copy of STA's Code of Ethics which will be provided, at no cost, by contacting Hope Edick at 281.822.8800.

The following basic principles guide all aspects of STA's business and represent the minimum requirements to which STA expects employees to adhere:

- Clients' interests come before employees' personal interests and before STA's interests.
- STA must fully disclose all material facts about conflicts, of which it is aware, between STA and its employees' interests, on the one hand, and client and STA's interests on the other.
- Employees must operate on STA's behalf and on their own behalf consistently with STA's disclosures and manage the impacts of those conflicts.
- STA and its employees must not take inappropriate advantage of their positions of trust with or responsibility to clients.
- STA and its employees must always comply with all applicable securities laws.

Personal Securities Trading

Trading by STA personnel in their personal accounts is subject to review and, in many cases, requires prior approval by STA's Chief Compliance Officer (CCO). Employees are allowed to trade in their personal accounts in stocks, mutual funds, bonds, ETFs, and pre-approved private placements. Employees may invest simultaneously with clients as long as the same price is obtained. Investing in private placements in personal accounts must be pre-approved by the CCO. Personal trades must be reported quarterly to the STA CCO and holdings are reported annually. Both personal trades and holdings are reviewed on a periodic basis to ensure compliance with STA's policy. Breaches to the policy are taken seriously and may be met with disciplinary action, including termination of employment.

The STA principals have also invested in the Premier Fund and the STA Real Estate Fund as limited partners; therefore, have ownership interests beyond owning the general partners of each fund. See Item 10 "Other Financial Industry Activities and Affiliations" for more information on the conflict of interest this presents.

Outside Business Activities

Employees are required to report to STA any outside business activities generating revenue. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed, or the employee will be directed to cease this activity.

ITEM – 12 BROKERAGE PRACTICES

Broker Selection

STA selects the brokers or dealers that handle securities transactions in client accounts and negotiates their commissions. STA has entered into agreements with Schwab, Fidelity, and Millennium Trust Company (MTC) to act as custodians for client accounts. STA does not have any affiliation with these broker-dealers. The commissions charged by Schwab, Fidelity, and MTC, are comparable with those of other broker-dealers in return for like products and services; however, they may be higher in some instances than those obtainable from other brokers. STA generally trades through the custodian in order to manage transaction fees. STA and its personnel receive no commissions or 12(b)-1 fees from accounts held at these custodians.

Best Execution

STA's policy is to attempt to obtain the best execution for its clients' securities transactions. What constitutes "best execution" as well as determining how to achieve it is inherently uncertain. In evaluating whether a broker will provide best execution, STA considers a range of factors. These include:

- Historical net prices (after markups, markdowns or other transaction-related compensation) on other transactions.
- The execution, clearance, settlement, and error correction capabilities of the broker in connection with securities of the type and amounts to be bought or sold.

- The availability of no-load mutual funds.
- The broker's reliability and financial stability.
- The commission structure.
- The quality of information provided to STA and to clients.

STA is not required to select the broker that charges the lowest transaction cost even if that broker provides execution quality comparable to other brokers. STA expects at times that clients will pay more than the lowest transaction cost available in order to obtain for STA and/or its clients services and products other than securities transactions execution. As noted above, STA generally trades through the custodian in order to manage transaction fees.

In the event that the client requests that the STA recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the STA to use a specific broker-dealer/custodian), STA generally recommends that investment management accounts be maintained at *Fidelity and/or Schwab*. Prior to engaging STA to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with STA setting forth the terms and conditions under which STA shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the STA considers in recommending *Fidelity and/or Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with the client, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by STA's clients shall comply with the STA's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the STA determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although STA will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, STA's investment management fee. The STA's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, STA may receive from *Fidelity and/or Schwab* (or another broker-dealer/custodian, vendor, platform or product sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist the STA to better monitor and service client

accounts maintained at such institutions. Included within the support services that may be obtained by the STA may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by STA in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist the STA in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the STA to manage and further develop its business enterprise.

STA's clients do not pay more for investment transactions effected and/or assets maintained at *Fidelity and/or Schwab* as a result of this arrangement. There is no corresponding commitment made by the STA to *Fidelity and/or Schwab* or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

The STA's Chief Compliance Officer, Hope Edick, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

Broker Review

At least annually, STA's Chief Compliance Officer and Chief Executive Officer review brokerage relationships in light of the factors referenced above.

Research and Other Soft-Dollar Benefits

STA currently has no formal soft-dollar arrangements, where specific products or services are paid for with soft dollars generated for STA by individual trades STA places in client accounts. However, as referenced above, the custodians are providing STA with certain products and services. Products or services provided by the custodians may be used to service all or a substantial number of STA's accounts, including accounts not maintained at the particular custodian providing that product or service and without allocating products or services among accounts. To the extent these products or services are provided to STA without charge, STA receives a benefit because it does not have to produce or pay for the products or services out of its own pocket.

These arrangements with the custodians pose a conflict of interest for STA to the extent that they create an incentive for STA to suggest clients maintain their assets in accounts

at the custodians on the basis of products and services that may become available to STA as a result, rather than solely on the basis of the nature, cost or quality of custody and brokerage services provided to clients. However, STA is constrained by fiduciary principles to act in its clients' best interests and will suggest the custodians to clients only when it appropriate to do so. In addition, STA maintains an awareness of the services provided to clients by the custodians in an effort to ensure that clients are well served.

Brokerage for Client Referrals

STA does not directly or indirectly compensate any broker for client referrals.

Directed Brokerage

STA requires managed account clients to use one of its approved custodians and does not permit clients to direct their brokerage to other broker-dealers. As noted above, STA generally trades through the custodian in order to manage transaction fees. [With respect to the Hedged Tactical Equity Strategy, STA has instructed Lavaca Capital to affect all transactions through the account's custodian.] See the discussion above in this Item 12 for information about the conflicts of interest posed by STA's arrangements with the custodians.

Order Aggregation

When a client is invested in an STA managed model, STA will generally aggregate brokerage orders for those clients and allocate the securities purchased or sold among the participating accounts, with each account receiving the same terms, once they are fully allocated into a model. The proportion in which participating account(s) will share transactions will be determined by the portfolio manager(s) on the basis of investment objective, cash availability, expected cash and liquidity needs, and other relevant factors. The overarching principle for every allocation is that no account is unfairly favored over another account that is similarly situated over time. However, since client accounts are held at different brokers/custodians (Schwab/Fidelity) not all clients will receive the same price. In addition, Schwab and Fidelity do not provide an expense advantage to participating accounts in an aggregated trade. Rather than charging one transaction fee for the aggregated trade, transaction fees (if applicable) are applied to each account as if the trade had been enacted on an account by account basis.

There are times when orders are not executed on the same terms, these are considered "one off trades". One-off trades occur when a client requests a trade for their account and/or another client requests a purchase or sell of the same security at a later time during trading hours. In addition, STA considers trades to be one off, when a firm advisor requests or effects a trade on behave of their client to generate cash or meet an objective and another firm advisor trades for his/her client the same security for liquidity or objective reasons. The STA Trader reviews all trades and rationale to ensure that no client is treated unfairly or favored over another.

ITEM 13 - REVIEW OF ACCOUNTS

Managed Accounts

Reviews are conducted by STA Wealth Advisors' Investment Advisor Representatives. Through the use of trading and investment software programs, managed account holdings

are compared to the selected portfolio model for allocation purposes, as well as monitored for performance. Luke Patterson (Chief Investment Officer), and other members of the investment team, discuss the performance of each model in a weekly investment committee meeting. The members of the investment committee meet with the investment advisor representatives at least bi-monthly to discuss the advisors accounts. STA personnel generally contact clients annually to schedule an in-depth portfolio review with one of the advisors. Clients are also provided access to STA Wealth Advisors' Portal through Orion and each client is provided direct access to their account custodian website, where they may obtain reporting on their performance and other account information.

Pooled Investment Vehicles

Each private fund's investment manager is responsible for monitoring the holdings of its respective fund on at least a quarterly basis. STA provides investors with written annual audited financial statements examined by independent auditors, as well as annual tax information.

Financial Plans

STA Wealth Management, LLC offers a varying degree of financial planning services. Prior to implementing a financial plan, clients will complete a financial planning services agreement which will outline the scope of the service. Financial planning reports generated by Emoney and/or Money Guide Pro software are reviewed by STA investment personnel and then delivered to the client, usually in a face-to-face meeting to explain the results. Dependent upon the service chosen in the agreement, STA may or may not have an obligation to update, monitor, or amend any advice or report provided. The agreement determines the scope of the client and Advisor obligation. Please note the Financial Planning Services Agreement is separate from the Investment Advisory Agreement. Should a financial planning client wish to have STA manage their investment account, the client will need to sign a separate Investment Advisory Agreement. Financial planning clients are reminded they are under no obligation to act on the advice provided in the plan.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

Except as stated below, STA does not, nor do any of its principals or employees, receive an economic benefit such as sales, awards or other prizes, from non-clients for providing advisory services to its clients. In addition, STA does not compensate third parties for client referrals.

Other Compensation and Arrangements

An Advisor of STA receives compensation from Midwest Trust Company. In these few instances, the advisor receives a portion of the investment management fee that Midwest Trust Company charges certain clients for management of assets received in a litigation settlement. In such cases the STA advisor is not considered the investment manager and does not have discretionary authority. The payments range from 25% to 35% of the annual fee charged by Midwest Trust and are paid quarterly to the advisor.

As indicated at Item 12 above, STA may receive from Schwab and/or Fidelity without cost (and/or at a discount), support services and/or products. STA's clients do not pay more for investment transactions effected and/or assets maintained at Schwab and/or Fidelity as result of this arrangement. There is no corresponding commitment made by STA to

Schwab and/or Fidelity or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangements. **STA's Chief Compliance Officer, Hope Edick, remains available to address any questions that a client or prospective client may have regarding the above arrangements and any corresponding perceived conflict of interest such arrangements may create.**

STA does not compensate individuals or entities for prospective client introductions.

ITEM 15 - CUSTODY

STA is deemed to have "custody" of managed accounts for the following reasons:

- Because STA generally has the authority to instruct the account custodian to deduct the management fee directly from the client's account. This limited access is monitored by the client through receipt of account statements directly from the custodian. These statements show the deduction of the management fee from the account.
- Because some managed account clients have set up standing letters of authorization allowing third-party money movement transfers. Please note: Client must complete and sign the account custodian form prior to any third-party money movement. Also, STA may only direct the movement of funds via check or ACH from one account in the client's name to another account with like registration. All wire transfers require the client to complete and sign the account custodian money movement form indicating the receiving beneficiary account information.
- Because STA or its affiliate(s) serve as the general partner and/or investment advisor to the Premier Fund and the STA Real Estate Fund 1, LP, they are also deemed to have custody of those assets.

When clients receive their account statements from the custodian, they should carefully review those statements. If clients receive account statements from STA, they are reminded to compare the statements from STA with the account statements from their custodian. Clients should contact both STA and the custodian if there are unexplained discrepancies.

Additionally, STA engages an outside auditor to conduct an annual audit of the private funds' financial statements. Although STA attempts to deliver the audited financials to all Premier Fund and STA Real Estate Fund investors within 180 days of the fund's fiscal year end, delivery in the past has been delayed due largely to the fact that not all fund managers of the underlying funds and/or private equity issuers report to the fund on time. The STA Real Estate Fund and the Premier Fund assets are in the custody of a qualified custodian which is sending investors quarterly statements.

ITEM 16 - INVESTMENT DISCRETION

STA's primary practice allows for discretionary authority to manage accounts on behalf of its clients. Clients provide STA with a limited power of attorney granting trading authority and authority to instruct the custodian to withdraw its investment management fee on a monthly or quarterly basis (according to the investment advisory agreement). STA

determines, for all clients, what securities are to be purchased and sold, how much, when, and negotiates commissions with the account custodians.

This authority is granted for managed accounts through the investment advisory agreement each client executes with STA. This authority is granted to STA for proprietary private funds by the limited partnership agreements.

Managed account clients may limit STA's discretionary authority by imposing reasonable restrictions as part of their investment advisory agreement with STA. STA in its sole discretion may determine whether any requested restriction is reasonable.

As stated in Item 4, STA in very limited circumstances will manage an account on a non-discretionary basis.

Participate in an unaffiliated private placement is considered non-discretionary as the client must complete a separate subscription document with issuer of the offering.

ITEM 17 - VOTING CLIENT SECURITIES

STA does not vote client proxies and has instructed the custodian to forward all proxy material directly to the client. STA shall forward to the client, or to the advisor(s) for an employee benefit plan covered by ERISA, any proxy materials it receives that pertain to the assets in the client's account unless the account relates to an employee benefit plan and the plan's trust agreement provides otherwise. Clients will receive proxy materials directly from the custodian by U.S. Mail or by email. Clients may contact STA with questions concerning particular proxy matters.

ITEM 18 - FINANCIAL INFORMATION

This item is not applicable to STA, as there is no financial condition or circumstance required to be disclosed nor any circumstance requiring STA to include its balance sheet. **ANY QUESTIONS: STA's Chief Compliance Officer, Hope Edick, remains available to address any questions regarding this Part 2A.**