



## Part 2A of Form ADV: Firm Brochure

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March 11, 2025

This brochure provides information about the qualifications and business practices of SKG Capital Advisors, LLC . If you have any questions about the contents of this brochure, please contact us at (505) 856-5444 or [nick@skgadvisors.com](mailto:nick@skgadvisors.com). 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 with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about SKG Capital Advisors, LLC , also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 286554.



## **Item 2 Material Changes**

Since our last annual updated Form ADV dated February 29, 2024, we have had the following material change(s):

The firm started using the DBA name, SKG Capital Advisors, LLC

Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.



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

SKG Capital Advisors, LLC , is a SEC registered investment adviser with its principal place of business located in New Mexico. SKG Capital Advisors began conducting advisory business in 2017.

Mr. Saxon Knight and Nicholas Gordon are the firm's principal shareholders.

SKG Capital Advisors offers the following advisory services to our clients:

#### **INDIVIDUAL PORTFOLIO MANAGEMENT - WEALTH MANAGEMENT SERVICE**

Our firm provides continuous advice to clients regarding the investment of client funds based on the individual needs of the client through our Wrap Fee Program. Through personal discussions in which goals and objectives based on the client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

Our firm does tailor our advisory services to the individual needs of clients. We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- United States governmental securities



Because some types of investments involve certain additional degrees of risk, they will only be implemented / recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

## **INSTITUTIONAL INTELLIGENT PORTFOLIOS - WEALTH BUILDING SERVICES**

We provide portfolio management services through Institutional Intelligent Portfolios™, an automated, online investment management platform for use by independent investment advisors and sponsored by Schwab Performance Technologies, Inc. (the “Program” and “SPT,” respectively). Through the Program, we offer clients a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange traded funds (“ETFs”) and a cash allocation. The client may instruct us to exclude up to three ETFs from their portfolio. The client's portfolio is held in a brokerage account opened by the client at SPT's affiliate, Charles Schwab & Co., Inc. (“CS&Co”). We are independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS&Co or their affiliates (together, “Schwab”). The Program is described in the Schwab Performance Technologies, Inc. Institutional Intelligent Portfolios™ Disclosure Brochure (the “Program Disclosure Brochure”), which is delivered to clients by SPT during the online enrollment process. Clients eligible to enroll in the Program include accounts under \$100,000 for individuals, IRAs and revocable living trusts. Clients that are organizations (such as corporations and partnerships) or government entities, and clients that are subject to the Employee Retirement Income Security Act of 1974, are not eligible for the Program.

We, and not Schwab, are the client's investment advisor and primary point of contact with respect to the Program. We are solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. SPT's role is limited to delivering the Program Disclosure Brochure to clients and administering the Program so that it operates as described in the Program Disclosure Brochure.

We have contracted with SPT to provide us with the technology platform and related trading and account management services for the Program. This platform enables us to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the “System”). The System includes an online questionnaire that helps us determine the client's investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that we will recommend a portfolio via the System in response to the client's answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but we then make the final decision and select a portfolio based on all the information we have about the client. The System also includes an automated investment engine through which we manage the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

We do not receive a portion of a wrap fee for our services to clients through the Program. Clients do not pay fees to SPT in connection with the Program, but we charge clients a fee for our services as described below under *Item 5*.

## FINANCIAL PLANNING

We also provide financial planning services as a part of the portfolio management services through the wrap fee program. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a detailed financial checklist designed to assist the client to achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, longterm care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and / or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.



We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Financial Planning recommendations are not limited to any specific product or service offered by a brokerdealer or insurance company.

## **PENSION CONSULTING SERVICES**

We also provide several advisory services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. Pension Consulting Services are comprised of four distinct services. Clients may choose to use any or all of these services.

Investment Policy Statement Preparation (hereinafter referred to as "IPS"):

We will meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

Selection of Investment Vehicles:

We will review various mutual funds (both index and managed) to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.

Monitoring of Investment Performance:

We monitor client investments continually, based on the procedures and timing intervals delineated in the Investment Policy Statement. Although our firm is not involved in any way in the purchase or sale of these investments, we supervise the client's portfolio, and will provide education and general guidance to the client.

Employee Communications:

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we also provide quarterly educational support and investment workshops designed for the plan participants when the plan sponsor engages our firm to provide these services. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

## AMERICAN FUND - CLASS F2 SHARES

We also offer investment advisory program to our clients through American Funds in which clients may invest in Class F-2 shares of the American Funds. Based on the client's individual circumstances and needs we will identify whether the Class F-2 share is appropriate for that client. Factors considered in making this determination include account size, risk tolerance, the opinion of each client and the investment philosophy of the selected registered investment adviser. Clients should refer to [www.americanfunds.com](http://www.americanfunds.com) for a full description of the services offered. We are available to meet with clients on a regular basis, or as determined by the client, to review the account.

We monitor the performance of the F-2 shares and will assess on an ongoing basis the investment alternatives and choices with American Funds to ensure the risk level of the portfolio is appropriate for the client.

Class F-2 shares are designed for investors who choose to compensate their financial professional based on the total assets in their portfolios, rather than commissions or sales charges. This arrangement is often called an “asset-based” or a “fee-based” program. Class F-2 shares do not have an up-front or a contingent deferred sales charge. Class F-2 shares also do not carry a 12b-1 fee but may have slightly higher administrative expenses than other shares. These expenses will vary among the funds. Note that Class F-2 shares are not available for purchase in certain employer-sponsored retirement plans, unless they are a part of a qualifying fee-based program.

## WRAP FEE PROGRAMS

SKG Capital Advisors only services are through the wrap fee program. Please see the Part 2A Appendix 1 of Form ADV: Wrap Fee Program Brochure for full details.

## ASSETS UNDER MANAGEMENT

As of December 31, 2024, SKG Capital Advisors had \$119,151,504 in assets under management, in 278 accounts, all are discretionary assets under management,

## Item 5 Fees and Compensation

### INDIVIDUAL PORTFOLIO MANAGEMENT - WEALTH MANAGEMENT SERVICE

The annualized fees for the Wrap Fee Program are charged as a percentage of the value of the client's portfolio, according to the following tiered schedule:



<b>Assets Under Management</b>	<b><u>Annual Fee* (plus gross receipts tax if applicable)</u></b>	<b>Quarterly Fee</b>
<b>\$50,000 - \$1,499,999</b>	<b>1.35%</b>	<b>.337%</b>
<b>\$1.5 million - \$2,999,999</b>	<b>1.25%</b>	<b>.312%</b>
<b>\$3 million - \$4,999,999</b>	<b>1.15%</b>	<b>.287%</b>
<b>\$5 million - \$9,999,999</b>	<b>0.95%</b>	<b>.237%</b>
<b>\$10 million +</b>	<b>0.50%</b>	<b>.125%</b>

\*Tiered – householding of accounts results in lower fee calculation.

Our fees are billed quarterly, in arrears, at the beginning of each calendar quarter based upon the market value (or fair market value in the absence of market value), of the client's account at the end of the previous quarter. If management begins after the start of a month, Program fees will be pro-rated accordingly. Payment for advisory services will be debited from the account in accordance with the client authorization in the client's Advisory Agreement. SKG Capital Advisors will not accept other forms of payment at this time. The client will authorize the fees to be debited from the account in accordance with the terms set forth in the Investment Management Agreement ("IMA").

**Account Minimums:** A minimum of **\$50,000** of assets under management is required for this service. While SKG Capital Advisors may group certain related client accounts for the purposes of achieving the minimum account size, the minimum annualized fee will be no less than \$675.

**Limited Negotiability of Advisory Fees:** Although rare, SKG Capital Advisors retains the discretion to negotiate alternative fees and / or minimum account size on a client-by-client basis. Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm. The specific annual fee schedule is identified in the contract between the adviser and each client.

## **INSTITUTIONAL INTELLIGENT PORTFOLIOS - WEALTH BUILDING SERVICES**

The annualized fees for the Wealth Building Service is charged as a percentage of the value of the client's portfolio at 0.95% annually (0.2375% quarterly).

Our fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co as part of the Program. Schwab does receive other revenues in connection with the Program, as described in the Program Disclosure Brochure. We do not pay SPT fees for its services in the Program so long as we maintain \$100 million in client assets in accounts at CS&Co that are not enrolled in the Program. If we do not meet this condition, then we pay SPT an annual fee of 0.10% (10 basis points) on the value of our clients' assets in the Program. This fee arrangement gives us an incentive to recommend or require that our clients with accounts not enrolled in the Program be maintained with CS&Co. Schwab does receive other revenues in

connection with the Program, as described in the Program Disclosure Brochure. Brokerage arrangements are further described below in Item 12 Brokerage Practices.

**Account Minimums:** Clients eligible to enroll in the Program are subject to a \$5,000 minimum investment to open an account in the Program. The Program Disclosure Brochure describes related minimum required account balances for maintenance of the account, automatic rebalancing, and tax-loss harvesting.

**Limited Negotiability of Advisory Fees:** Although rare, SKG Capital Advisors retains the discretion to negotiate alternative fees and / or minimum account size on a client-by-client basis. Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm. The specific annual fee schedule is identified in the contract between the adviser and each client.

### **PENSION CONSULTING FEES**

Our fees for Pension Consulting Services are based on a percentage of assets under advisement and are charged at 0.5% annually (0.125% quarterly). Plan sponsors are invoiced in arrears at the end of each calendar quarter.

### **FINANCIAL PLANNING FEES**

SKG Capital Advisors only offers financial planning to clients as a part of the Wealth Management Service through the Wrap Fee Program.

### **AMERICAN FUND - CLASS F2 FEES**

SKG Capital Advisors charges a 50 basis points per year paid quarterly at 0.125%. American Funds does not charge an additional fee beyond the fund expense charges.

### **GENERAL INFORMATION**

**Compensation:** Management personnel and other related persons of our firm are licensed as independent insurance brokers. In their separate capacity(ies), these individuals are able to implement investment recommendations for advisory clients for separate and typical compensation (i.e. commissions, or other sales related forms of compensation). This presents a conflict of interest to the extent that these individuals recommend that a client invest in a security which results in a commission being paid to the individuals. Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

**Termination of the Advisory Relationship:** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. If any prepaid, unearned fees were assessed, the firm will calculate and the client will be promptly refunded.

**Mutual Fund Fees:** All fees paid to SKG Capital Advisors for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and / or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Grandfathering of Minimum Account Requirements:** Pre-existing advisory clients are subject to SKG Capital Advisors' minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

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

SKG Capital Advisors does not charge performance-based fees.

## **Item 7 Types of Clients**

SKG Capital Advisors provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Corporations or small businesses

As previously disclosed in Item 5, our firm has established initial as well as ongoing minimum account requirements. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

### METHODS OF ANALYSIS

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

- **Charting.** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.
- **Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

- **Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

- **Cyclical Analysis.** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.
- **Qualitative Analysis.** We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

- **Asset Allocation.** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of fixed income securities, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

- **Mutual Fund and /or ETF Analysis.** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and / or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

**Institutional Intelligent Portfolios™:** The Program Disclosure Brochure includes a discussion of various risks associated with the Program, including the risks of investing in ETFs, as well as risks related to the underlying securities in which ETFs invest. In addition, the Program Disclosure Brochure also discusses market/systemic risks, asset allocation/strategy/ diversification risks, investment strategy risks, trading/liquidity risks, and large investment risks.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when we believe the securities to be currently undervalued, and / or we want exposure to a particular asset class over time, regardless of the current projection for this class.

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

**Short-term purchases.** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

## **RISK OF LOSS**

Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk. Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal.

### **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

### **Item 10 Other Financial Industry Activities and Affiliations**

#### **Insurance Activities:**

Management personnel of our firm, in their individual capacities, are agents for various insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

## **CONFLICT OF INTEREST DISCLOSURE**

Clients should be aware that the receipt of additional compensation by SKG Capital Advisors and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. SKG Capital Advisors endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

##### **SUMMARY OF OUR CODE OF ETHICS**

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

SKG Capital Advisors and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

SKG Capital Advisors' Code of Ethics further includes the firm's policy prohibiting the use of material nonpublic information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [nick@skgadvisors.com](mailto:nick@skgadvisors.com) or by calling us at (505) 856-5444.

## **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

SKG Capital Advisors and individuals associated with our firm are prohibited from engaging in principal and agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Our firm and / or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients.

That stated, it is the expressed policy of our firm that no person employed by us may attempt to profit from a purchase or sell of any security prior to a transaction(s) being implemented for client advisory accounts, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts (i.e. front running).

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a *pro-rata* basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases *pro-rata*, with each account paying the average price. Our employee accounts will be included in the *pro-rata* allocation.

## **CONFLICTS OF INTEREST**

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

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.



4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
8. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
9. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
10. We require delivery and acknowledgment of the Code of Ethics by each supervised person of our firm.
11. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
12. Any individual who violates any of the above restrictions may be subject to termination.

## **Item 12 Brokerage Practices**

### **RESEARCH AND OTHER SOFT DOLLAR BENEFITS**

SKG Capital Advisors does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

### **DIRECTED BROKERAGE**

SKG Capital Advisors requires that clients provide us with written authority to determine the broker-dealer to use and the commission costs that will be charged to our clients for these transactions. These clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

Not all advisers require their clients to direct brokerage. By directing brokerage our firm may be unable to achieve most favorable execution of client transactions, which may cost clients more money.

### **BROKERAGE FOR CLIENT REFERRALS**

SKG Capital Advisors requires that clients direct us to place trades through Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. SKG Capital Advisors has evaluated Schwab Advisor Services and believes that it will provide our clients with a blend of execution services, commission costs and professionalism that will assist our firm to meet our fiduciary obligations to clients. The final decision to custody

assets with Schwab is at the discretion of the Advisor's clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder.

For clients in need of brokerage or custodial services, and depending on client circumstances and needs, we may recommend the use of Schwab Advisor Services, provided that such recommendation is consistent with our firm's fiduciary duty to the client. Our clients must evaluate these brokers before opening an account. The factors considered by SKG Capital Advisors when making these recommendations are the broker's ability to provide professional services, our experience with the broker, the broker's reputation, the broker's quality of execution services and costs of such services, among other factors.

We reserve the right to decline acceptance of any client account for which the client directs the use of a broker other than Schwab Advisor Services if we believe that this choice would hinder our fiduciary duty to the client and / or our ability to service the account. In directing the use of Schwab Advisor Services, it should be understood that SKG Capital Advisors will not have authority to negotiate commissions or to necessarily obtain volume discounts, and best execution may not be achieved.

In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients (who may direct the use of another broker).

Clients should note, while SKG Capital Advisors has a reasonable belief that Schwab Advisor Services is able to obtain best execution and competitive prices, our firm will not be independently seeking best execution price capability through other brokers. Not all advisers require clients to direct it to use a particular broker-dealer. SKG Capital Advisors is independently owned and operated and not affiliated with Schwab. Schwab provides SKG Capital Advisors with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For SKG Capital Advisors client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to SKG Capital Advisors other products and services that benefit SKG Capital Advisors but may not benefit its clients' accounts. These benefits may include national, regional or SKG Capital Advisors specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of SKG Capital Advisors by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities.

Other of these products and services assist SKG Capital Advisors in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of SKG Capital Advisors' fees from its clients' accounts, and assist with backoffice training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of SKG Capital Advisors' accounts, including accounts not maintained at Schwab Advisor Services.

Schwab Advisor Services also makes available to SKG Capital Advisors other services intended to help SKG Capital Advisors manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to SKG Capital Advisors by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to SKG Capital Advisors.

While, as a fiduciary, SKG Capital Advisors endeavors to act in its clients' best interests, SKG Capital Advisors' requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to SKG Capital Advisors of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

### **Institutional Intelligent Portfolios™**

In addition to our portfolio management and other services, the Program includes the brokerage services of CS&Co, a broker-dealer registered with the Securities and Exchange Commission and a member of FINRA and SIPC. While clients are required to use CS&Co as custodian/broker to enroll in the Program, the client decides whether to do so and opens its account with CS&Co by entering into an account agreement directly with CS&Co. We do not open the account for the client. If the client does not wish to place his or her assets with CS&Co, then we cannot manage the client's account through the Program. As described in the Program Disclosure Brochure, SPT may aggregate purchase and sale orders for ETFs across accounts enrolled in the Program, including both accounts for our clients and accounts for clients of other independent investment advisory firms using the Program.

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. Through Schwab Advisor Services, CS&Co provides us and our clients, both those enrolled in the Program and our clients not enrolled in the Program, with access to its institutional brokerage services - trading, custody, reporting and related services - many of which are not typically available to CS&Co retail customers. CS&Co also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. CS&Co's support services described below are generally available on an unsolicited basis (we don't have to request them)

and at no charge to us. The availability to us of CS&Co's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients. Here is a more detailed description of CS&Co's support services:

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

CS&Co also makes available to us other products and services that benefit us but may not directly benefit the client or its account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at CS&Co. In addition to investment research, CS&Co also makes available software and other technology that:

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

CS&Co also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and • access to employee benefits providers, human capital consultants and insurance providers.

CS&Co may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. CS&Co may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. CS&Co may also provide us with other benefits such as occasional business entertainment of our personnel.

The availability of services from CS&Co benefits us because we do not have to produce or purchase them. We don't have to pay for these services, and they are not contingent upon us committing any specific amount of business to CS&Co in trading commissions or assets in custody. With respect to the Program, as described above under Item 4 Advisory Business, we do not pay SWIA fees for its services in connection with the Program so long as we maintain \$100 Million in client assets in accounts at CS&Co that are not enrolled in the Program. In light of our arrangements with Schwab, we may have an incentive to recommend that our clients maintain their accounts with CS&Co based on our interest in receiving Schwab's services that benefit our business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a potential conflict of interest. We believe, however, that our selection of CS&Co as

custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of CS&Co's services and not Schwab's services that benefit only us.

### **Block Trading**

As a matter of policy and practice, SKG Capital Advisors does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and / or commission rate.

Additionally, our clients may not receive volume discounts available to advisers who block client trades.

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

While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least *monthly*. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment, or changes in management style or fund closures. These accounts are reviewed by **Nicholas Gordon**, and / or **Saxon Knight**.

At least annually, we meet with the client (either in person or over the phone) to review and update, as necessary, the client's investment profile. However, should there be any material change in the client's personal and / or financial situation, we should be notified immediately to determine whether any review and / or revision of the client's investment profile is warranted.

All clients receive account statements from their custodian on at least a quarterly basis. Additionally, we provide clients with periodic performance measurement summary reports, usually on a quarterly basis.

### **PENSION CONSULTING SERVICES**

ADVISER will review the client's Investment Policy Statement (IPS) whenever the client advises us of a change in circumstances regarding the needs of the plan. ADVISER will also review the investment options of the plan according to the agreed upon time intervals established in the IPS. Such reviews will generally occur quarterly. These accounts are reviewed by **Nicholas Gordon**, and / or **Saxon Knight**.

These client accounts will receive reports as contracted for at the inception of the advisory relationship.

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

It is SKG Capital Advisors' policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.



It is SKG Capital Advisors' policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Our firm receives economic benefit from Schwab in the form of the support products and services made available to our firm and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit our firm, and the related conflicts of interest are described above in Item 12 - Brokerage Practices. The availability of Schwab's products and services is not based on our firm giving particular investment advice, such as buying particular securities for our clients.

### **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

Clients provide us written authorization permitting our firm to be paid directly from their accounts held by the custodian. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Our firm does not have actual or constructive custody of client accounts in any other manner.

### **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to determine the security and / or the amount of the security to buy or sell without contacting the client.

Clients give us discretionary authority when they sign a discretionary agreement with our firm and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for:

1. directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and
2. making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

**Institutional Intelligent Portfolios™:** As described in the Program Disclosure Brochure, clients enrolled in the Program designate SPT to vote proxies for the ETFs held in their accounts. We have directed SWIA to process proxy votes and corporate actions through and in accordance with the policies and recommendations of a third-party proxy voting service provider retained by SPT for this purpose. Additional information about this arrangement is available in the Program Disclosure Brochure. Clients who do not wish to designate SPT to vote proxies [may designate us to vote proxies or] may retain the ability to vote proxies themselves by signing a special CS&Co form available from us.

## **Item 18 Financial Information**

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Due to the COVID-19 pandemic, the uncertain financial impact of volatile markets and a shift to remote work, SKG Capital Advisors received a Paycheck Protection Plan loan in the amount of \$53,227. We accepted the loan to continue normal operations, and to mitigate any potential unforeseen negative effects on our business. We do not anticipate any negative effect to our services.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

SKG Capital Advisors has not been the subject of a bankruptcy petition at any time during the past ten years.