

# Siebert | AdvisorNXT

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**ADVISORNXT.COM**

## Wrap Fee Program Brochure

This brochure provides information about the qualifications and business practices of Siebert AdvisorNXT. If you have any questions about the contents of this brochure, please contact customer service at 855.299.1980. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Siebert AdvisorNXT on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Siebert AdvisorNXT is 288572.

Siebert AdvisorNXT is required to be registered as an Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 - Material Changes

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Since we last published our wrap fee brochure, there have been several changes.

We have aggregated our wrap fee brochures so that all lines of service fall under this document. Previously, we operated under two different brochures; one for the robo-advisory business, and one for our business lines using third-party investment managers. The new iteration of our brochure now houses all service lines.

We have changed the names of our service plans from "Basic," "Gold," and "Platinum," to "Personal," "Professional," and "Premiere," respectively. In addition to renaming the service buckets, we lowered our fees for each bucket to reflect the competitive landscape. Our fees have been lowered to .25% for the Personal service, .50% for the Professional service, and a negotiated rate between 1.00% and 1.50% for the Premiere line of service. The account minimums on the Personal and Professional service lines have been lowered from \$5,000 each, to no minimum, and the Premiere service line has a minimum account size of \$10,000.

We have added StockCross Financial Services as a custodian, in addition to NFS.

John-Paul DeVito is no longer associated with the Firm, and has been removed from the brochure.

The Regulatory Assets Under Management (RAUM) has decreased from \$209,163,987 to \$49,090,609.43 as of 10/8/2018. The reason for the decrease is due to one Kennedy Cabot Acquisition account that only holds SIEB stock and is no longer managed by the AdvisorNXT platform.

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## **Item 4 - Services, Fees, and Compensation**

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### **Services**

Siebert AdvisorNXT, Inc. is an SEC registered investment advisor with its headquarters in New York which began conducting business in 2017. The firm provides clients with investment strategies for all market conditions through various distribution channels. As a firm, Siebert AdvisorNXT ("Siebert") has several different distinct lines of services. Under the Siebert umbrella, there is the AdvisorNXT web-based advisory program ("AdvisorNXT"), and there are the third-party investment Managers Brinker Capital, Inc. ("Brinker") and Palladium LLC (Palladium) as Independent Managers, which utilize the platform Envestnet Asset Management, Inc. ("Envestnet").

Clients can engage Siebert AdvisorNXT to manage all or a portion of their assets on a discretionary or non-discretionary basis. With regard to portfolio management services, Siebert offers its primary services pursuant to two types of investment strategies: fundamental and technical analysis (as described further in item 6). Siebert primarily provides its services to individuals.

Siebert offers to its clients a number of asset management programs ("Managed Programs") consisting of asset allocation, flexible asset management and focused or completion strategies where Financial Advisors will assist each client in reviewing information about the programs, completing a client questionnaire to determine the client's risk tolerance, financial situation and investment objectives and selecting an investment strategy. Siebert generally does not act as portfolio manager directly, as Siebert contracts with and selects other investment advisors to act as either the portfolio manager or sub-advisor on behalf of its clients.

Siebert (as further discussed in Item 6), primarily allocates clients' investment management assets among mutual funds, exchange-traded funds ("ETFs"), individual securities, and Independent Managers, in accordance with the investment objectives of the client. Siebert also provides advice about any type of investment held in clients' portfolios.

Siebert tailors its services to the individual needs of clients. Siebert consults with clients initially and has periodic follow-up contact (generally no less than annually) to determine and/or update risk tolerance, time horizon and other factors that may impact the clients' investment needs. Clients are advised to notify Siebert if there are changes in their financial situation or investment objectives, or if they wish to impose any reasonable restrictions upon Siebert's management services. Clients may impose reasonable restrictions or mandates on the management of their account if, in Siebert's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

It is the clients' ongoing responsibility to timely communicate with the Advisor, any changes to their financial situation or status, which may affect the appropriateness of the client's particular portfolio. Siebert will devote its best efforts with respect to its management of its client accounts. In addition, the Advisor will periodically either call and/or email the client.

### **AdvisorNXT**

The AdvisorNXT platform provides clients with a web-based, cost-efficient, competitively priced, easy to use automated wealth management solution intended to maximize portfolio returns based on a client's specific risk tolerance. Upon signing up for the AdvisorNXT platform, you will be provided with a risk tolerance questionnaire, that will help the robo-advisor determine the ideal portfolio for your specific investing needs. AdvisorNXT offers you the choice on which Investment Plan would best support your needs. Under the Personal Plan, you will have unlimited phone access to our reliable client support team, have simple to use investment tools, and be provided with automated rebalancing of your portfolio. The Professional Plan offers you everything provided under the Personal Plan, with the addition of having unlimited access to our team of Licensed Representatives for guidance. The Premiere Plan is our most comprehensive, offering you a dedicated wealth manager who will work with you on a regular basis to address your specific needs,

and will also offer you in-depth advice of services and products offered outside of AdvisorNXT. See section "Investment Management Fee," *infra.*, for an in-depth description of each service line.

The AdvisorNXT Platform utilizes Nobel Prize winning Modern Portfolio Theory techniques to create optimal portfolios for each client. It is intended that clients utilizing the AdvisorNXT platform will also have access to traditional wealth managers to either enhance or replace the AdvisorNXT platform. Modern Portfolio Theory seeks to optimize expected portfolio returns for specific levels of risk. The technique is referred to as Mean Variance Optimization (MVO) and it requires a series of highly complicated calculations in which all possible combinations of the potential asset classes are evaluated to determine the optimal blend of allocations for each individual client.

AdvisorNXT selects low-cost, well-managed exchange traded funds (ETFs) and exchange traded notes (ETNs) that represent the asset classes that we believe will provide our clients the necessary risk-adjusted exposure given current market conditions. In order to determine a client's risk tolerance, a prospective client answers a series of objective questions posed in the form of an interactive digital interview. Once a client's risk tolerance is determined, the AdvisorNXT algorithm will utilize "Modern Portfolio Theory" to create an optimized allocation across a diverse selection of asset classes, thus tailoring a portfolio to a client's specific investment objectives and risk tolerance. The AdvisorNXT program will continuously monitor client accounts and periodically adjust portfolios to address changes in market and economic conditions.

### **Investnet**

Siebert offers its clients access to investment managers and advisory services of Investnet Asset Management, Inc. Investnet is registered with the SEC as an investment advisor and provides investment advisory services, technology services, and products to our advisory clients. Upon contracting to an Investment Strategy Proposal, clients grant full discretionary authority to Investnet to determine the securities to be bought and sold, and the amount and time of those transactions.

When creating a proposal for a client, Siebert uses Investnet's Asset Managers and clients grant full trading discretion to the money manager. Upon beginning an advisory relationship and/or with subsequent amendments to Investnet's Brochure, you will also receive Investnet's updated Brochure.

While the portfolio managers offered through Investnet's Asset Managers may act on a discretionary basis, clients may at any time place restrictions on certain types of investments, certain asset managers, or other restrictions. Siebert may, at its own discretion, terminate an advisory relationship if it determines that a clients' restrictions are not feasible through the advisory platform and/or prohibitive based on the services offered.

### **Brinker and Palladium as Independent Managers**

Utilizing the Investnet platform, Siebert offers clients access to third party investment managers through a team of investment advisor representatives. Siebert recommends that certain clients authorize the active discretionary management of a portion of their assets by and among certain independent sub-advisors, portfolio managers, and investment managers (collectively referred to as "Independent Managers"), based upon the stated investment objectives of the client. As of the date of this brochure, Siebert has contracted with Brinker Capital, Inc. and Palladium LLC – "Independent Managers." The terms and conditions under which the client engages an Independent are set forth in a separate written agreement between Siebert or the client and the designated Independent Manager(s). Siebert renders services to the client relative to the discretionary selection of Independent Manager(s).

When selecting an Independent Manager for a client, some factors that Siebert considers in making their recommendation includes information obtained from the Form ADV disclosure brochure, the amount of assets the prospective client intends to invest, the client's stated investment objectives, management style, relationship with the Independent Manager or other independent third parties, performance, reputation,

financial strength, reporting, pricing and research. Siebert may also consider information provided directly from material supplied by the Independent Manager(s) or other third parties, including the Independent Manager's investment strategies, past performance and risk profile to the extent available.

Clients shall be provided a copy of the Form ADV Part 2 written disclosure brochure at the time the account is established for Siebert and if applicable, the client also receives the written disclosure brochure of the designated Independent Manager. In addition, clients may contact Siebert to obtain an additional copy of the Form ADV Part 2 brochure or they may obtain one online at the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Fees and Compensation**

Siebert offers its services on a fee basis, based upon assets under management. The fees are negotiated with the client(s) and lower fees for comparable services are available from other sources.

## **AdvisorNXT**

The AdvisorNXT program is a wrap fee program sponsored by Siebert. This portion of the Wrap Fee Brochure describes the business of Siebert as it relates to clients receiving services through the AdvisorNXT Program. Certain sections also describe the activities of the Firm's Supervised Persons, which refer to any officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees, or other persons who provide investment advice on behalf of AdvisorNXT.

The Program includes discretionary investment advice offered by AdvisorNXT through one of three levels of service:

**AdvisorNXT Personal:** A self-directed service that provides risk-based investment advice based on certain information you provide via the website. After filling out an online questionnaire, AdvisorNXT then provides investment advice in the form of an optimized portfolio allocation across a diverse selection of asset classes tailored to a client's specific investment objectives and risk tolerance. AdvisorNXT's advice for each of your goals is based on AdvisorNXT's investment methodology regarding risk-based asset allocation strategies and certain information and preferences requested by AdvisorNXT and provided by you. The AdvisorNXT algorithms will also continuously monitor client accounts and periodically adjust portfolios to address changes in market and economic conditions. You will not have access to an investment advisor representative and you must be willing to receive investment advice over the internet in order to use the services provided as part. AdvisorNXT, however, provides customer support over the telephone and internet for purposes of technical support, but such support is educational in nature only. The fee for Personal Service is 0.25%.

**AdvisorNXT Professional:** offers you access to support from a pool of qualified investment advisor representatives in addition to the AdvisorNXT Personal Service. The AdvisorNXT Professional Service uses a team-based approach and you are likely to interact with multiple financial consultants. The fee for Professional Service is 0.50%.

**AdvisorNXT Premiere:** offers you access to an assigned, dedicated, qualified investment advisor representative who will interact with the client on a regular basis and will be responsible for managing clients' investment needs, in addition to everything that is offered under the Professional Service. The fee for Premiere Service is negotiated between the client and representative, and will fall between 1.00% and 1.50%.

Participation in the AdvisorNXT Professional and Premiere Plans will entitle clients to an unlimited number of telephone consultations per year with a Siebert financial consultant, subject to the availability of such financial consultants. Telephone consultations will be scheduled on Business Days during Siebert's normal business hours, as described on the website. Please note, however, that the financial consultant is not an attorney or accountant, and no advice given to you through the Siebert AdvisorNXT Services should be interpreted as tax or legal advice. Any tax information provided by Siebert is not a substitute for the advice of a qualified tax advisor. Clients should consult a third-party advisor to discuss tax-related concerns.

The annual fee includes all brokerage commissions, transaction fees, and other related costs and expenses except those inherent in a particular investment vehicle. The annual investment advisory fee is prorated and charged quarterly, in advance, based upon the market value of the assets under management as of the last day of the previous quarter. AdvisorNXT may change the fee at any time by giving 30 days' prior written notice.

### **General AdvisorNXT Robo Management Fee Program**

AdvisorNXT offers you a dedicated Investment Advisor for support and guidance with other investments outside the three levels of service offered by the AdvisorNXT Program. Participation in this more personalized management fee program may incur an annual fee up to 1.50%.

### **Investment Advisory Fees are negotiated with the client**

The Fee Schedule above is the starting point of the negotiation. As such, Siebert negotiates fees with the client(s) and may charge a lesser management fee than is what is listed in the Fee Schedule immediately above.

Clients provide written authorization either as part of the Investment Advisory Agreement, or separately, authorizing the Firm to deduct a client's fees directly from the client's account. Investment Advisory Fees can also be paid by check.

Any Investment Advisory Fee deducted from the client's account will appear on the client's account statement from their custodian. In addition, at the client's request the Firm will provide the Client a report itemizing the fee, including the calculation period covered by the fee, the account value and the methodology used to calculate the fee. It is the responsibility of the client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility.

### **Fees for Management during Partial Quarters of Service**

Investment Advisory Fees for the initial period or the first quarter of service are calculated on a pro rata basis from the inception date of the account to the end of the first quarter. If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets may be adjusted on a pro rata basis for deposits and/or withdrawals occurring within such quarter and will be calculated in accordance with the advisory agreement based on the days remaining in the quarter.

The Agreement between the Firm and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. The Firm's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account on notice to Siebert subject to the usual and customary securities settlement procedures, and subject to Siebert's right to terminate an account. Additions may be in cash or securities provided that Siebert reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Siebert designs certain of its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Siebert may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications. Siebert prohibits clients from self-directing trading in their managed account.

### **Fees Charged by Financial Institutions**

The Firm generally recommends that clients utilize the brokerage and clearing services of either National Financial Services LLC ("NFS") or StockCross Financial Services for investment management accounts offered through its affiliated broker dealer, Muriel Siebert & Co. Inc. ("MS & Co."). The Firm may only implement its investment management recommendations after the client has arranged for and furnished with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, NFS, StockCross, or any other broker dealer recommended by Siebert, broker-

dealer directed by the client, trust companies, banks, etc. (collectively referred to herein as the "Financial Institutions").

Clients may incur certain charges imposed by the Financial Institutions and other third parties such as custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

### **Brokerage Fees and Commissions**

As described above, clients do not pay brokerage commissions or other fees to their Custodian in connection with the AdvisorNXT Program. The Custodian may, however, receive other revenues in connection with the Wealth Management Program. Brokerage arrangements are further described below. In addition, you may incur charges imposed directly by a mutual fund, index fund, or exchange traded fund, which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, step-out fees, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap fee you are charged by the Firm.

### **Account Additions and Withdrawals**

Clients make additions to and withdrawals from their account at any time, subject to the Firm's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to AdvisorNXT, subject to the usual and customary securities settlement procedures. However, AdvisorNXT designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. AdvisorNXT may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

### **Investnet**

Siebert offers wrap fee programs through Investnet. There are no differences in how we manage the wrap fee services and other accounts. Siebert may receive a portion of the wrap fee for our services.

### **Compensation**

Siebert's standard advisory fees are negotiated at the time of account opening. Siebert's management fees, inclusive of platform and advisor fees, and typically will not exceed 3% of assets under management. When an Investnet advisor is selected, Siebert receives a portion of the fee charged to the client while Investnet receives a platform and advisory fee. All fees are negotiated at the time of the contract and total fees typically will not exceed 3% of assets under management.

The fee will be stated in the client's agreement.

Fees are payable quarterly, on the first business day of the quarter. Lower fees for comparable services may be available from other sources.

### **Forms of Payment**

Client authorizes Advisor to bill Custodian for, and has authorized the Custodian to pay Advisor directly the fees described above. The Custodian has agreed to send to Client at least quarterly a statement indicating all amounts disbursed from the Account, including the amount of fees paid directly to Advisor.

## **Other Fees and Expenses**

Siebert may charge other fees for services not included in the advisory relationship such as wire fees, transfer fees, and other administrative fees.

## **What is a "Wrap Fee" Program?**

A wrap fee program allows our clients to pay a specified fee for investment advisory services and the execution of transactions. The advisory services include portfolio management and the fee is not based directly upon transactions in your account. Your fee is bundled with our costs for executing transactions in your account(s) this results in a higher advisory fee to you. We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we are charged for executed trades. By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the executing broker.

## **Portfolio Management**

For services provided by Siebert, Investment Advisory Fees are on a negotiated basis and are paid quarterly in advance on the last day of the previous quarter end pursuant to the terms of the Investment Advisory Agreement. Investment Advisory Fees are based on the market value of the assets under management at the end of each calendar quarter and the fees are negotiated with the client. Lower fees for comparable services are available from other sources.

The Investment Advisory Fee schedule is the starting point for the client to negotiate from and is as follows:

1.5% on the first \$500,000

1.25% on the next \$500,000

1.10% on the next \$1,000,000

1.00% on the next \$3,000,000

0.75% on assets in excess of \$5,000,000

## **Investment Advisory Fees are negotiated with the Client**

The Fee Schedule above is the starting point of the negotiation. As such, Siebert negotiates fees with the client(s) and may charge a lesser management fee than is what is listed in the Fee Schedule immediately above.

Clients provide written authorization either as part of the Investment Advisory Agreement, or separately, permitting Siebert, the independent manager or third-party manager provider or their custodian to deduct Siebert and client's manager's fees directly from the client's account and remit to the respective parties. Investment Advisory Fees can also be paid by check. The amount due is calculated by applying the quarterly rate to the total assets under management with Siebert at the end of the prior quarter. The Client's fees will take into consideration the aggregate assets under management with the advisor.

Any Investment Advisory Fee deducted from the clients account will appear on the clients account statement from NFS, StockCross, or other custodian. In addition, at the client's request Siebert will provide the client a report itemizing the fee, including the calculation period covered by the fee, the account value and the methodology used to calculate the fee. It is the responsibility of the client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility.

## **Fees for Management during Partial Quarters of Service**

Investment Advisory Fees for the initial period or the first quarter of service are calculated on a pro rata basis

from the inception date of the account after the inception of a quarter, the fee payable with respect to such assets may be adjusted on a pro rata basis for deposits and/or withdrawals occurring within such quarter and will be calculated in accordance with the advisory agreement based on the days remaining in the quarter.

The agreement between Siebert and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. Siebert's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account on notice to Siebert subject to the usual and customary securities settlement procedures, and subject to Siebert's right to terminate the account. Additions may be in cash or securities provided that Siebert reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Siebert designs certain of its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Siebert may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications. Siebert prohibits clients from self-directing trading in their managed accounts.

### **Fees Charged by Financial Institutions**

As further discussed in response to Item 9 below, Siebert generally recommends that clients utilize the brokerage and clearing services of National Financial Services LLC ("NFS") or StockCross Financial Services ("SFS") for investment management accounts. Siebert may only implement its investment management recommendations after the client has arranged for and furnished Siebert with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, NFS, SFS, or any other broker dealer recommended by Siebert, broker dealer directed by the client, trust companies, banks, etc. (collectively referred to herein as the "Financial Institutions").

Clients may incur certain charges imposed by the Financial Institutions and other third parties such as fees charged by Independent Managers, custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfers and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to Siebert's fee. In addition to the transactional charges described above, clients may also pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses). Clients should review the ADV brochures of any third party managers for details about any additional fees they charge.

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

Siebert does not have any performance-based fee arrangements. "Side by Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because Siebert has no performance-based fee accounts, it has no side-by-side management.

## **Item 5 - Types of Clients**

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### **AdvisorNXT**

The Firm generally provides investment advice to individuals, high net worth individuals, families, trusts, corporations and business entities. Siebert generally imposes no minimum account size for the Personal and Professional service buckets, and a \$10,000 minimum account size for the Premiere service, although this requirements may be waived from time to time at our discretion.

## **Envestnet & Independent Managers**

Siebert provides advisory services to individuals, high net worth individuals, charitable organizations, corporations, trusts and business entities. When providing managed investment advisory account services, the fee and minimum account size is established by the Independent Third Party Manager selected through the Envestnet Platform. Certain Independent managers may impose more restrictive account requirements and varying bill practices than Siebert. The Investment Committee does not have control over these requirements. In such instances, Siebert may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Managers.

## **Item 6 - Methods of Analysis, Investment Strategies, Risk of Loss**

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### **AdvisorNXT**

AdvisorNXT acts as the sponsor and sole portfolio manager of the AdvisorNXT Program. Clients' investment portfolios are managed directly by AdvisorNXT on a discretionary basis. As AdvisorNXT is the sole portfolio manager, a conflict of interest exists because AdvisorNXT receives the entire management fee and therefore has an incentive to manage the client's entire portfolio rather than utilize the services of one or more sub-advisors. AdvisorNXT however, believes it can provide overall portfolio management services at a lower price than if it were to utilize the services of one or more sub-advisors.

As described above, AdvisorNXT develops optimized portfolios using Modern Portfolio Theory that are used as the basis for implementing a client's investment plan and in accordance with the client's risk tolerance. The portfolios include investment in exchange traded funds and exchange traded notes.

The Firm's Investment Committee is also the Risk Management Committee that generally meets on a quarterly basis (more frequently if deemed necessary) and its responsibilities include oversight of investment management, operational policies and procedures, and an overall review of advisory operations.

Clients may impose reasonable restrictions or mandates on the management of their accounts if we determine, in our sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to the Firm's management efforts.

### **Independent Managers**

#### **Envestnet & Independent Managers**

Upon contracting to an investment Strategy Proposal that includes account management through Envestnet, clients grant full discretionary authority to Envestnet to determine the securities to be bought and sold, and the amount and time of those transactions.

To ensure that we are at all times and in all circumstances acting strictly in the best interests of our clients, our policy requires that, if we allow a Siebert representative to act with discretion, he or she may under no circumstances purchase securities for their own or related accounts within sixty business days before or after recommending to, or purchasing or selling for, the same security or related security (i.e., convertible bond, option, preferred shares) to any client. The foregoing notwithstanding, we generally do not permit representatives to exercise discretion in client accounts.

Additional determinations as to securities to be bought or sold, and amount of securities to be bought

or sold, whether by the account advisor or by a money manager to whom the advisor has referred the account, are required to be in accordance with the client's stated investment objectives and profile. The determinations will be made only in the expectation of furthering the Investment Strategy agreed upon in writing by the client at the outset of the Advisory relationship, or as subsequently modified by the client.

Siebert recommends managed account services and money managers to advisory clients. These outside managers are registered brokers, and due diligence has been exercised by the sponsor or by Siebert as the advisory firm.

A recommended manager is subject to review and approval by the client. At no time and under no circumstances is the client under any obligation to have any requirement to accept a recommended program or manager.

The selection and evaluation of advisory firms by Siebert encompasses several factors. The most significant include the range and quality of managers available, technical support, level of due diligence performed and made known to Siebert, reasonableness of fees, and a satisfactory commitment to safeguarding the privacy of our clients.

Siebert may employ various investment evaluation strategies to select Managers and/or sub-advisors. To date, Siebert continues to provide clients with portfolios from the initially selected two sub-advisors: Palladium, LLC and Brinker Capital, Inc. Siebert does not plan to add more accounts to these sub-advisors.

When considering a new Independent Manager and/or evaluating an existing Manager or sub-advisor, the methods of analysis utilized will be quantitative and qualitative in nature and may vary by each strategy and manager for funds managed. Siebert typically seeks investment managers that it believes will deliver attractive risk adjusted returns over the investment horizon based on a quantitative and qualitative assessment of the manager's track record, investment strategy, and trading and investing methodology. Siebert may perform qualitative peer analysis comparisons of each manager and also perform quantitative analysis including optimization analysis to build a portfolio of various managers and instruments. Qualitative analysis of managers and strategies are inherently subjective. There is no guarantee that the advisor would be correct in assessing the attributes of a manager or strategy going forward.

Qualitative analysis is largely dependent on past results and assumes that past results and relationships (i.e. correlations between managers, etc.) are indicative of future relationships. This would be the case if a manager changes their investment philosophy over time. Siebert generally seeks diversification in the types of securities managers selected for investment. Certain investments may be illiquid and/or not have a ready market to sell.

Please refer to the Form ADV of the Independent Managers for additional information.

***All clients should be aware that investing involves certain risks, including:***

**Risk of Loss:** Past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, bonds, and pooled investment vehicles) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

We do not represent to any client, either directly or indirectly, any level of performance or any representation that our professional services will not result in a loss of the Client's invested assets. We do our very best as an investment advisor to manage risk exposures and to prevent losses; however, losses cannot be prevented in all cases. Below are certain additional risks associated when investing in securities through our investment management program(s).

**Risks Associated with Certain Investments Used in the Products:** It is important to remember that all investments carry at least some degree of risk. Risk may include loss of some, or even all, of your investment. No particular type of investment, or approach to investing, is guaranteed to perform well, and there may be other investment vehicles, portfolio managers or approaches not offered by Siebert that may perform as well or better. You should consider these factors carefully before deciding to invest and be prepared to bear losses. Stocks generally fluctuate in value more than bonds and may decline significantly over short time periods. There is the chance that stock prices overall will decline because stock markets tend to move in cycles, with periods of rising and falling prices. The value of a stock may decline due to general weakness in the stock market or because of factors that affect a company in a particular industry.

**Management Risk:** Siebert investment products are subject to management risk because each account is an actively managed portfolio. Siebert may not produce the desired results.

**Market Risk:** Profitability of a portion of Siebert's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks. There can be no assurance that Siebert will be able to predict those price movements accurately.

The prices of the securities and securities products in which Siebert may invest and strategies each may recommend may decline for a number of reasons including in response to economic developments, factors relating to the company, and market activity.

**Adjustable Rate and Floating Rate Securities Risks:** Although adjustable and floating rate debt securities tend to be less volatile than fixed-rate debt securities, they nevertheless fluctuate in value.

**Alternative Investments and Derivatives:** Certain mutual funds used in products may invest in alternative investment strategies or derivatives that are often more volatile than other investments and may magnify the vehicle's gains and losses. A derivative is a security or contract (futures, options, etc.) the value of which fluctuates with the value of another security (i.e., its value is "derived" from the value of another). An investment vehicle that uses derivatives could be negatively affected if the change in market value of its securities fails to correspond as expected to the underlying securities. Alternative investment products are not for everyone and entail risks that are different from more traditional investments. Alternative investment strategies are intended for sophisticated investors and involve a high degree of risk, including, among other things, the risks inherent in investing in securities and derivatives, using leverage, and engaging in short sales. An investment in an alternative investment product or strategy may be considered speculative and should not constitute a complete investment program. Diversification and strategic asset allocation do not assure a profit or protect against loss in declining markets.

The potential for a commodity investment vehicle to use derivative instruments, such as futures, options, and swap agreements, to achieve its investment objectives may create additional risks that would not be present in the underlying securities themselves, thus raising the potential for greater investment loss.

**Concentration Risk:** Portfolios that invest a significant portion of assets in a small or limited number of securities, a single specific or closely-related sectors, industries, a specific region or country, may involve greater risks, including greater potential for volatility, than more diversified portfolios. The value of these holdings will vary considerably in response to changes in the market value of the securities that represent these sectors, industries, or regions.

**Covered Calls:** Mutual funds that engage in selling (or writing) of covered calls may involve a high degree of risk and may not be suitable for all investors. For a call option that is sold (written), if that option is exercised, the upside potential is limited to the premium received plus the difference between its stock price and the stock purchase price. If the option is not exercised and expires out-of-the-money and with no value, the upside potential is any gain in share value plus the premium received. On the downside, limited protection is provided by the premium received from the call's sale. The loss potential may be substantial and is limited only by the stock declining to zero. Investors should read and understand the risks associated with options prior to engaging in any covered call strategy. These risks are more fully described in the booklet entitled

"The Characteristics & Risks of Standardized Options," which can be accessed at [www.optionsclearing.com](http://www.optionsclearing.com).

**Credit Risk:** The issuers of the bonds and other debt securities held in products offered through Siebert may not be able to make interest or principal payments.

**Currency Risk:** If invested in non-U.S. securities, Siebert products are subject to the risk that foreign currencies will decline in value relative to the U.S. dollar, or, in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency being hedged.

**Exchange-Traded Notes:** Exchange-traded notes are a type of senior, unsecured, unsubordinated debt security of the issuing company. This type of debt security differs from other types of bonds and notes because ETN returns are generally based upon the performance of a market index minus applicable fees, no periodic coupon payments are distributed and no principal protection exists. Similar to ETFs, ETNs are generally traded on a securities exchange. Investors can also hold the debt security until maturity. At that time, the issuer is obligated to give the investor a cash amount that would be equal to the principal amount times the applicable index factor less investor fees.

The index factor on any given day is a mathematical equation equal to the closing value of the underlying index on that day divided by the initial index level. ETNs are subject to credit risk and liquidity risk that impact the price received upon disposition of the notes. Additional risks of investing in ETNs include limited portfolio diversification, price fluctuations, issuer default, uncertain principal repayment, and uncertain federal income tax treatment. The performance of the ETNs may vary from the actual performance of the underlying index and the performance of the underlying index components. By investing in ETNs, the owner does not have certain rights that investors in the underlying index or the underlying index components may have, such as stock voting rights.

**Foreign Securities Risks:** Siebert clients may invest a significant portion of assets in securities of foreign issuers denominated in U.S. dollars, including issuers in emerging markets. Foreign economies may differ from domestic companies in the same industry. Foreign economies may differ from domestic companies in the same industry. Investment in emerging markets involves additional risks, including less social, political and economic stability, smaller securities markets involve additional risks, including less social, political and economic stability, smaller securities markets and lower trading volume, restrictive national policies and less developed legal structures.

**Foreign Securities and Emerging Markets Risk:** The value of foreign investments offered through Siebert may be adversely affected by changes in the foreign country's exchange rates, political and social instability, changes in economic or taxation policies, decreased liquidity and increased volatility. Foreign companies may be subject to less regulation than U.S. companies. Investment in emerging markets involves additional risks, including less social, political and economic stability, smaller securities markets and lower trading volume, restrictive national policies and less developed legal structures.

**General Risk of Loss:** Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

**Gold:** Approved Siebert clients may invest in ETFs that invest in gold bullion. Several factors affect the price of gold, including: global supply and demand; global or regional political, economic or financial events and situations; investors' expectations with respect to the rate of inflation; currency exchange rates and interest rates. There is no assurance that gold will maintain its long-term value in terms of purchasing power in the future. The price of gold has fluctuated widely over the past several years and may experience significant volatility.

**Government-Sponsored Entities Risk:** Approved Siebert clients may invest in securities issued or guaranteed by government-sponsored entities, including GNMA, FNMA and FHLMC. However, these securities may not be guaranteed or insured by the U.S. Government and may only be supported by the credit of the issuing agency.

**Interest Rate Risk:** In general, the value of bonds and other debt securities falls when interest rates rise. Longer term obligations are usually more sensitive to interest rate changes than shorter term obligations.

**Liquidity Risk:** Low or lack of trading volume may make it difficult to sell securities held in the PIPs product at quoted market prices.

Long/Short Positions: Investment vehicles, such as mutual funds and ETFs, used in the Strategies may employ the use of long and short positions, which may involve risks different from those normally associated with other types of investment vehicles. It is possible that the fund's long positions will decline in value at the same time that the value of the securities sold short increases, thus raising the potential for greater investment loss. Market neutral investing, in using long and short positions, provides no guarantee that it will be successful in limiting the fund's exposure to domestic stock market movements, capitalization, sector swings or other risk factors. Investment in a strategy involved in long and short selling may have higher portfolio turnover rates, which may result in additional tax consequences. Short selling involves certain risks, including additional costs associated covering short positions and a possibility of unlimited loss on certain short sale positions.

**Mutual Funds and ETFs:** An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholder fees (e.g., sales loads, purchase fees, redemption fees). The per-share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges are transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for index-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

**Portfolio Turnover Risk:** A high portfolio turnover rate (100% or more) has the potential to result in the realization and distribution to shareholders of higher capital gains, which may subject you to a higher tax liability. A high portfolio turnover rate also leads to higher transaction costs.

**REITs:** Issuer risk investments in REITs are subject to many of the risks associated with direct real estate ownership and, as such, may be adversely affected by declines in real estate values and general and local economic conditions.

**Risks Associated with High Yield Securities:** Approved Siebert clients may invest in high yield securities. Securities with ratings lower than BBB or Baa are known as "high yield" securities (sometimes referred to as "junk bonds"). High yield securities provide the potential for greater income and opportunity for gains than higher rated securities but entail greater risk of loss of principal.

**Risks Associated with Inflation and Deflation:** Inflation risk is the risk that the rising cost of living may erode the purchasing power of an investment over time. Deflation risk is the risk that prices throughout the economy declines over time – the opposite of inflation.

**Risks Associated with Mortgage-Backed Securities:** These include Market Risk, Interest Rate Risk, Credit Risk, Prepayment Risk as well as the risk that the structure of certain mortgage-backed securities may make their reaction to interest rates and other factors difficult to predict, making their prices very volatile. In particular, the recent events related to the U.S. housing market have had a severe negative impact on the value of some mortgage-backed securities and resulted in an increased risk associated with investments in the securities.

**Small- and/or Mid-Cap Issuer Risk:** Small and midsize companies carry additional risks because the operating histories of these companies tend to be more limited, their earnings and revenues less predictable (and some companies may be experiencing significant losses), and their share prices more volatile than those of larger, more established companies, which can adversely affect the pricing of these securities. These companies may have limited product lines, markets or financial resources, or may depend on a limited management group. Some investments will rise and fall based on investor perception rather than economic factors. Other investments are made in anticipation of future products, services or events whose delay or cancellation could cause the stock price to drop.

**Use of Independent Managers:** Siebert may recommend the use of Independent Managers for certain clients, but such recommendations rely, to a great extent, on the Independent Manager(s) ability to successfully implement their investment strategy. In addition, Siebert does not have the ability to supervise the Independent Managers on a day-to-day basis.

**Material Risks:** Investing in securities involves the risks of loss of principal as well as opportunity cost in other investments. Clients should ensure that they can bear these risks prior to investing with an investment advisor representative and understand their particular risks based on the proposal that will be provided at account opening.

As with all forms of analysis, technical and fundamental analyses provided may have different interpretations and estimates used in preparation. Specific risks include fund-specific risks, risks of lack of diversification, and market risk. Clients should fully understand their proposal and review its appropriateness to their particular risk profile prior to entering into any agreement with Siebert.

**Security Specific Risk:** Siebert does not promote any specific security type to advised clients. Securities selected for investment will depend on a variety of factors, including, among others, the client's unique needs, objectives, financial status, as well as market conditions. Selections are made in accordance with the specific plan chosen by the client and verified by contract.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in any or all of the strategies managed by Siebert. Prospective clients should read this entire Form ADV and all accompanying materials provided by Siebert before deciding whether to invest with us. In addition, as our investment philosophy develops and changes over time, an investment with Siebert may be subject to additional and different risk factors. Siebert will promptly amend this Brochure if and when any information regarding its investment risks becomes materially inaccurate.

### **Voting of Client Securities**

Siebert reserves the authority to vote clients' securities (i.e., proxies) on their behalves. Clients generally receive proxies directly from their custodian and may contact Siebert with any questions by calling the number on the cover of this Wrap Fee Brochure.

Siebert does not have any performance-based fee arrangements. "Side by Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because Siebert has no performance-based fee accounts, it has no side-by-side management.

## **Item 7 - Client Information Provided to Portfolio**

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AdvisorNXT, as the portfolio manager for the Program encourages clients to promptly notify the Firm if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. When utilizing the Envestnet Platform and Independent Managers, all information that is disclosed to Siebert gets passed through to the Third Party Independent Manager, who has full discretionary authority.

## **Item 8 - Client Contact with Portfolio Managers**

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AdvisorNXT as portfolio manager communicates with clients in the Professional and Premiere services as needed through a designated investment advisor representative to ensure your most current investment goals and objectives are understood and reflected in your portfolio. In most cases, we will communicate such information as part of our regular investment management meetings. Clients of the AdvisorNXT Personal Program are not offered the opportunity to interact directly with a designated Representative. If utilizing a Third Party Manager through the Envestnet Platform, the client will have an assigned Siebert investment representative who they will interact with. The Siebert representative will in turn deal with the Third Party Manager on the client's behalf.

## **Item 9 - Additional Information**

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### **The Custodian and Brokers We Use**

The Firm's Agreement and/or the separate agreement with any Financial Institution may authorize Siebert through such Financial Institution to debit the client's account for the amount of Siebert's fee and to directly remit that management fee to Siebert in accordance with applicable custody rules.

Siebert does not have physical custody of client assets or provide custodial services. In order to use our services, you must establish a custodial account with another institution. NFS and StockCross Financial Services are currently the only custodians available to clients directly through Siebert. The Advisor has not and will not seek to add or change a custodian without the clients' prior approval.

You will generally receive custodian account statements about portfolio holdings at least quarterly directly from the custodian that maintains your funds and securities. You are encouraged to carefully review the custodial account statements you receive from the custodian and promptly report any errors or omissions to the custodian at the number listed on the account statement and to Siebert. You may contact Siebert Client Services by calling 855.299.1980 during regular business hours.

It is Siebert's policy that it does not advise, initiate or take any other action on your behalf relating to securities held in accounts managed by Siebert in any legal proceeding (including, without limitation, class actions, class action settlements and bankruptcies).

Siebert may not file proofs of claim relating to securities held in your account and does not notify you or your custodian of class action settlements or bankruptcies relating in any way to such account. You should consult with your custodian and other service providers to ensure such coverage.

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

Siebert AdvisorNXT is a wrap fee program. As such, AdvisorNXT does not charge a commission. This creates an inherent conflict of interest for the Firm because the Firm incurs transaction fees in the purchase and sale of securities, incentivizing us to limit the amount of transactions we enter into without charging commission. However, as a fiduciary, the Firm is obligated and dedicated to act in the client's best interest, regardless of the

cost to the Firm.

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 Financial Institution's services, including among others, the value of research provided, if any, execution capability, commission rates, and responsiveness. Siebert seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Siebert periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

The client may not direct Siebert in writing to use a particular Financial Institution to execute some or all transactions for the client.

Transactions for each client generally will be affected independently, unless Siebert decides to purchase or sell the same securities for several clients at approximately the same time. Siebert may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Siebert's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Siebert's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that Siebert determines to aggregate client orders for the purchase or sale of securities, including securities in which Siebert's Supervised Persons may invest, Siebert generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Siebert does not receive any additional compensation or remuneration as a result of the aggregation. In the event that Siebert determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, AdvisorNXT may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

### **Disciplinary Information**

Siebert is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Siebert does not have any disciplinary information to disclose at this time.

### **Other Financial Activities and Affiliations**

Siebert is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. Siebert has disclosed such information below. Siebert is not a registered broker dealer, but its management persons and staff are registered as either Registered Representatives,

Principals and/or Officers with one or more of its affiliate broker dealers as listed below. Siebert is not a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing.

Affiliates of Siebert may refer Consultants, Co-Sponsors, or Sub-Advisors to Siebert. Siebert shall make an independent determination as to whether to do business with such entities. Affiliates of Siebert may also have business arrangements with Consultants, Co-Sponsors, Custodians or Sub-Advisors that may indirectly benefit from such entities' business with Siebert. Siebert does not receive any additional compensation from third party advisors.

Muriel Siebert & Co. is an affiliated broker dealer of the publicly held corporation Siebert Financial Corp., which is also the parent company of Siebert AdvisorNXT.

Kennedy Cabot Acquisition, LLC (KCA) has a controlling interest in AdvisorNXT's parent company Siebert Financial Corp.

StockCross Financial Services is a FINRA member broker dealer and an affiliate of Siebert AdvisorNXT as a result of KCA's controlling interest.

### **Affiliate Broker Dealer**

Muriel Siebert & Co. Inc. (CRD #5376) is an affiliate broker dealer that has been registered since August 8, 1969. Siebert AdvisorNXT executes transactions through Muriel Siebert & Co. under a wrap fee structure. No conflict of interest exists because the broker dealer is not charging any related fees.

Timothy A. O'Leary is COO at Muriel Siebert & Co., the affiliated broker dealer of the public holding company Siebert Financial Corporation. Siebert has Management, Financial Advisors, Supervised Persons and Staff that are Registered Representatives, Staff and Management of Muriel Siebert & Co. Inc. ("MS & Co."). Both Siebert and MS & Co. are wholly owned subsidiaries of Siebert Financial Corporation. Siebert Financial Corporation is a public holding company traded on NASDAQ under the symbol SIEB. Material conflicts of interest related to compensation may exist. To remedy the potential conflicts, Timothy A. O'Leary and MS & Co. do not receive financial compensation based upon the AdvisorNXT business.

### **Custodians**

The Firm contracts with two custodians, NFS and StockCross Financial Services, via a carrying and clearing agreement between the custodians and Siebert's affiliate broker dealer MS & Co. NFS is not an affiliate of Siebert. NFS custodies client assets and performs administrative account services, including issuing statements to the clients. StockCross is an affiliate of Siebert Financial Corp.

Timothy A. O'Leary, see the affiliate broker dealer section, above.

Mark P. Malek, the CIO and Member of the Firm's Investment Committee may receive a portion of the fees based upon the assets under management multiplied by basis points, for services related to his position on the Investment Committee. Given the minimal assets under management, he has not received any compensation to date.

Siebert Officers, Financial Adviser, Supervised Persons, Staff and/or family member(s) may invest with Siebert, and may have their personal accounts at MS & Co., affiliate broker dealer.

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

The Firm has adopted its Investment Advisory Compliance Program (the "Program"), pursuant to Rule 206(4)-7 under the Investment Advisors Act of 1940 ("Advisors Act"). Part of that program includes the adoption of written policies and procedures, which are incorporated within Siebert's Compliance Manual. The Firm's employees are required to abide by the Code of Ethics and Siebert's overall Compliance Program, which is amended periodically to reflect additional policies and/or changes in regulations.

## **Code of Ethics and Personal Trading**

The Firm has adopted a Code of Ethics ("Code") and provides a copy to any clients and prospective clients upon request. The Code may be periodically updated and distributed. The Code sets out our standard of conduct of investment advisory personnel. The Firm expects each of its employees, financial advisors and management (collectively referred to as, "Employees") to conduct themselves with integrity, honesty and professionalism. Prohibitions to certain practices such as hot issues and insider trading, protection of material nonpublic information and procedures for monitoring personal securities trading.

Equity and option orders are processed through order management systems. Trades are reviewed by a designated registered representative including, among other important items, adherence to order-handling rules, and to detect prohibited trading practices including trading ahead, painting the tape, acting in concert, and trade shredding. The Compliance Department reviews all employee and related trades and account activity. Our market making desk is physically isolated from the source of retail orders. We internalize a portion of our equity order flow, and when acting as principal on such transactions we may realize 100% of any profit or loss generated. Traders on the market making desk have no access to retail client account information, advance knowledge of orders accepted by sales representatives or the unsolicited order desk, and receive orders without identifying account information.

Siebert employees and related persons generally may have accounts, only through Siebert, with investment managers that Siebert recommends to clients as part of its advisory program. This means that Siebert employees or related persons may buy or sell securities that clients also own. Investment decisions by the independent investment managers for Siebert employees and related persons are without foreknowledge of the account ownership.

The Firm and persons associated with the Firm ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with Siebert's policies and procedures. The Firm's Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material nonpublic information by Siebert or any of its associated persons. The Code of Ethics also requires that certain of the Firm's personnel (called "Access Persons") report their personal securities holdings and transactions and are prohibited from participating in initial public offerings of equity or equity related securities unless otherwise approved by the Compliance Department and/or the Investment Committee. Under certain circumstances, exceptions may be made to the policies stated herein.

In order to monitor personal securities trading, Employees are required to follow reporting procedures including arrangement for the Compliance Department to receive duplicate monthly confirmations or account statements, which are reviewed by Siebert.

The Firm provides each Employee with a copy of the Code of Ethics and any amendments thereto and obtains written acknowledgement of receipt of the Code of Ethics from each of the Employees on an annual basis. Violations of the Code of Ethics are required to be reported promptly to Siebert's Chief Compliance Officer.

The Firm (and its officers and employees) and certain Affiliates (and their respective officers and employees) may recommend to their respective clients' investment vehicles in which Siebert or such Affiliate has a financial interest by virtue of management fees associated with such investments. Certain control individuals and/or access persons may, subject to applicable compliance policies, invest in products alongside outside investors. The conflicts inherent in such an investment are mitigated in part due to the fact that investors are affected in proportion to their investment, including the control individuals. Typically, outside investors may gain comfort by the fact that a control person is also invested and as such is also affected by the gains and losses of such investment.

These rules and/or restrictions are designed to protect the Firm's Clients. Officers and Employees are required to put the interest of the Clients first in all dealings relating to the Client and their investments. A copy of Siebert's Code of Ethics will be made available to any client or prospective client upon request.

## **Privacy Policy**

The Firm protects your personal information and has adopted a privacy policy. A copy of the Siebert privacy

policy is provided to clients when the account is established, whether there is a change to the privacy policy, on an annual basis and upon request. The privacy policy can also be viewed on our website at [www.siebertadvisors.com/legal/Privacy-Policy](http://www.siebertadvisors.com/legal/Privacy-Policy).

### **Business Continuity**

The Firm has adopted a business continuity plan which was developed by its affiliate broker dealer Muriel Siebert & Co. Siebert's strategy is to maintain critical functions in the event of circumstances, which impact our physical plants, applications, data centers or networks. Siebert, through its affiliate has engaged in planning and process development to reduce risk in this area. You may request a copy of the business continuity statement by calling customer service at 855.299.1980

### **Risk Management Review**

The Investment Committee is also the Risk Management Committee that generally meets on a quarterly basis (more frequently if deemed necessary) and its responsibilities include oversight of investment management, operational policies and procedures, and an overall review of advisory operations.

### **Account Reviews**

Siebert monitors its clients' investment management portfolios as part of an ongoing process. All investment advisory clients are encouraged to discuss their needs, goals and objectives with the firm and to keep Siebert informed of any changes thereto. The firm contacts ongoing investment advisory clients at least annually to review its previous services and recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives. If a Third Party Investment Manager is used, Compliance generates quarterly performance reviews and sends out to corresponding clients.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular monthly account statements directly from the broker dealer or custodian for the client accounts. Siebert may, from time to time, elect to provide clients with written quarterly performance reports generally sourced from or through the custodian. Such quarterly performance reports would be in addition to the custodian's monthly account statements. If there are any discrepancies between the quarterly performance reports and the custodian's statements, clients should rely on the custodian's statement and any such discrepancies should be promptly reported to Siebert Client Service by calling 855.299.1980 during regular business hours.

Siebert may review accounts more frequently than the periodic reviews described in this Brochure. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

While there are no restrictions on your ability to contact and consult with the Independent Manager personnel, it is generally preferred that you do so through, or together with your Siebert financial advisor.

The accounts of each Siebert advisor are supervised by a qualified individual appointed by the Investment Committee. Siebert conducts annual reviews of all managed investment advisory accounts. The Reviewer is instructed to scrutinize account activity and status for (i) investment integrity, specifically defined as adherence to the client's stated investment objective, (ii) performance, encompassing the success of the manager in achieving those objectives; (iii) value, a determination that the cost to the client on an advisory level is appropriate to the level of service received and activity generated, and that there is no indication that the client would be better served through a traditional non-advisory account, and that the account is not neglected by the Siebert advisor upon receipt of fees and assignment of the account to a money management plan. The number of accounts reviewed by each reviewer will depend on the number of accounts under advisement. Additional reviewers will be added on an as-needed basis. The Investment Committee will assign accounts to the reviewer(s) when the account is established; reviewers will contact the supervisor if they have concerns regarding the performance or handling of any account; if the concerns are not addressed to the satisfaction of the reviewer within five business days, the reviewer will contact the Investment Committee by phone or e-mail and request further assistance.

## **Account Statements and General Reports**

Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker dealer or custodian for their accounts. Clients may also receive reports from Siebert that includes relevant account and/or market-related information such as an inventory of account holdings and account performance on a monthly basis or as otherwise agreed upon with the client. Clients should compare the account statements they receive from their custodian with any supplemental reports they receive from Siebert.

## **Unfunded Account Termination**

If your account has a zero balance for more than six months, Siebert may terminate your advisory agreement. Your underlying brokerage account, however, will remain open, unless terminated by the custodian. Once an advisory account has been terminated, Siebert will not be held responsible for account trading delays and Siebert will not provide any communications to you or your Registered Investment Advisor. New account paperwork and/or other procedures for reactivating the account may be required.

## **Client Referrals and Other Compensation**

The Firm does not use client brokerage to reward brokers for client referrals. Siebert may receive referrals from its affiliate broker dealers but no compensation is paid for such referrals.

## **Financial Information**

- The Firm is not required to disclose any financial information pursuant to this item due to the following:
- The firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance;
- The firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The firm has not been subject of a bankruptcy petition at any time during the past 10 years

## **Assets Under Management**

As of October 8, 2018, the Firm had approximately \$49 million in assets under management – approximately all of which were managed on a discretionary basis.