

Form ADV Part 3: Relationship Summary

Strategic Financial Services, Inc.

Introduction

Strategic Financial Services is an investment adviser registered with the U.S. Securities and Exchange Commission. We offer our clients investment advisory services. Clients should understand that the services we provide and the fees we charge are different than those of a broker-dealer, and that it is important to understand the difference between the two. Free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/CRS>, which also provides educational materials about investment advisers, broker-dealers and investing.

What Investment Services and Advice Can You Provide Me?

Description of Services: We offer the following investment advisory services to retail investors. For more information about our services please see **Item 4** of our **Form ADV Part 2A**. (1) Wealth Management Services which can be described as a range of financial and investment planning, specific to your needs and circumstance, combined with our investment management services. Wealth Management services will cover mutually agreed-upon topics appropriate for your unique financial situation. Plans can be communicated in written documents, digitally, or verbally during consultative meetings. We currently offer two Wealth Management programs, our Strategic Gold and Platinum Program and our Strategic Blue Program. Our Gold and Platinum program is designed for clients with more than \$500,00 in investable assets whereas our Blue program is designed for clients with less than \$500,000 in investable assets. Our investment management service is included with both programs, which involves us managing and trading your designated account(s). Investment management services are provided on a **discretionary** basis, meaning we will have the authority to determine the type and amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction. In a few circumstances, we do offer the management of a non-discretionary account when the client wants to direct trading in the account. These exceptions are generally granted to Gold and Platinum clients and not Blue clients. For more information about investment authority, please see **Item 16** of our **Form ADV Part 2A**. As part of these programs, we will discuss your investment goals and design a strategy to try and achieve your investment goals, while continuously monitoring your accounts. For Gold and Platinum clients we recommend, at a minimum an annual check-in with the client to discuss their portfolio and other financial items. For Blue clients we recommend periodic check-ins at the client's discretion to discuss their portfolio and other financial items. For both programs we are available on an on-demand basis as well, assuming no schedule conflicts. (2) Retirement Plan Participant Education: If your retirement plan utilizes our Employer Retirement Plan Services, we may be available for one-on-one education to you as a retirement plan participant regarding your investment options under the plan. We also provide plan enrollment meetings and group education meetings designed to educate participants on the plan investments, investment concepts, and overall plan options. The exact services provided for participants vary depending on the agreement with your employer, the plan sponsor.

Limited Investment Offerings: We do not primarily recommend one type of security to clients. Instead, we recommend investment portfolios designed to be suitable for each client relative to that client's specific circumstances and needs. However, we are limited in investment selection in that we can only invest your account in securities that are available on your custodian/broker-dealer's platform. When providing you services, we do not recommend or offer advice on any proprietary products.

Account & Fee Minimums: The minimum for a Gold and Platinum relationship is at least \$500,000. There is no minimum investment amount required for our Blue Program but we do have an annual minimum fee of \$1200 per client relationship. Exceptions will be made at our discretion..

Conversation Starters: *Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?*

What Fees Will I Pay?

Description of Principal Fees & Costs: Fees for our Investment Management and Wealth Management Services are charged based on a percentage of assets under management, billed in advance on a quarterly basis, and calculated based on the fair market value of your account as of the last business day of the previous billing period. The annual fee for investment management and wealth counseling services will be based upon a fee schedule that ranges between 0.45% and 1.50%. Because our fee is based upon the value of your accounts, we have an incentive to recommend that you increase the level of assets in your accounts. For relationships with less than \$250,000 in managed assets we may charge a monthly subscription fee between \$60 and \$100. When engaging us for services, you will also incur other fees and expenses. The

Strategic Financial Services, Inc.

Date of Form ADV Part 3: December 2023

broker-dealer/custodian on your account will charge you transaction fees for executing trades in your account. You will also be charged internal fees and expenses by the funds we invest in within your account. For our [Retirement Plan Participant Advice](#), there is no direct charge to the plan participant; rather, we charge the retirement plan an investment advisory fee.

Additional Information: You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. For more information about the fees we charge and the other fees and expenses you will incur, please see **Item 5 of Form ADV Part 2A**.

Conversation Starters: *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

What Are Your Legal Obligations to Me When Acting as My Investment Adviser? Does Your Firm Make Money and What Conflicts of Interest Do You Have?

How Else

Standard of Conduct: When we act as your investment adviser, we must act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are two examples to help you understand what this means. (1) To the extent we recommend you roll over your account from a current retirement plan to an individual retirement account ("IRA") managed by us and subject to our asset-based investment advisory fees, this is a conflict of interest because we have a financial incentive to recommend that you move your IRA to us even if it is not in your best interest. For more information about this conflict and our procedures to mitigate the conflict, see **Item 4** of our **Form ADV Part 2A**. (2) When we provide asset management services, we will ask that you establish an account with Charles Schwab & Company, Inc. to maintain custody of your assets and to affect trades for your account. Our recommendation to use Schwab is not based solely on your interest in receiving the best execution possible. We also recommend Schwab because they provide us with research, products, and tools that help us manage and further develop our business operations. As a result, we do not have to pay for such benefits, which saves us money but also creates a conflict of interest. See **Item 12** of our **Form ADV Part 2A** for more information.

Conversation Starters: *How might your conflicts of interest affect me, and how will you address them?*

Additional Information: For more information about our conflicts of interest and the ways we are compensated, please see **Item 5** of our **Form ADV Part 2A**.

How Do Your Financial Professionals Make Money?

Description of Salary/Payment of IARs: IARs are compensated with a base salary reflective of their experience, book of business size, and contributions to firm roles. In addition, they receive bonuses tied to both new assets brought in and the retention of existing assets, aligning their incentives with firm growth and client relationship management.

Do You or Your Financial Professionals Have Legal or Disciplinary History?

Yes, one of our investment adviser representatives has two disclosure events. As a firm, we do not have any legal or disciplinary history to report. You can look up more information about us and our investment adviser representatives at <https://www.investor.gov/CRS>.

Conversation Starters: *As a financial professional, do you have any disciplinary history? For what type of conduct?*

Additional Information About Strategic Financial Services

Additional information about us and a copy of this relationship summary are available on the Internet at <https://investstrategic.com/>. You can also find our disclosure brochures and other information about us at <https://adviserinfo.sec.gov/firm/summary/109677>. If you have any questions or want an up-to-date copy of this relationship summary, we can be reached by phone at 315-724-1776.

Conversation Starters: *Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*