

Item 1: Cover Page



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Form ADV Part 2A – Firm Brochure

Dated: September 3, 2026

This Brochure provides information about the qualifications and business practices of Southernmost Advisors LLC. If you have any questions about the contents of this Brochure, please contact us at (305)768-4440. 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.

Southernmost Advisors LLC is a registered investment adviser. Registration does not imply a certain level of skill or training.

Additional information about Southernmost Advisors LLC also is available on the SEC's website at www.adviserinfo.sec.gov, which can be found using the firm's identification number, 340372.

Item 2: Material Changes

Since becoming registered on May 14, 2026, the following changes have occurred:

- Interactive Brokers has been added in Item 12 as a custodian recommended by SMA.
- The firm's phone number has changed.
- Orion Portfolio Solutions, LLC has been added as an Outside Manager.
- Fee billing for Investment Management and Wealth Management services has been changed to arrears.

In the future, any material changes made during the year will be reported here.

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Item 4: Advisory Business

Description of Advisory Firm

Southernmost Advisors LLC is an investment adviser principally located in the state of Florida. We are a limited liability company founded in October of 2025. Southernmost Advisors LLC became registered in 2026. William Pauley is the principal owner and Chief Compliance Officer ("CCO").

As used in this brochure, the words "SMA", "we", "our firm", "Advisor" and "us" refer to Southernmost Advisors LLC and the words "you", "your" and "Client" refer to you as either a client or prospective client of our firm.

Types of Advisory Services

SMA is a fee-only firm, meaning the only compensation we receive is from our Clients for our services. From time to time, SMA recommends third-party professionals such as attorneys, accountants, tax advisors, insurance agents, or other financial professionals. Clients are never obligated to utilize any third-party professional we recommend. SMA is not affiliated with nor does SMA receive any compensation from third-party professionals we may recommend.

Investment Management Services

Our firm provides continuous advice to a Client regarding the investment of Client funds based on the individual needs of the Client. Through personal discussions in which goals and objectives based on a Client's particular circumstances are established, we develop a Client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation targets. We will also review and discuss a Client's prior investment history, as well as family composition and background. Account supervision is guided by the stated objectives of the Client (e.g., maximum capital appreciation, growth, income, or growth and income), as well as risk tolerance and tax considerations.

We primarily advise our Clients regarding investments in stocks, bonds, real estate, mutual funds, ETFs, U.S. government and municipal securities, and cash and cash equivalents. We may also provide advice regarding investments held in Client's portfolio at the inception of our advisory relationship and/or other investment types not listed above, at the Client's request.

When we provide investment management services, Clients grant us limited authority to buy and sell securities on a discretionary basis. More information on our trading authority is explained in Item 16 of this Brochure. Clients may impose reasonable restrictions in writing on investing in certain securities, types of securities, or industry sectors.

When appropriate, we utilize the services of one or more independent investment managers or independent investment management programs ("Outside Managers") to assist with the management of Client accounts. The Outside Managers we recommend may engage our firm directly to provide sub-advisory services to client account(s) and/or may be accessible to our firm through an investment platform offered through your Custodian. We will continue to serve as Client's primary advisor for the

ongoing monitoring of the account(s) and the determination of the suitability of the Outside Manager's overall investment program and/or strategies. We will recommend adjustments to your account(s) when we believe such changes are in your best interests. Our review process and analysis of Outside Managers is further discussed in Item 8 of this Brochure.

Orion Portfolio Solutions, LLC SMA may manage portfolios through a program sponsored by Orion Portfolio Solutions, LLC ("OPS"). The terms and conditions under which the client shall engage OPS shall be set forth in separate written agreements between (1) the client and SMA and (2) the client and OPS. SMA shall continue to render advisory services to the client relative to the ongoing monitoring and review of account performance, for which SMA shall receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by OPS. Factors that SMA shall consider in recommending OPS include the client's stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. In addition to SMA's written disclosure statement, the client shall also receive the written disclosure statement of OPS. Clients should review OPS's ADV Part 2 or Terms of Use for additional details regarding services.

Financial Planning Services

Financial planning involves an 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. The key defining aspect of financial planning is that through the financial planning process, all questions, information, and analysis will be considered as they affect and are affected by the entire financial and life situation of the Client. Clients purchasing this service will receive a written report, providing the Client with a detailed financial plan designed to help achieve the Client's stated financial goals and objectives.

This service involves working one-on-one with a financial planner ("planner") over an extended period of time. Through this ongoing arrangement, Clients are expected to collaborate with the planner to develop and assist in the implementation of their financial plan (the "plan"). The planner will monitor the plan, recommend any appropriate changes and ensure the plan is up-to-date as the Client's situation, goals, and objectives evolve.

Upon engaging the firm for financial planning, SMA is responsible for obtaining and analyzing necessary qualitative and quantitative information from the Client that is essential to understanding the Client's personal and financial circumstances; helping the Client identify, select, and prioritize certain financial goals while understanding the effect that pursuing one goal may have on other potential goals; assessing the Client's current course of action and alternative courses of action to identify required changes that provide the best opportunity for the client to meet their financial goals; developing & presenting financial planning recommendations based on the aforementioned actions while including all information that was required to be considered in preparing the recommendations; and ongoing monitoring of the Client's progress toward the goals and objectives that the recommendations are based around. These components all require in-depth communication with the Client in order for the planner to establish a financial plan and implementation strategy that provides the Client with the most appropriate options in pursuing their established goals and objectives.

In general, the financial plan will address some or all of the following areas of concern. The Client and SMA will work together to select specific areas to cover. These areas may include, but are not limited to, the following:

- **Business Planning:** We provide consulting services for Clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives, and develop a plan aimed at achieving your goals.
- **Financial Goals:** We will help Clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.
- **Investment Analysis:** This may involve developing an asset allocation strategy to meet Clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.
- **Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments).

If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance ("self-insuring").
- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their "tax efficiency," with the consideration that there is always a possibility of future changes to federal, state or local tax laws and fee rates that may impact your situation.

Wealth Management Services

Wealth Management encompasses investment management services and full service financial planning. Our firm provides continuous advice to a Client regarding the investment of Client funds based on the individual needs of the Client. Through personal discussions in which goals and objectives based on a Client's

particular circumstances are established, we develop a Client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation targets. We will also review and discuss a Client's prior investment history, as well as family composition and background. Account supervision is guided by the stated objectives of the Client (e.g., maximum capital appreciation, growth, income, or growth and income), as well as risk tolerance and tax considerations.

We primarily advise our Clients regarding investments in stocks, bonds, real estate, mutual funds, ETFs, U.S. government and municipal securities, and cash and cash equivalents. We may also provide advice regarding investments held in Client's portfolio at the inception of our advisory relationship and/or other investment types not listed above, at the Client's request.

When we provide investment management services, Clients grant us limited authority to buy and sell securities on a discretionary basis. More information on our trading authority is explained in Item 16 of this Brochure. Clients may impose reasonable restrictions in writing on investing in certain securities, types of securities, or industry sectors.

When appropriate, we utilize the services of one or more independent investment managers or independent investment management programs ("Outside Managers") to assist with the management of Client accounts. The Outside Managers we recommend may engage our firm directly to provide sub-advisory services to client account(s) and/or may be accessible to our firm through an investment platform offered through your Custodian. We will continue to serve as Client's primary advisor for the ongoing monitoring of the account(s) and the determination of the suitability of the Outside Manager's overall investment program and/or strategies. We will recommend adjustments to your account(s) when we believe such changes are in your best interests. Our review process and analysis of Outside Managers is further discussed in Item 8 of this Brochure.

Orion Portfolio Solutions, LLC SMA may manage portfolios through a program sponsored by Orion Portfolio Solutions, LLC ("OPS"). The terms and conditions under which the client shall engage OPS shall be set forth in separate written agreements between (1) the client and SMA and (2) the client and OPS. SMA shall continue to render advisory services to the client relative to the ongoing monitoring and review of account performance, for which SMA shall receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by OPS. Factors that SMA shall consider in recommending OPS include the client's stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. In addition to SMA's written disclosure statement, the client shall also receive the written disclosure statement of OPS. Clients should review OPS's ADV Part 2 or Terms of Use for additional details regarding services.

Included in wealth management services is, at the clients election and subject to a minimum fee outlined in Item 5, financial planning services. A Client will be taken through establishing their goals and values around money. Clients will be required to provide pertinent information to help complete the following areas of analysis: net worth, cash flow, credit scores/reports, employee benefits, retirement planning, insurance, investments, college planning, taxes and estate planning. Once the Client's information is reviewed, then the findings, analysis and potential changes to their current situation will be outlined and delivered to the Client.

Tax Preparation

We offer tax preparation services for our Clients to assist with the filing of federal and state tax returns for individuals and businesses. We may ask for an explanation or clarification of some items, but we will not audit or otherwise verify Client data. The Client is responsible for the completeness and accuracy of information used to prepare the returns. Our responsibility is to prepare the returns in accordance with applicable tax laws. Clients are under no obligation to utilize Southernmost Advisors for tax preparation services and may use any outside accounting firm or tax professional of their choosing.

William Pauley is not a CPA firm and does not provide audit or attest services. Tax preparation services are provided by William Pauley in his capacity as a Certified Financial Planner and Chartered Financial Analyst. Clients are advised that this service is limited in scope and does not include legal or formal accounting advice.

Client Tailored Services and Client Imposed Restrictions

We tailor the delivery of our services to meet the individual needs of our Clients. We consult with Clients initially and on an ongoing basis, through the duration of their engagement with us, to determine risk tolerance, time horizon and other factors that may impact the Clients' investment and/or planning needs.

Clients are able to specify, within reason, any restrictions they would like to place as it pertains to individual securities and/or sectors that will be traded in their account. All such requests must be provided to SMA in writing. SMA will notify Clients if they are unable to accommodate any requests.

Wrap Fee Programs

SMA offers its investment management services exclusively as part of a wrap fee program. We do not manage non-wrap accounts. Under a wrap fee, you will pay SMA a single asset-based advisory fee (i.e., a fee based on a percentage of the value of your assets) which covers the combined costs of our investment advice, together with the costs of all brokerage commissions and transaction fees incurred in your account held at the Custodian ("Wrap Fee"). This may create a potential conflict of interest in that we may be incentivized to trade your account less frequently, and/or to invest your account in assets that may be subject to waived or reduced brokerage commissions (if available), resulting in SMA retaining a greater portion of the Wrap Fee paid by the Client. In addition, we may require account minimums in order for us to justify our fee. To address the foregoing conflicts, we manage your account in strict accordance with your investment objective and risk tolerance and our ongoing fiduciary duty to you.

Please see our separate wrap fee brochure ("Wrap Brochure") for further details regarding our Wrap Fee program. A copy of our Wrap Brochure will be provided to you at the inception of our relationship. Please call us at the telephone number found on the cover of this firm brochure if you did not receive a copy of our Wrap Brochure.

Assets Under Management

As of April 8, 2026, SMA has \$0 in discretionary and \$0 in non-discretionary assets under management.

Item 5: Fees and Compensation

Please note, unless a Client has received this brochure at least 48 hours prior to signing an Advisory Contract, the Advisory Contract may be terminated by the Client within five (5) business days of signing the Advisory Contract without penalty or incurring any fees. At no time do we require prepayment of \$500 or more and six months or more in advance of rendering the services. Advisor does not charge any setup fees and/or termination fees.

How we are paid depends on the type of advisory services we perform. Below is a brief description of our fees, however, you should review your executed Advisory Contract for more detailed information regarding the exact fees you will be paying. Fees disclosed below represent the maximum amount charged to Clients. Fees are negotiable and some fees may vary by Client for similar services. No increase to the agreed-upon advisory fees outlined in the Advisory Contract shall occur without prior written Client consent.

Investment Management Services (Wrap Fee Program Fee Schedule)

SMA only manages accounts through our Wrap Fee Program. Please see our separate wrap fee brochure ("Wrap Brochure") for further details regarding our Wrap Fee program. A copy of our Wrap Brochure will be provided to you at the inception of our relationship. Please call us at the telephone number found on the cover of this firm brochure if you did not receive a copy of our Wrap Brochure.

Our standard advisory fee is based on the market value of the assets under management and is calculated as follows:

Standard Advisory Fees

We charge an annual flat fee of 1.50% of assets under management. The fee is based on a percentage of assets under management and is negotiable. The annual advisory fee is paid monthly in arrears based on the average daily balance of the Client's account(s). The formula for the monthly fee is determined by the following calculation: $(\$100,000 \times 1.50\%) \div 12$. If SMA utilizes an Outside Manager, the above fee schedule includes the Outside Manager's fee.

SMA relies on the valuation as provided by Client's custodian in determining assets under management. Our advisory fee is prorated for any partial billing periods occurring during the engagement, including the initial and terminating billing periods.

Performance Based Fee

In addition, for Qualified Investors as described in Item 6 of this brochure, a performance-based fee may be applied to certain asset management strategies. The performance based fee is up to 33% of outperformance over the agreed upon benchmark. This additional performance-based fee is calculated as per agreed interval and will be outlined in the Advisory Contract. The Annual Performance Fee is in addition to the standard advisory fee disclosed above.

Financial Planning

We charge a recurring fixed fee for Financial Planning. Fees begin at \$599 per month, are negotiable and the final agreed upon fee will be outlined in your Advisory Contract. The fee is dependent upon variables including the specific needs of the Client, complexity, estimated time, research, and resources required to provide services to you, among other factors we deem relevant. Fees are paid in advance.

Wealth Management Services (Wrap Fee Program Fee Schedule)

SMA only manages accounts through our Wrap Fee Program. Please see our separate wrap fee brochure ("Wrap Brochure") for further details regarding our Wrap Fee program. A copy of our Wrap Brochure will be provided to you at the inception of our relationship. Please call us at the telephone number found on the cover of this firm brochure if you did not receive a copy of our Wrap Brochure.

Our standard advisory fee is based on the market value of the assets under management and is calculated as follows:

Standard Advisory Fees

We charge an annual flat fee of 1.50% of assets under management. The fee is based on a percentage of assets under management and is negotiable. The annual advisory fee is paid monthly in arrears based on the average daily balance of the Client's account(s). The formula for the monthly fee is determined by the following calculation: $(\$100,000 \times 1.50\%) \div 12$. Clients who elect to engage the firm for comprehensive financial planning services are subject to a minimum monthly fee of \$599. This minimum financial planning fee can be satisfied (offset) with investment management fees generated through the firm's maximum 1.5% of client AUM. Because this \$599 monthly minimum applies to the comprehensive engagement, clients with lower assets under management will pay an effective annual fee percentage that exceeds 1.5%, which may be higher than industry averages for standard investment advisory services. If SMA utilizes an Outside Manager, the above fee schedule includes the Outside Manager's fee.

SMA relies on the valuation as provided by Client's custodian in determining assets under management. Our advisory fee is prorated for any partial billing periods occurring during the engagement, including the initial and terminating billing periods.

Performance Based Fee

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Tax Preparation

Tax Preparation is available and included without an additional fee for Clients participating in our Financial Planning services.

Fee Payment

For Investment Management and Wealth Management services, we deduct our advisory fee from one or more account(s) held at an unaffiliated third-party custodian, as directed by the Client. Please refer to Item 15 of this Brochure regarding our policy on direct fee deduction.

For Financial Planning services, fees are paid by credit card. We use an independent third party payment processor in which the Client can securely input their banking information and pay their fee. We do not have access to the Client's banking information at any time. The Client will be provided with their own secure portal in order to make payments.

Other Types of Fees and Expenses

Our fees are inclusive of brokerage commissions and transaction fees. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees related to 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. Mutual fund and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for Client's transactions and determining the reasonableness of their compensation (e.g., commissions).

Clients may incur fees from third-party professionals such as accountants and attorneys that SMA may recommend, upon Client request. Such fees are separate and distinct from SMA's advisory fees.

Terminations and Refunds

For Investment Management and Wealth Management services, the Advisory Contract may be terminated with written notice 30 calendar days in advance. Since fees are paid in arrears, no refund will be needed upon termination of the Advisory Contract. Clients will be responsible for payment of fees based on the number of days in which services were provided up to the date of termination.

For Financial Planning services, the Advisory Contract may be terminated with written notice 30 calendar days in advance. Upon termination of the Advisory Contract, a prorated refund will be provided to the Client based on the number of days in which services were provided up to the date of termination.

Sale of Securities or Other Investment Products

Advisor and its supervised persons do not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

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

When appropriate, we may offer certain clients the option of being charged a performance-based fee for our investment management services. To be eligible for performance-based fees, the Client must meet the definition of a “qualified client” as such term is defined under Rule 205-3 of the Investment Advisers Act of 1940. Generally, a qualified client is a person who has at least \$1,100,000 of assets under management with us or who has a net worth over \$2,200,000, either alone or together with a spouse (excluding the value of the person’s primary residence). This definition is based on current rules and regulations and is subject to change outside of our control.

We may manage accounts that are subject to performance-based fees while at the same time managing accounts (perhaps with similar objectives) that are not charged performance-based fees (“side-by-side management”). Performance-based fees and side-by-side management create conflicts of interest, which we have identified and described in the following paragraphs.

Performance-based fee arrangements may create an incentive for our firm to make investments that are riskier or more speculative than would be the case absent such arrangements. In order to address this potential conflict of interest, SMA periodically reviews client accounts to ensure that investments are suitable and that the account is being managed according to the client’s investment objectives and risk tolerance.

Side-by-side management might provide an incentive for our firm to favor accounts for which we receive a performance-based fee. For example, we may have an incentive to allocate limited and or high growth investment opportunities to clients who are charged performance-based fees over clients who are charged asset-based fees only. To address this potential conflict of interest, we have instituted policies and procedures that require our firm to allocate investment opportunities (if they are suitable) in an effort to avoid favoritism among our clients, regardless of whether the client is charged performance fees.

Item 7: Types of Clients

We provide financial planning and investment management services to individuals, businesses, other investment advisors, non-profits and charitable organizations.

We do not have a minimum account size requirement to open or maintain an account.

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

Below is a brief description of our methods of analysis and primary investment strategies:

Methods of Analysis

Systematic Fundamental Analysis (Evidence-Based Investing) Our firm manages portfolios using a systematic, evidence-based approach to investment management. Rather than relying on subjective human forecasting or discretionary stock-picking, our methodology is heavily informed by decades of academic research and financial science.

We analyze broad market data to identify fundamental characteristics that have historically driven long-term expected returns. Once these fundamental drivers are identified, we utilize proprietary, rules-based models to systematically construct and manage portfolios.

Investment Strategy Our core investment strategy aims to capture specific dimensions of higher expected returns while maintaining broad diversification and minimizing the costs and frictions typically associated with active management.

By systematically applying fundamental data through a rules-based framework, the firm operates similarly to an "enhanced index." This approach is designed to deliberately tilt client portfolios toward securities with favorable fundamental characteristics, while ruthlessly controlling for risk, unnecessary turnover, and tax inefficiencies. We primarily implement this strategy utilizing individual securities and when appropriate cost effective Exchange-Traded Funds (ETFs).

Specific Risks of Systematic and Model-Driven Investing While our strategies are grounded in fundamental evidence, the systematic implementation of these strategies carries specific risks:

1. **Data Integrity and Implementation Risk:** Our investment process relies on broad market data and fundamental inputs from third-party providers. While the firm employs robust data validation and cleaning protocols to ensure accuracy before execution, systematic strategies inherently remain exposed to the risk of undetected data anomalies, vendor feed disruptions, or technological friction.
2. **Regime Shift and Market Dynamics:** Our models are mathematically engineered to adapt to evolving market dynamics and changing economic conditions. However, financial markets can occasionally experience unprecedented regime shifts or extreme "black swan" events. During these periods, market behavior may diverge significantly from the historical fundamental evidence upon which the strategies are built, which could lead to periods of underperformance until the system adapts.
3. **Over-fitting and Historical Reliance:** The firm utilizes rigorous statistical techniques and risk management protocols designed to prevent "over-fitting" during the research and model construction phase. Despite these mathematical safeguards, there remains an inherent risk that historical fundamental relationships and asset class premiums may not perfectly persist or materialize in future market environments.

Fundamental analysis involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that the information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Modern Portfolio Theory (MPT)

The underlying principles of MPT are:

- Investors are risk averse. The only acceptable risk is that which is adequately compensated by an expected return. Risk and investment return are related and an increase in risk requires an increased expected return.
- Markets are efficient. The same market information is available to all investors at the same time. The market prices every security fairly based upon this equal availability of information.
- The design of the portfolio as a whole is more important than the selection of any particular security. The appropriate allocation of capital among asset classes will have far more influence on long-term portfolio performance than the selection of individual securities.
- Investing for the long-term (preferably longer than ten years) becomes critical to investment success because it allows the long-term characteristics of the asset classes to surface.
- Increasing diversification of the portfolio with lower correlated asset class positions can decrease portfolio risk. Correlation is the statistical term for the extent to which two asset classes move in tandem or opposition to one another.

Risks Associated with Modern Portfolio Theory: Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

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 other funds in the Client's portfolio. In addition, we 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 fund or ETF less suitable for the Client's portfolio.

Use of Outside Managers: We may refer clients to independent investment managers or independent investment management programs ("Outside Managers") offered by various sub-advisors to manage portions of a client's portfolio. The decision to use an Outside Manager is based on our assessment of the client's needs and objectives, and whether these solutions may be more appropriate than mutual funds or ETFs for certain portfolio allocations. Our due diligence and ongoing monitoring of Outside Managers

involves evaluating their experience, expertise, investment philosophies, and historical performance to assess their ability to manage investments over various market cycles. We also review and monitor their underlying holdings, strategies, concentrations, and leverage as part of our periodic risk assessments. As part of our diligence process, we assess compliance infrastructure and enterprise-level business risks to help identify any operational concerns. Clients should be aware that past success by an Outside Manager or sub-advisor does not guarantee future performance. There is also a risk that these managers may deviate from their stated investment mandates, potentially making the strategy less suitable for our clients. Furthermore, because we do not oversee the daily business or compliance operations of these third parties, we may be unaware of deficiencies in internal controls that could lead to business, regulatory, or reputational risks.

Investment Strategies

Asset Allocation

In implementing our Clients' investment strategy, we begin by attempting to identify an appropriate ratio of equities, fixed income, and cash (i.e. "asset allocation") 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 equities, fixed income, 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. We attempt to closely monitor our asset allocation models and make changes periodically to keep in line with the target risk tolerance model.

Passive and Active Investment Management

We may choose investment vehicles that are considered passive, active, or a combination of both styles.

Passive investing involves building portfolios that are composed of various distinct asset classes. The asset classes are weighted in a manner to achieve a desired relationship between correlation, risk and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio.

Active investing involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark. Actively managed funds are also designed to reduce volatility and risk.

We may engage in both passive and active investing in Client's portfolio. However, we strive to construct portfolios of funds and individual securities that we believe will have the greatest probability for achieving our Clients' personal financial goals with the least amount of volatility and risk rather than attempt to outperform an arbitrary index or benchmark.

Specific investment selections are based on a number of factors that we evaluate in order to select, what we believe to be, the highest quality funds or individual securities for our Clients. These factors include but are not limited to underlying holdings of funds, percentage weighting of holdings within funds, liquidity, tax efficiency, bid/ask spreads, and other smart/strategic beta factors. These factors may or may not result in the lowest cost ETFs and mutual funds available when utilizing funds in a Client's portfolio, but we strive to keep internal fund expenses as low as possible.

Long-term/Short-term purchases

We purchase securities and generally hold them in the Client's account for a year or longer. Short-term purchases may be employed as appropriate 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.

Material Risks Involved

All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear. Many of these risks apply equally to stocks, bonds, commodities, and any other investment or security. Material risks associated with our investment strategies are listed below.

Market Risk: Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

Strategy Risk: The Adviser's investment strategies and/or investment techniques may not work as intended.

Small and Medium Cap Company Risk: Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the Client's portfolio.

Turnover Risk: Actively managed mutual funds tend to have a higher turnover rate than passive funds. A high portfolio turnover would result in higher transaction costs and in higher taxes when shares are held in a taxable account. These factors may negatively affect the account's performance.

Limited markets: Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions, we may be unable to sell or liquidate investments at prices we consider reasonable or favorable or find buyers at any price.

Interest Rate Risk: Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

Legal or Legislative Risk: Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

Inflation: Inflation may erode the buying power of your investment portfolio, even if the dollar value of your investments remains the same.

Risks Associated with Investment Types

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

Bank Obligations including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.

Commercial Paper is, in most cases, an unsecured promissory note that is issued with a maturity of 270 days or less. Being unsecured the risk to the investor is that the issuer may default.

Common stocks may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

Corporate Bonds are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on factors such as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

Exchange Traded Funds prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected. ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above (premium) or below (discount) their net asset value and an ETF purchased at a premium may ultimately be sold at a discount; (ii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which the Clients invest.

Municipal Bonds are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

Mutual Funds When a Client invests in open-end mutual funds or ETFs, the Client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the Client will incur higher expenses, many of which may be duplicative. In addition, the Client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

Options and other derivatives carry many unique risks, including time-sensitivity, and can result in the complete loss of principal. While covered call writing does provide a partial hedge to the stock against which the call is written, the hedge is limited to the amount of cash flow received when writing the option. When selling covered calls, there is a risk the underlying position may be called away at a price lower than the current market price.

Private Placements and Real Estate Investments Our firm may recommend or allocate to private placements, which are unregistered securities offered to a limited number of qualified investors. These often include real estate-focused vehicles primarily structured as direct investments in properties or development projects. Private placements, particularly in real estate, carry heightened risks compared to publicly traded securities, including:

- **Illiquidity Risk:** Private placements are typically illiquid, with no active secondary market. Investors may be unable to sell or redeem their interests for extended periods (e.g., lock-up periods of several years), and redemptions, if available, may be limited, delayed, or subject to gates. Real estate investments can be especially illiquid due to the time required for property sales or appraisals.
- **Valuation Challenges:** Valuations of private placements and real estate assets are subjective and may rely on appraisals, models, or manager estimates rather than market prices. This can lead to discrepancies between reported values and actual realizable amounts, especially in volatile markets.
- **Market and Economic Risks Specific to Real Estate:** Real estate values can decline due to factors like rising interest rates, economic downturns, changes in local markets (e.g., oversupply, zoning issues), environmental concerns, or natural disasters. Leverage commonly used in real estate deals can magnify losses, potentially leading to foreclosure or total loss of investment.
- **Higher Fees and Expenses:** Private placements often involve higher management fees, performance fees (e.g., carried interest), and transaction costs, which can reduce returns. Real estate funds may also incur property-specific expenses like maintenance, taxes, or insurance.
- **Lack of Transparency and Regulatory Oversight:** Unlike public securities, private placements have limited disclosure requirements and are not subject to the same SEC scrutiny. This can increase risks of fraud, mismanagement, or third-party appraisers and are based on estimates. The actual realized value upon sale may be significantly lower than the estimated valuation.
- **Real Estate Market Risks:** Underlying real estate assets are subject to numerous risks, including economic downturns, changes in local property markets, fluctuations in interest rates, tenant defaults, zoning changes, and environmental liabilities.
- **Capital Call Risk:** Certain private investments require clients to commit capital upfront, which is then "called" over time by the manager. If a client fails to meet a capital call, they may face severe penalties, including the dilution or forfeiture of their existing investment.
- **Manager and Operational Risk:** The success of the investment relies heavily on the skill, experience, and execution of the private fund manager or sponsor. Furthermore, these investments

often carry complex fee structures, including management fees and carried interest (performance fees), which can reduce overall returns.

Item 9: Disciplinary Information

Criminal or Civil Actions

SMA and its management persons have not been involved in any criminal or civil action.

Administrative Enforcement Proceedings

SMA and its management persons have not been involved in any administrative enforcement proceedings.

Self-Regulatory Organization Enforcement Proceedings

SMA and its management persons have not been involved in any self-regulatory organization (SRO) proceedings.

Item 10: Other Financial Industry Activities and Affiliations

Broker-Dealer Affiliation

Neither SMA or its management persons is registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Other Affiliations

Neither SMA or its management persons is registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

Related Persons

Neither SMA or its management persons have any relationship or arrangement with any outside financial industry related parties.

Recommendations or Selections of Other Investment Advisers

SMA recommends Clients to Outside Managers to manage their accounts; Clients will not pay an additional fee when an Outside Manager is used. Clients will receive a copy of the Outside Manager's Form ADV 2A, Firm Brochure, which also describes the Outside Manager's fee. You are not obligated, contractually or otherwise, to use the services of any Outside Manager we recommend. Moreover, SMA will only recommend an Outside Manager who is properly licensed or registered as an investment adviser.

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

As a fiduciary, our firm has a duty of utmost good faith to act solely in the best interests of each Client. Our Clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings. The firm also adheres to the Code of Ethics and Professional Responsibility adopted by the CFP® Board of Standards Inc., and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities. Additionally, SMA requires adherence to its Insider Trading Policy, and the CFA Institute's Asset Manager Code of Professional Conduct and Code of Ethics and Standards of Professional Conduct.

Code of Ethics Description

This Code of Ethics does not attempt to identify all possible conflicts of interest, and compliance with each of its specific provisions will not shield our firm or its access persons from liability for misconduct that violates a fiduciary duty to our Clients. A summary of the Code of Ethics' Principles is outlined below.

- Integrity - Access persons shall offer and provide professional services with integrity.
- Objectivity - Access persons shall be objective in providing professional services to Clients.
- Competence - Access persons shall provide services to Clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.
- Fairness - Access persons shall perform professional services in a manner that is fair and reasonable to Clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.
- Confidentiality - Access persons shall not disclose confidential Client information without the specific consent of the Client unless in response to proper legal process, or as required by law.
- Professionalism - Access persons conduct in all matters shall reflect the credit of the profession.
- Diligence - Access persons shall act diligently in providing professional services.

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm will provide a copy of its Code of Ethics to any Client or prospective Client upon request.

Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Neither our firm, its access persons, or any related person is authorized to recommend to a Client or effect a transaction for a Client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, principal transaction, among others.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

Our firm, its access persons, and its related persons may buy or sell securities similar to, or different from, those we recommend to Clients. In an effort to reduce or eliminate certain conflicts of interest, our Code of

Ethics may require that we restrict or prohibit access persons' transactions in specific reportable securities. Any exceptions or trading pre-clearance must be approved by SMA's Chief Compliance Officer in advance of the transaction in an account. SMA maintains a copy of access persons' personal securities transactions as required.

Trading Securities At/Around the Same Time as Client's Securities

From time to time our firm, its access persons, or its related persons may buy or sell securities for themselves at or around the same time as they buy or sell securities for Clients' account(s). To address this conflict, it is our policy that neither our firm or access persons shall have priority over Clients' accounts in the purchase or sale of securities.

Item 12: Brokerage Practices

Factors Used to Select Custodians

In recommending custodians, we have an obligation to seek the “best execution” of transactions in Client accounts. The determinative factor in the analysis of best execution is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of the custodian’s services. The factors we consider when evaluating a custodian for best execution include, without limitation, the custodian’s:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody);
- Capability to execute, clear, and settle trades (buy and sell securities for your account);
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.);
- Availability of investment research and tools that assist us in making investment decisions;
- Quality of services;
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices;
- Reputation, financial strength, security and stability;
- Prior service to us and our clients.

With this in consideration, our firm recommends Altruist Financial LLC and Interactive Brokers, as independent and unaffiliated SEC registered broker-dealer firms and members of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”).

Research and Other Soft-Dollar Benefits

We do not have any soft-dollar arrangements with custodians whereby soft-dollar credits, used to purchase products and services, are earned directly in proportion to the amount of commissions paid by a Client. However, as a result of being on their institutional platform, Altruist Financial LLC and Interactive Brokers, may provide us with certain services that may benefit us.

Altruist

SMA offers investment advisory services through the custodial platform offered by Altruist Financial LLC, an unaffiliated SEC-registered broker-dealer and FINRA/SIPC member (“Altruist”). Custody, clearing, and execution services are provided by Altruist as a self-clearing broker-dealer. SMA’s clients establish brokerage accounts through Altruist. SMA maintains an institutional relationship with Altruist whereby Altruist provides certain benefits to SMA, including a fully digital account opening process, a variety of available investments, and integration with software tools that can benefit SMA and its clients. SMA is not affiliated with Altruist.

Interactive Brokers

Interactive Brokers offers products or services other than execution that assist our firm in managing and administering client accounts. These may include software and other technology that provides 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), facilitate payment of our fees from clients' accounts, and assist with back office functions, record keeping and client reporting. These services may be used to service all or a substantial number of client accounts, including accounts not maintained at Interactive Brokers.

SMA may also receive services from Interactive Brokers that are intended to help our firm manage and further develop our business. These services may include website design and technology support. Interactive Brokers also has arrangements with various product vendors, which enable our firm to purchase their products at a discount. These products may include such items as: client reporting and consolidated statement software; client communication software; client relationship management software; compliance assistance; and investment research.

While the benefits we receive from Interactive Brokers does not depend on the amount of brokerage transactions directed to Interactive Brokers, as a fiduciary we are required to disclose that there is an inherent conflict of interest when our firm recommends that clients maintain their assets at Interactive Brokers. These recommendations may be based in part on the benefits we receive from Interactive Brokers, such as the availability of the above-mentioned products and services, and not solely on our clients' interest in receiving the most favorable execution.

Brokerage for Client Referrals

We receive no referrals from a custodian, broker-dealer or third party in exchange for using that custodian, broker-dealer or third party.

Clients Directing Which Broker/Dealer/Custodian to Use

Our firm recommends Clients establish account(s) at Altruist Financial LLC or Interactive Brokers, to execute transactions through. We will assist with establishing your account(s) at Altruist Financial LLC or Interactive Brokers however, we will not have the authority to open accounts on the Client's behalf. Not all investment advisers require their Clients to use their recommended custodian. By recommending that Clients use Altruist Financial LLC or Interactive Brokers, we may be unable to achieve most favorable execution of Client transactions, and this practice may cost Clients more money. We base our recommendations on the factors disclosed in Item 12 herein and will only recommend custodians if we believe it's in the best interest of the Client.

If Clients do not wish to utilize our recommended custodian, we permit Clients to direct brokerage. We will be added to your account through a limited trading authority. However, due to restraints from not having access to an institutional platform, we are unable to achieve most favorable execution of Client transactions. Clients directing brokerage may cost Clients more money. For example, in a directed brokerage account, the Client may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or the Client may receive a higher transaction price at their selected custodian versus our recommended custodian.

Aggregating (Block) Trading for Multiple Client Accounts

Generally, we combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the

shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion, regarding particular circumstances and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or access persons may participate in block trading with your accounts; however, they will not be given preferential treatment.

Outside Managers used by SMA may block Client trades at their discretion. Their specific practices are further discussed in their ADV Part 2A, Item 12.

Item 13: Review of Accounts

Periodic Reviews

William Pauley, Founder and CCO of SMA, will work with Clients to obtain current information regarding their assets and investment holdings and will review this information as part of our financial planning services. SMA does not provide specific reports to Clients, other than financial plans. Clients who engage us for investment management services will have their account(s) reviewed regularly on at least an annual basis by William Pauley, Founder and CCO. The account(s) are reviewed with regards to the Client's investment objectives and risk tolerance levels.

Triggers of Reviews

Events that may trigger a special review would be unusual performance, addition or deletions of Client-imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per Client's needs.

Review Reports

Clients will receive trade confirmations from the custodian(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest.

SMA does not provide written performance or holdings reports to Investment Management or Wealth Management Clients outside of what is provided directly by their custodian.

Item 14: Client Referrals and Other Compensation

Compensation Received by Southernmost Advisors LLC

SMA is a fee-only firm that is compensated solely by its Clients. SMA does not receive commissions or other sales-related compensation. Except as mentioned in Item 12 above, we do not receive any economic benefit, directly or indirectly, from any third party for advice rendered to our Clients.

Client Referrals from Solicitors

SMA does not, directly or indirectly, compensate any person that is not an employee for client referrals. SMA may, directly or indirectly, provide an employee compensation that is specifically related to obtaining clients for the firm (cash or non-cash compensation in addition to the employee's regular salary).

Item 15: Custody

SMA does not hold, directly or indirectly, Client funds or securities, or have any authority to obtain possession of them. All Client assets are held at a qualified custodian.

If SMA deducts its advisory fee from Client's account(s), the following safeguards will be applied:

- i. The Client will provide written authorization to SMA, permitting us to be paid directly from Client's accounts held by the custodian.
- ii. The custodian will send at least quarterly statements to the Client showing all disbursements from the accounts, including the amount of the advisory fee.

SMA will send an itemized invoice to the Client at the same time it instructs the custodian to debit the advisory fee. Itemization includes the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee.

We urge you to carefully review custodial statements and compare them to the account invoices or reports that we may provide to you and notify us of any discrepancies. Clients are responsible for verifying the accuracy of these fees as listed on the custodian's brokerage statement as the custodian does not assume this responsibility. Our invoices or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

SMA can establish a Standing Letter of Authorization or other similar asset transfer authorization arrangements ("SLOA") with qualified custodians in order for us to disburse funds to accounts as specifically designated by the Client. With a SLOA a Client can typically authorize first-party and/or third-party transfers. If transfers are third-party, SMA complies with each of the requirements and conditions enumerated below:

1. The Client provides an instruction to the qualified custodian, in writing, that includes the Client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
2. The Client authorizes SMA, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The Client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the Client's authorization, and provides a transfer of funds notice to the Client promptly after each transfer.
4. The Client has the ability to terminate or change the instruction to the Client's qualified custodian.
5. SMA has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the Client's instruction.
6. SMA maintains records showing that the third party is not a related party of SMA or located at the same address as SMA.
7. The Client's qualified custodian sends the Client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Item 16: Investment Discretion

For those Client accounts where we provide Investment Management Services, SMA has discretionary authority and limited power of attorney to determine the securities and the amount of securities to be bought or sold for a Client's account without having to obtain prior Client approval for each transaction. Investment discretion is explained to Clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the Client will execute a Limited Power of Attorney, which will grant our firm discretion over the account(s). Additionally, the discretionary relationship will be outlined in the Advisory Contract and signed by the Client. Clients may limit our discretion by requesting certain restrictions on investments. However, approval of such requests are at the firm's sole discretion.

If SMA has engaged an Outside Manager to assist with the management of Client's portfolio, SMA has the discretion to direct the Outside Manager to buy or sell securities for Client's portfolio without obtaining prior Client approval for each transaction.

Item 17: Voting Client Securities

We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the Client has any questions on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

Item 18: Financial Information

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to our Clients, nor have we been the subject of any bankruptcy proceeding. We do not have custody of Client funds or securities, except as disclosed in Item 15 above, or require or solicit prepayment of more than \$500 in fees six months or more in advance.

Item 19: Requirements for State-Registered Advisers

Principal Officers

William Pauley serves as SMA's sole principal. Information about William Pauley's education, business background, and outside business activities can be found in their ADV Part 2B, Brochure Supplement attached to this Brochure.

Outside Business

All outside business information, if applicable, of SMA is disclosed in Item 10 of this Brochure.

Performance-Based Fees

Please see Item 6 of this Brochure.

Material Disciplinary Disclosures

No management person at SMA has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

Material Relationships That Management Persons Have with Issuers of Securities

SMA nor William Pauley have any relationship or arrangement with issuers of securities.

Item 1: Cover Page



3706 N Roosevelt Blvd, Ste 208
Key West, FL 33040
(305)768-4440

Form ADV Part 2B – Brochure Supplement

September 3, 2026

William Pauley

Founder, CEO and Chief Compliance Officer

This brochure supplement provides information about William Pauley that supplements the Southernmost Advisors LLC ("SMA") brochure. You should have received a copy of that brochure. Please contact William Pauley if you did not receive SMA's brochure or if you have any questions about the contents of this supplement.

Additional information about William Pauley is available on the SEC's website at www.adviserinfo.sec.gov which can be found using the identification number 5568856.

Item 2: Educational Background and Business Experience

William Pauley

Born: 1981

Educational Background

- 2007 - Bachelors, Syracuse University

Business Experience

- 04/2026 - Present, Southernmost Advisors LLC, Founder, CEO and CCO
- 07/2013 - 04/2026, Hartford Funds Distributors, LLC, ETF Product Specialist

Professional Designation(s)

CFP® (Certified Financial Planner):

William Pauley is certified for financial planning services in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board"). Therefore, William Pauley may refer to himself as a CERTIFIED FINANCIAL PLANNER™ professional or a CFP® professional, and William Pauley may use these and CFP Board's other certification marks (the "CFP Board Certification Marks"). The CFP® certification is voluntary. No federal or state law or regulation requires financial planners to hold the CFP® certification. You may find more information about the CFP® certification at www.cfp.net.

CFP® professionals have met CFP Board's high standards for education, examination, experience, and ethics. To become a CFP® professional, an individual must fulfill the following requirements:

- Education – Earn a bachelor's degree or higher from an accredited college or university and complete CFP Board-approved coursework at a college or university through a CFP Board Registered Program. The coursework covers the financial planning subject areas CFP Board has determined are necessary for the competent and professional delivery of financial planning services, as well as a comprehensive financial plan development capstone course. A candidate may satisfy some of the coursework requirements through other qualifying credentials.
- Examination – Pass the comprehensive CFP® Certification Examination. The examination is designed to assess an individual's ability to integrate and apply a broad base of financial planning knowledge in the context of real-life financial planning situations.
- Experience – Complete 6,000 hours of professional experience related to the personal financial planning process, or 4,000 hours of apprenticeship experience that meets additional requirements.
- Ethics – Satisfy the Fitness Standards for Candidates for CFP® Certification and Former CFP® Professionals Seeking Reinstatement and agree to be bound by CFP Board's Code of Ethics and Standards of Conduct ("Code and Standards"), which sets forth the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements to remain certified and maintain the right to continue to use the CFP Board Certification Marks:

- Ethics – Commit to complying with CFP Board's Code and Standards. This includes a commitment to CFP Board, as part of the certification, to act as a fiduciary, and therefore, act in the best interests of the client, at all times when providing financial advice and financial planning. CFP Board may

sanction a CFP® professional who does not abide by this commitment, but CFP Board does not guarantee a CFP® professional's services. A client who seeks a similar commitment should obtain a written engagement that includes a fiduciary obligation to the client.

- Continuing Education – Complete 30 hours of continuing education every two years to maintain competence, demonstrate specified levels of knowledge, skills, and abilities, and keep up with developments in financial planning. Two of the hours must address the Code and Standards.

Chartered Financial Analyst (CFA®): The CFA charter is a graduate-level professional designation established in 1962 and awarded by CFA Institute. To earn the CFA charter, candidates must pass three sequential, six-hour examinations over two to four years. The three levels of the CFA Program test a wide range of investment topics, including ethical and professional standards, fixed-income analysis, alternative, and derivative investments, and portfolio management and wealth planning. In addition, CFA charterholders must have at least four years of acceptable professional experience in the investment decision-making process and must commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

Item 3: Disciplinary Information

William Pauley has never been involved in any criminal or civil actions, administrative proceedings, self-regulatory organization (SRO) proceedings, or other hearings or formal adjudications.

Item 4: Other Business Activities

William Pauley is not involved in any investment-related outside business activities or other businesses that take 10% of their time or income.

Item 5: Additional Compensation

William Pauley does not receive any economic benefit from any person, company, or organization, in exchange for providing Clients advisory services through SMA.

Item 6: Supervision

William Pauley, as Chief Compliance Officer of SMA, supervises the advisory activities of our firm. William Pauley is bound by and will adhere to the firm's policies and procedures and Code of Ethics. Clients may contact William Pauley at the phone number on this brochure supplement.

Item 7: Requirements for State Registered Advisers

William Pauley has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.