

# Skinner Financial Services

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Skinner Financial Services. If you have any questions about the contents of this brochure, please contact us at (605) 331-4567 or by email at: [jeff@skinnerfinancial.net](mailto:jeff@skinnerfinancial.net). 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.*

*Additional information about Skinner Financial Services is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Skinner Financial Services' CRD number is: 330985.*

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*Registration as an investment adviser does not imply a certain level of skill or training.*

Version Date: 06/24/2024

## Item 2: Material Changes

The material changes in this brochure will be updated annually or when material changes occur since the previous release of the firm brochure. The last filing of Skinner Financial Services brochure was on 05/21/2024 are described below. Material changes relate to Skinner Financial Services policies, practices, or conflicts of interests only.

- The firm has updated its Primary Office Address and Phone number. (Cover Page)

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Skinner Financial Services (hereinafter "SFS") is a Limited Liability Company organized in the State of South Dakota. The firm was formed in March 2024, and the President, Chief Compliance Officer and sole owner is Jeffery Alan Skinner.

### B. Types of Advisory Services

#### *Portfolio Management Services*

SFS offers ongoing portfolio management services through recommended third-party advisers based on the individual goals, objectives, time horizon, and risk tolerance of each client. SFS creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

SFS evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

SFS directs clients to third-party investment advisers to manage all or a portion of the client's assets. Before recommending other advisers for clients, SFS will always ensure those other advisers are properly licensed or registered as an investment adviser. Once the client has engaged a recommended third-party adviser, SFS assists the client in completing the third-party adviser's forms and questionnaires, acts as a conduit for communication between the client and the third-party adviser and monitors its performance. Investments made by the third-party adviser may be allocated either through the third-party adviser's fund or through a separately managed account managed by such third-party adviser on behalf of SFS's client. SFS will review and monitor the ongoing performance of the third-party adviser as a portion of the client's portfolio.

SFS may also recommend that the client purchase no-commission/low-expense-ratio variable universal life insurance as part of the client's managed portfolio, but only if it is in the client's best interest to do so.

## ***Financial Planning***

Financial plans and financial planning may include but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

## ***Educational Seminars and Workshops***

SFS occasionally offers educational seminars and workshops on various topics. These events are open to clients and the general public and are complimentary for all attendees.

## ***Services Limited to Specific Types of Investments***

SFS generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), insurance products including annuities, equities, ETFs (including ETFs in the gold, precious metal and other commodity sectors), treasury inflation protected/inflation linked bonds, and non-U.S. securities. SFS may use other securities as well to help diversify a portfolio when applicable.

## ***Written Acknowledgement of Fiduciary Status***

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

## **C. Client Tailored Services and Client Imposed Restrictions**

SFS offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent

SFS or the third-party manager from properly servicing the client account, or if the restrictions would require SFS or the third-party manager to deviate from its standard suite of services, SFS reserves the right to end the relationship.

#### D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees and transaction costs. SFS does not participate in wrap fee programs.

#### E. Assets Under Management

SFS has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0	\$0	March 2024

### Item 5: Fees and Compensation

#### A. Fee Schedule

##### *Selection of Other Advisers Portfolio Management Fees*

Total Assets Under Management	Annual Fees
All Assets	1.00%

SFS uses an average of the daily balance in the client's account throughout the billing period for purposes of determining the market value of the assets upon which the advisory fee is based.

SFS will receive its standard fee on top of the fee paid to the third-party adviser. This relationship will be memorialized in each contract between SFS and the client, and in each contract between the client and each third-party adviser. The total fees charged to the client for this service will not exceed any limit imposed by any regulatory agency.

SFS may specifically direct clients to AssetMark Trust. The annual fee schedule is as follows:

Total Assets Under Management	Annual Fees
All Assets	1.00%

Clients may terminate the agreement without fee or penalty within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 14 days' written notice.

### ***Financial Planning Fees***

#### **Fixed Fees**

The negotiated fixed rate for creating client financial plans is between \$0 and \$5,000.

Clients may terminate the financial planning agreement without fee or penalty, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

### **B. Payment of Fees**

#### ***Payment of SFS and Third-party Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a monthly basis. Fees are paid in arrears.

The timing, frequency, and method of paying fees for selection of third-party managers may depend on the specific third-party adviser selected.

#### ***Payment of Financial Planning Fees***

Financial planning fees are paid via check and cash.

Fixed financial planning fees are paid in arrears upon completion.

### **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by SFS. Please see Item 12 of this brochure regarding broker-dealer/custodian.

### **D. Prepayment of Fees**

SFS collects its fees in arrears. It does not collect fees in advance.

## E. Outside Compensation For the Sale of Securities to Clients

Jeffery Alan Skinner is an insurance agent and, in this role, accepts compensation for the sale of insurance to SFS clients. Please see Item 10 below for more information on this activity and the conflict of interest it creates.

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

SFS does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## Item 7: Types of Clients

SFS generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals

There is no account minimum for any of SFS's services.

## Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

SFS's methods of analysis include Cyclical analysis, Fundamental analysis and Modern portfolio theory.

**Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.



## *Investment Strategies*

SFS recommends third-party managers that pursue a buy-and-hold strategy.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### *Methods of Analysis*

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

### *Investment Strategies*

**A buy-and-hold strategy** is designed to capture market rates of both return and risk. Due to its nature, this long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Selection of Other Advisers:** SFS's selection process cannot ensure that money managers will perform as desired and SFS will have no control over the day-to-day operations of any of its selected money managers. SFS would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money

manager's engaging in unreported risks, investment "style drift" or even regulatory breaches or fraud.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

SFS does not directly manage client's securities portfolios. The risks of the securities types utilized by the recommended third-party manager will be disclosed in that third-party manager's Form ADV Part 2A, which SFS will provide to each client for whom this service is recommended.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither SFS nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

## **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither SFS nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

## **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Jeffery Alan Skinner is an independent licensed insurance agent. This activity creates a conflict of interest since there is an incentive to recommend insurance products based on commissions or other benefits received from the insurance company, rather than on the client's needs. Additionally, the offer and sale of insurance products by supervised persons of SFS are not made in their capacity as a fiduciary, and products are limited to only those offered by certain insurance providers. SFS addresses this conflict of interest by requiring its supervised persons to always act in the best interest of the client, including when acting as an insurance agent. SFS periodically reviews recommendations by its supervised persons to assess whether they are based on an objective evaluation of each client's risk profile and investment objectives rather than on the receipt of any commissions or other benefits. SFS will disclose in advance how it or its supervised persons are compensated and will disclose conflicts of interest involving any advice or service provided. At no time will there be tying between business practices and/or services (a condition where a client or prospective client would be required to accept one product or service conditioned upon the selection of a second, distinctive tied product or service). The client always has the right to decide whether to purchase any recommended insurance product. Insurance products recommended by SFS's supervised persons may also be available from other providers on more favorable terms, and clients have the right to purchase recommended insurance products through other unaffiliated insurance agencies.

## **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

SFS directs clients to third-party investment advisers to manage all or a portion of the client's assets. Clients will pay SFS its standard fee in addition to the standard fee for the advisers to which it directs those clients. This relationship will be memorialized in each contract between SFS and the client, and in each contract between the client and each third-party adviser. The fees will not exceed any limit imposed by any regulatory agency. SFS will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. SFS will ensure that all recommended advisers are licensed or notice filed in the states in which SFS is recommending them to clients.

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

### **A. Code of Ethics**

SFS has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. SFS's Code of Ethics is available free upon request to any client or prospective client.

### **B. Recommendations Involving Material Financial Interests**

SFS does not recommend that clients buy or sell any security in which a related person to SFS or SFS has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

SFS offers portfolio management services exclusively through recommending appropriate third-party managers, and therefore does not invest personal money in the same securities purchased for the client by the third-party manager.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

SFS offers portfolio management services exclusively through recommending appropriate third-party managers, and therefore does not invest at or around the same time as a third-party manager investing for the client.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

SFS recommends third-party managers on the Altruist Corp. Model Marketplace, and Altruist provides technology and custody services and support to the third-party managers SFS recommends.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

SFS does not trade clients' accounts and therefore does not have the ability to block trade purchases across accounts.

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

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client accounts for SFS's third-party manager service provided on an ongoing basis are reviewed at least Quarterly by Jeffery Alan Skinner, President and Chief Compliance Officer, with regard to clients' respective investment policies and risk tolerance levels. All accounts at SFS are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Jeffery Alan Skinner, President. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Non-periodic reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, SFS's services will generally conclude upon delivery of the financial plan.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of SFS's third-party manager services provided on an ongoing basis will receive a quarterly statement detailing the client's account, including assets held, asset value, and calculation of fees. This written statement will come directly from the custodian.

Each financial planning client will receive the financial plan upon completion.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

SFS does not receive any economic benefit, directly or indirectly, from any third party for advice rendered to SFS's clients.

### **B. Compensation to Non - Advisory Personnel for Client Referrals**

SFS does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, SFS or the third-party manager will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

SFS does not have discretion over client accounts at any time.

## **Item 17: Voting Client Securities (Proxy Voting)**

SFS will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

SFS neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

#### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither SFS nor its management has any financial condition that is likely to reasonably impair SFS's ability to meet contractual commitments to clients.

#### **C. Bankruptcy Petitions in Previous Ten Years**

SFS has not been the subject of a bankruptcy petition in the last ten years.

### **Item 19: Requirements For State Registered Advisers**

#### **A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background**

SFS currently has only one management person: Jeffery Alan Skinner. Education and business background can be found on the individual's Form ADV Part 2B brochure supplement.

#### **B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)**

Other business activities for each relevant individual can be found in Item 10 above or on the Form ADV Part 2B brochure supplement for each such individual.

#### **C. Calculation of Performance-Based Fees and Degree of Risk to Clients**

SFS does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

#### **D. Material Disciplinary Disclosures for Management Persons of this Firm**

There are no civil, self-regulatory organization, or arbitration proceedings to report under this section.

**E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)**

None.