



## SMI ADVISORY SERVICES

Form CRS Relationship Summary  
July 2, 2020

<b>Item 1. Introduction</b>	<p>SMI Advisory Services, LLC is registered with the Securities and Exchange Commission (SEC) as an investment adviser. Brokerage and investment advisory services and fees differ. It is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at <a href="http://www.investor.gov/CRS">www.investor.gov/CRS</a>, which also provides educational materials about broker-dealers, investment advisers and investing.</p>
<b>Item 2. Relationships and Services</b>	<p><b>What investment services and advice can you provide me?</b></p> <p>We offer discretionary investment advisory services to retail investors and investment companies. We provide investment management services utilizing proprietary investment strategies that originated in the Sound Mind Investing newsletter. We generally require a minimum investment of \$25,000 to establish Privately Managed Account (“PMA”) but reserve the right to waive this minimum when we deem appropriate. Our PMAs are managed through a wrap fee program we sponsor.</p> <p>We typically receive discretionary authority from you at the outset of an advisory relationship (via the investment advisory agreement) to select, purchase and sell securities for your account. This discretion includes the authority to place securities transactions without prior consent from you. We observe limitations and restrictions you place on our management of the account.</p> <p>Our strategies and models are reviewed by our portfolio managers on an ongoing basis. Your accounts are also reviewed upon triggering events such as a change in your financial condition, a significant change in the market environment, or a request to liquidate and distribute a significant portion of the portfolio.</p> <p>You will receive statements from your custodian at least quarterly. We recommend that you review these statements carefully. We do not provide additional regular reports.</p> <p><i>For additional information, please refer to our <a href="#">Form ADV Part 2A</a> and Form ADV Part 2A Appendix 1 under “Types of Clients,” “Review of Accounts,” and “Investment Discretion.” This is available upon request at no charge.</i></p> <p><b>Conversation Starters:</b></p> <ul style="list-style-type: none"><li>• <b>Given my financial situation, should I choose an investment advisory service? Why or why not?</b></li><li>• <b>How will you choose investments to select for me?</b></li><li>• <b>What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?</b></li></ul>
<b>Item 3. Fees, Costs, Conflicts, and Standard of Conduct</b>	<p><b>What fees will I pay?</b></p> <p>If you elect to invest with us in a managed account, you will pay fees based upon the net market value of the account. Fees are charged in arrears on a monthly basis based upon the market value of the account on the last day of the previous month. A detailed schedule of the range of fees that will be charged is included in the <a href="#">Form ADV Part 2A</a>. Fees paid to SMI are listed as a separate line item in your custodial statement for transparency. You may pay additional fees that are charged by the executing broker-dealer or custodian that are not shared with us. Additional fees may be assessed on specific assets including SEC fees, mark-ups, mark-downs, internal expenses charged by mutual funds or ETFs, transfer taxes, special transaction and execution fees.</p> <p>Since we charge an asset-based advisory services fee, the more assets you have in your portfolio the more you will pay in fees; the firm and our financial professionals have an incentive to work to increase the value of your assets and to encourage you to contribute additional assets in your portfolio. Asset-based fees associated with wrap fee programs include most transaction costs and fees to a broker-dealer or bank that has custody of these assets, and therefore are higher than a typical asset-based advisory fee. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any</p>

	<p>amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.</p> <p><i>For additional information, please review our Form <a href="#">ADV Part 2A</a> and ADV Part 2A Appendix 1, Section “Fees and Compensation.” A copy of Form ADV Part 2A and Appendix 1 will be provided free of charge upon request.</i></p> <p><b>Conversation Starter:</b></p> <ul style="list-style-type: none"> <li>• <b>Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?</b></li> </ul> <p><b>What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?</b></p> <p><i>When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.</i></p> <p>If any of the SMI Family of funds are owned in a PMA, those assets are excluded from our PMA management fee. The client incurs SMI fund related expenses, which are typically higher than our PMA management fee. This creates a conflict of interest. However, any decision to use our funds is made by you, since you select your exposure to our various strategies.</p> <p>A potential conflict is created because we permit our firm to manage proprietary and employee accounts. We may trade for an employee or our firm in a security you own or is considered for purchase or sale for you but are under no obligation to initiate the same transaction or recommendation for you.</p> <p>Additionally, since our customized portfolios include different holdings and priorities for each client, it is possible that we would be selling a security for one client on the same day we were buying it for another client’s portfolio. We have adopted policies and procedures that are intended to address these conflicts of interest. Our employees must follow our procedures when purchasing or selling the same securities purchased or sold for you.</p> <p><b>Conversation Starter:</b></p> <ul style="list-style-type: none"> <li>• <b>How might your conflicts of interest affect me, and how will you address them?</b></li> </ul> <p><i>For additional information, including other conflicts that aren’t specifically mentioned here, please refer to sections “Fees and Compensation,” and “Voting Client Securities” in our most recent <a href="#">Form ADV 2A</a> filing which can be obtained, free of charge, by request.</i></p> <p><b>How do your financial professionals make money?</b></p> <p>Our financial professionals are compensated by a combination of salary and year-end bonus based upon the firm’s net new assets. Conflicts of interest are the same as described above under “What fees will I pay?”.</p>
<p><b>Item 4. Disciplinary History</b></p>	<p><b>Do you or your financial professionals have legal or disciplinary history?</b></p> <p>No. A free and simple search tool to research us and your financial professionals is available at <a href="http://www.investor.gov/CRS">www.investor.gov/CRS</a>.</p> <p><b>Conversation Starter:</b></p> <ul style="list-style-type: none"> <li>• <b>As a financial professional, do you have any disciplinary history? For what type of conduct?</b></li> </ul>
<p><b>Item 5. Additional Information</b></p>	<p>If you would like additional or up-to-date information or a copy of this disclosure, please call 800.796.4975 or visit our website at <a href="http://www.SMIPrivateClient.com">www.SMIPrivateClient.com</a>.</p> <p><b>Conversation Starter:</b></p> <p><b>Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?</b></p>