

# Form ADV Part 3: Relationship Summary

## Freestate Advisors LLC

### Introduction

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

### What Investment Services and Advice Can You Provide Me?

**Description of Services:** We offer investment advisory services to retail investors that include our Advisory Services and Financial Planning Services.

**Advisory Services:** Freestate provides asset management services which involve us managing and trading your designated account(s). Freestate will discuss your investment goals and design a strategy to try and achieve those goals. Typically, a client will select one of our proprietary strategies, or a personalized portfolio strategy based on that client’s objectives, risk tolerance and other factors. Freestate will continuously monitor your account when providing asset management services and contact you at least annually to discuss your portfolio. For more information, please see **Item 4** of our **Form ADV Part 2A**. When providing asset management services, you can choose whether you’d like us to provide services on a **discretionary** basis (we will have the authority to determine the type and amount of securities to be bought or sold in your account) or a **non-discretionary basis** (we will have to confirm any trades in your account with you before we place them). For more information, please see **Item 16** of our **Form ADV Part 2A**.

**Financial Planning Services:** We provide financial planning services to our *Advisory Services* clients. Financial planning services involve us creating a financial plan for you which covers mutually agreed upon topics and involves one-time and/or ongoing meetings to discuss your financial situation. Please see **Item 4** of our **Form ADV Part 2A**.

**Limited Investment Offerings:** We do not recommend one type of security to clients. Instead, we invest primarily in exchange-traded funds (“ETFs”), exchange-listed securities, mutual funds, and from time to time include other securities. Recommendations will be consistent with your specific circumstances and needs. However, we are limited in investment selection in that we can only invest your account in securities which are available on your custodian/broker-dealer’s platform. When providing you services, we do not recommend or offer advice on any proprietary products.

**Account & Fee Minimums:** Freestate generally requires management of a minimum of \$500,000 to become a client. Exceptions are made at our discretion.

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

### What Fees Will I Pay?

**Description of Principal Fees & Costs:** Fees charged for our asset management services are charged based on a percentage of assets under management, billed in advance on a quarterly calendar basis, and calculated based on the fair market value of your account at the beginning of the quarter. The annual fee for asset management services will be based upon a fee schedule which ranges between 0.50% and 1.95%. Certain clients may have a lower fee structure depending on their personalized portfolio strategy. Because our fee is based upon the value of your account, we have an incentive to recommend that you increase the level of assets in your account. When engaging us for asset management services you will also incur other fees and expenses including transaction fees charged by the broker-dealer/custodian on your account and internal management fees and expenses by the funds we invest in.

Financial planning services are included in the fee we charge for *Advisory Services*.

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

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

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

**Standard of Conduct:** When we act as your investment advisor, 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 is an example to help you understand what this means. We actively manage our own personal accounts. When doing so, we can make trades and other changes to our personal accounts while at the same time managing your accounts and other client accounts. This creates a conflict of interest because we may want to spend more time and attention on our personal accounts than client accounts. However, we have developed procedures to mitigate and control for this conflict. For more information see **Item 11 of Form ADV Part 2A**.

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

**Additional Information:** For more information about our conflicts of interests and the ways we are compensated please see **Item 5** and **Item 10** of our **Form ADV Part 2A**.

### ***How Do Your Financial Professionals Make Money?***

**Description of Salary/Payment of IARs:** We compensate our investment advisor representatives (IARs) with a portion of revenue they generate for the firm. This creates a conflict of interest as it gives your IAR an incentive to recommend you invest more in your account with us due to the potential for increased payments. Certain IARs also receive a salary.

Some of our investment advisor representatives also serve as licensed insurance agents; however, they are not actively selling insurance products. For more information about this conflict of interest please see **Item 10** of our **Form ADV Part 2A**.

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

Neither us, nor our investment advisor representatives have a legal or disciplinary history to report. You can look up more information about us and our investment advisor representatives at <https://www.investor.gov/CRS>.

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

### ***Additional Information About Freestate***

Additional information about Freestate and a copy of this relationship summary is available on the Internet at <http://www.freestateadvisors.com/>. You can find our disclosure brochures and other information about us on the SEC's Investment Adviser Public Disclosure website at <https://adviserinfo.sec.gov/firm/summary/145800>. For up-to-date information and to request a copy of the relationship summary, we can be reached by phone at 913-890-2065.

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