

# TROUTMAN WEALTH MANAGEMENT

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**This brochure provides information about the qualifications and business practices of Troutman Wealth Management. If you have any questions about the contents of this brochure, please contact us at (877) 393-9660. 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. Registration (e.g. “registered investment advisor”) does not imply a certain level of skill or training.**

**Additional information about Troutman Wealth Management, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 Material Changes**

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure (the “Initial Filing”) was prepared according to the SEC’s new requirements and rules.

Pursuant to new SEC Rules, we are required to update this Brochure, and a summary of material changes to this Brochure within 90 days of the close of our fiscal year. Furthermore, we are required to deliver an updated Brochure, which will include the summary of any material changes, to you within 120 days of the close of our fiscal year.

Since our last brochure on March 20, 2023, Troutman Wealth Management has made no material changes to the disclosure brochure:

Currently, our Brochure may be requested by contacting Stephen Troutman at (877) 393-9660.

Additional information about our firm is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any of our affiliated persons who are registered, or are required to be registered, as investment advisor representatives of Troutman Wealth Management.

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#### Brochure

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## ITEM 4 ADVISORY BUSINESS

Troutman Wealth Management is a registered investment advisor firm registered with the United States Securities & Exchange Commission. Troutman Wealth Management has been in business since May 2019.

The Principal Owner of Troutman Wealth Management is Stephen Troutman.

### **Advisory Services:**

Troutman Wealth Management (“Advisor”) provides a variety of service offerings to clients. Our firm offers discretionary and non-discretionary individual wealth management services using a standard pricing model where clients pay the trading costs. In addition to the trading costs, the client pays an advisory fee as stated in the schedule below.

Account supervision is guided by the client's stated objectives (e.g. conservative, moderate, balanced, growth, aggressive), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Fixed Annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

### **Portfolio Management:**

#### Discretionary Investment Management Services

We work with you to identify your investment goals, objectives, restrictions, and risk tolerance to determine what is most suitable for you. From there, we fit you into a diversified model of mutual funds and exchange-traded funds that's designed to complement your financial situation and personal circumstances.

### Non-discretionary Investment Consulting Advice

Most of our clients fall into the discretionary investment management bucket. From time to time particular clients will choose a non-discretionary relationship with our firm. In doing so, the client plays a more active role in investment decisions and is notified before any and all trades are placed.

Actual investment advice comes at the tail end of a thorough review of your situation and goals. We use tools such as budgetary analysis, risk tolerance assessment, and cash flow planning in order to fully understand your total financial picture. With a full understanding of your financial context, investment advice can be tailored to match your situation.

### **Wrap Fee Programs**

We do not offer a wrap fee program.

### **Insurance Services**

Adviser does not offer insurance products for sale to customers. However, Adviser contracts with DPL Financial Partners, LLC (“DPL”), which is a third-party provider of a platform of insurance consultation services to investment advisers with clients who have current or future needs for insurance products. DPL's platform is available to Adviser’s clients for a fixed annual fee paid by Adviser. Through its licensed insurance agents, who are also registered representatives of The Leaders Group, Inc. (“The Leaders Group”), an unaffiliated SEC-registered broker-dealer and FINRA member, DPL offers our clients services relating to commission free insurance products. These services include, among others, providing our clients with analyses of our current methodology for evaluating client insurance needs, educating and acting as a resource for us regarding insurance products generally and specific insurance products owned by our clients or that our clients are considering purchasing, and provides us access to, and marketing support for, commission free insurance products.

For providing platform services, DPL receives service fees from the insurers that offer their commission free products through the platform to our clients. These service fees are based on the insurance premiums received by the insurers from our clients who purchase through the DPL platform.

We do not recommend DPL or any other insurance policies, and we do not receive any commissions or other payments from our client’s purchases of insurance policies. Our fees are limited to the management of the insurance policies’ separate accounts, for which we charge a management fee as disclosed in Item 5. Clients are under no obligation to purchase insurance through DPL.

## **Assets Under Management**

As of December 31, 2023, Adviser has the following assets under management:

Discretionary assets:	\$ 117,912,771
Non-discretionary assets:	\$ 1,100,725

## **ITEM 5 FEES AND COMPENSATION**

### **Fees and other charges**

#### **1. Individually Managed Accounts:**

Fees for individually managed accounts (including separate accounts of insurance products purchased through DPL as disclosed in Item 4 above) are priced within a range of .5% to 1.0% depending upon the amount of the assets in the account, the complexity of the financial plan and the advisory services necessary for the particular Client. The asset management fee will be determined at the time of the advisory agreement.

The above fees may be adjusted, in the sole discretion of Adviser, based on the facts and circumstances of each particular client. All asset-based fees are deducted by the qualified custodian of record on a quarterly basis in Advance, or as otherwise indicated in the client agreement. Client statements for prior deductions will be provided on a quarterly basis.

All fees paid to Adviser for investment advisory services are separate and distinct from the expenses charged by Investment Companies to their shareholders. These fees and expenses are described to the client in separate disclosures and will generally include an Investment Company management fee, other fund expenses, and in some situations a possible distribution fee for the Investment Company shares.

Adviser will provide investment advisory services and portfolio management services but will not provide custodial or other administrative services. At no time will Adviser accept or maintain custody of a client's funds or securities except for authorized fee deduction. The Client may contact the Custodian directly for disbursements, or account record changes, and may also do so in writing to the custodian. Adviser may act at the client's convenience to facilitate such written communications to the Custodian, provided that such action is not construed to be custody of client assets.

Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. Fees paid to Adviser are separate and distinct from the custodian and execution fees.

Clients may request to terminate their advisory contract with Troutman Wealth Management, in whole or in part, by providing advance written notice. Upon termination, any fees paid in advance will be prorated to the date of termination and any excess will be refunded to client through the Custodian. Client's advisory agreement with the Advisor is non-transferable without Client's written approval.

#### **Fee Deduction Disclosure:**

Where Adviser deducts its management fee from client accounts utilizing a qualified custodian, the Adviser will meet the following requirements.

- a. Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian;

b. The firm must send the qualified custodian a written invoice detailing the fee amount to be deducted from the client account; and,

c. The firm must either send the client a written invoice itemizing the fee, including the formulae used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based; or the adviser may reasonably rely upon the statements issued by the custodian to customers, provided such statements include the deduction of the fee.

### **3. Right of Cancellation**

In addition to the right to terminate an agreement pursuant to its terms, a client may cancel an agreement with Adviser within five (5) business days of first receiving a copy of this disclosure brochure and supplement without penalty or fee.

#### **Other types of fees or expenses clients may pay in connection with firm's advisory services.**

In addition to our advisory fee, you may be required to pay other charges such as:

- custodial fees
- brokerage commissions
- transaction fees
- internal fees and expenses charged by mutual funds or exchange traded funds ("ETFs")
- other fees and taxes on brokerage accounts and securities transactions.

Mutual fund companies, ETFs, and variable annuity issuers charge internal fees and expenses for their products. These fees and expenses are in addition to any advisory fees charged by us. Complete details of these internal fees and expenses are explained in the prospectuses for each investment. You are strongly encouraged to read these explanations before investing any money. You may ask us any questions you have about fees and expenses.

If you purchase mutual funds through the custodian/broker-dealer, you may pay a transaction fee that would not be charged if the transactions were made directly through the mutual fund company. Also, mutual funds held in accounts at brokerage firms may pay internal fees that are different from funds held at the mutual fund company. While you may purchase shares of mutual funds directly from the mutual fund company without a transaction fee, those investments would not be part of our advisory relationship with you. This means that they would not be included in our investment strategies, investment performance monitoring, or portfolio reallocations.

#### **Investment Management Fees Payable in Advance**

Adviser's investment management fees are payable quarterly in advance. Upon termination, any fees paid in advance will be prorated to the date of termination and any excess will be refunded to client by check issued to the customer as soon as practicable.

Neither the Adviser nor its supervised persons accept any compensation for the sale of securities or other investment products.

## **ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Adviser does not charge performance-based fees therefore this question is not applicable.

## **ITEM 7 TYPES OF CLIENTS**

We provide advisory services to individuals and high net worth individuals, including their trusts, estates and retirement accounts. We also provide services to corporations or business entities including their pension and profit sharing plans.

The minimum account size for starting and maintaining an advisory relationship is \$50,000. We, at our sole discretion, may accept clients with smaller portfolios or lower minimums based upon certain factors including:

- anticipated future earning capacity
- anticipated future additional assets
- account composition
- related accounts
- pre-existing client relationships

We may consider the portfolios of your family members to determine if your portfolio meets the minimum size requirement.

## **ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **Methods of Analysis and Investment Strategies**

We select specific investments for your portfolios through the use of fundamental and technical analysis, as well as, charting.

Fundamental analysis is a method of evaluating a company that has issued a security by attempting to measure the value of its underlying assets. It entails studying overall economic and industry conditions as well as the financial condition and the quality of the company's management. Earnings, expenses, assets, and liabilities are all important in determining the value of a company. The value is then compared to the current price of the issuing company's security to determine whether to purchase, sell or hold the security.

Technical analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Charting involves identifying patterns that can suggest future activity in price movements. A chart pattern is a distinct formation on a stock chart that creates a trading signal or a sign of future price movements. Chartists use these patterns to identify current trends and trend reversals to trigger buy and sell signals. Some of the chart types are Line Charts, Bar Charts, Candlestick, Point and Figure, etc. Although we manage your portfolio in a manner consistent with your risk tolerances, there can be no guarantee that our efforts will be successful. You should be prepared to bear the risk of loss. All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. These risks include market risk, interest rate risk, issuer risk, and general economic risk.



Our investment strategies may include long-term and short-term purchases and sales (securities sold within 30 days). You may place reasonable restrictions on the strategies to be employed in your portfolio and the types of investments to be held in your portfolio. We do not primarily recommend a particular type of security, but rather recommend investments in a broad range of securities and investments based on the above analysis and strategies.

## **RISKS**

**General Risks.** Investing in securities always involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives can or will be met. Past performance is in no way an indication of future performance. We also cannot assure that third parties will satisfy their obligations in a timely manner or perform as expected or marketed.

**General Market Risk.** Investment returns will fluctuate based upon changes in the value of the portfolio securities. Certain securities held may be worth less than the price originally paid for them, or less than they were worth at an earlier time.

**Common Stocks.** Investments in common stocks, both directly and indirectly through investment in shares of ETFs, may fluctuate in value in response to many factors, including, but not limited to, the activities of the individual companies, general market and economic conditions, interest rates, and specific industry changes. Such price fluctuations subject certain strategies to potential losses. During temporary or extended bear markets, the value of common stocks will decline, which could also result in losses for each strategy.

**Portfolio Turnover Risk.** High rates of portfolio turnover could lower performance of an investment strategy due to increased costs and may result in the realization of capital gains. If an investment strategy realizes capital gains when it sells its portfolio investments, it will increase taxable distributions to you. High rates of portfolio turnover in a given year would likely result in short-term capital gains and under current tax law you would be taxed on short-term capital gains at ordinary income tax rates, if held in a taxable account.

**Non-Diversified Strategy Risk.** Some investment strategies may be non-diversified (e.g., investing a greater percentage of portfolio assets in a particular issuer and owning fewer securities than a diversified strategy). Accordingly, each such strategy is subject to the risk that a large loss in an individual issuer will cause a greater loss than it would if the strategy held a larger number of securities or smaller positions sizes.

**Model Risk.** Financial and economic data series are subject to regime shifts, meaning past information may lack value under future market conditions. Models are based upon assumptions that may prove invalid or incorrect under many market environments. We may use certain model outputs to help identify market opportunities and/or to make certain asset allocation decisions. There is no guarantee any model will work under all market conditions. For this reason, we include model related results as part of our investment decision process but we often weigh professional judgment more heavily in making trades or asset allocations.

**ETF Risks, including Net Asset Valuations and Tracking Error.** An ETF's performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the

ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depository Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate. Clients should be aware that to the extent they invest in ETF securities they will pay two levels of advisory compensation – advisory fees charged by Adviser plus any advisory fees charged by the issuer of the ETF. This scenario may cause a higher advisory cost (and potentially lower investment returns) than if a Client purchased the ETF directly. An ETF typically includes embedded expenses that may reduce the ETF's net asset value, and therefore directly affect the ETF's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. Expenses of the ETF may include investment advisor management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. ETF tracking error and expenses may vary.

**Inflation, Currency, and Interest Rate Risks.** Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by Adviser may be affected by the risk that currency devaluations affect Client purchasing power.

**Liquidity Risk.** Liquidity is the ability to readily convert an investment into cash to prevent a loss, realize an anticipated profit, or otherwise transfer funds out of the particular investment. Generally, investments are more liquid if the investment has an established market of purchasers and sellers, such as a stock or bond listed on a national securities exchange. Conversely, investments that do not have an established market of purchasers and sellers may be considered illiquid. Your investment in illiquid investments may be for an indefinite time, because of the lack of purchasers willing to convert your investment to cash or other assets.

**Legislative and Tax Risk.** Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment advisor or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations, particularly for options, swaps, master limited partnerships, Real Estate Investment Trust, Exchange Traded Products/Funds/ Securities. We do not engage in tax planning, and in certain circumstances a Client may incur taxable income on their investments without a cash distribution to pay the tax due. Clients and their personal tax advisors are responsible for how the transactions in their account are reported to the IRS or any other taxing authority.

**Foreign Investing and Emerging Markets Risk.** Foreign investing involves risks not typically associated with U.S. investments, and the risks maybe exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social and economic developments affecting one or more foreign countries. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the

U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be inadequate or irregular.

**Information Security Risk.** We may be susceptible to risks to the confidentiality and security of its operations and proprietary and customer information. Information risks, including theft or corruption of electronically stored data, denial of service attacks on our website or websites of our third-party service providers, and the unauthorized release of confidential information are a few of the more common risks faced by us and other investment advisers. Data security breaches of our electronic data infrastructure could have the effect of disrupting our operations and compromising our customers' confidential and personally identifiable information. Such breaches could result in an inability of us to conduct business, potential losses, including identity theft and theft of investment funds from customers, and other adverse consequences to customers. We have taken and will continue to take steps to detect and limit the risks associated with these threats.

**Tax Risks.** Tax laws and regulations applicable to an account with Adviser may be subject to change and unanticipated tax liabilities may be incurred by an investor as a result of such changes. In addition, customers may experience adverse tax consequences from the early assignment of options purchased for a customer's account. Customers should consult their out tax advisers and counsel to determine the potential tax-related consequences of investing.

**Advisory Risk.** There is no guarantee that our judgment or investment decisions on behalf of particular any account will necessarily produce the intended results. Our judgment may prove to be incorrect, and an account might not achieve her investment objectives. In addition, it is possible that we may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to accounts' custodians' software. Adviser and its representatives are not responsible to any account for losses unless caused by Adviser breaching our fiduciary duty.

**Dependence on Key Employees.** An accounts success depends, in part, upon the ability of our key professionals to achieve the targeted investment goals. The loss of any of these key personnel could adversely impact the ability to achieve such investment goals and objectives of the account.

## **ITEM 9 DISCIPLINARY INFORMATION**

Clients should be aware that neither Adviser nor its management person has had any legal or disciplinary events, currently or in the past.

## **ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Neither the firm nor any of its management persons are registered or have applications pending as broker-dealers or futures commission merchants, commodity pool operators or commodity trading advisors, or associated persons.

As disclosed above, Adviser contracts with DPL, which is a third-party provider of a platform of insurance consultation services to investment advisers with clients who have current or future needs for insurance products. DPL's platform is available to Adviser's clients for a fixed annual fee paid by Adviser. For providing platform services, DPL receives service fees from the insurers that offer their

commission free products through the platform to our clients. These service fees are based on the insurance premiums received by the insurers from our clients who purchase through the DPL platform.

We do not recommend DPL or any other insurance policies, and we do not receive any commissions or other payments from our client's purchases of insurance policies. Our fees are limited to the management of the insurance policies' separate accounts, for which we charge a management fee as disclosed in Item 5. Clients are under no obligation to purchase insurance through DPL.

## **ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Adviser is an SEC registered investment advisor and has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the adviser. In addition, the Code of Ethics governs personal trading by each employee of Adviser deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of Adviser are conducted in a manner that avoids any conflict of interest between such persons and clients of the adviser or its affiliates. Adviser collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve conflicts of interest. Adviser maintains a code of ethics and they will provide a copy to any client or prospective client upon request.

Adviser and/or its investment advisory representatives may from time to time purchase or sell products or investments that they may recommend to clients. Adviser has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the adviser.

In addition, the Code of Ethics governs personal trading by each employee of Adviser deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of Adviser are conducted in a manner that avoids any actual or potential conflict of interest between such persons and clients of the adviser or its affiliates.

Adviser collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve potential conflicts of interest. Adviser's Code of Ethics is available upon request.

## **ITEM 12 BROKERAGE PRACTICES**

Adviser has an established relationship with an unaffiliated broker-dealer/custodian that the Adviser will recommend to clients for custody or client transactions. Adviser suggests this broker-dealer/custodian be used based on execution and custodial services offered, cost, quality of service and industry reputation. Adviser has also considered factors such as commission price, speed and quality of execution, client management tools, and convenience of access for both the Adviser and client in making its suggestion.

As an investment adviser, Adviser has a fiduciary duty to seek best execution for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client.

Adviser utilizes a custodian that it believes offers a competitive price based upon the custodian's market access, the transaction confirmation and account statement practices, the execution, clearance and settlement capabilities, and the reasonableness of the commission or its equivalent for the specific

transaction. Adviser will monitor the services offered by the custodian and make any changes, as appropriate.

Adviser does not receive research or other products or services other than execution from a broker-dealer or third party as a result of client securities transactions.

Adviser does not receive client referrals from any broker-dealer or third party as a result of the firm selecting or recommending that broker-dealer to clients.

Adviser recommends that all clients use a particular broker-dealer for execution and/or custodial services. The broker-dealer is recommended based on criteria such as, but not limited to, reasonableness of commissions charged to the client, tools and services made available to the client and the Advisor, and convenience of access to the account trading and reporting. The client will provide authority to Adviser to direct all transactions through that broker-dealer in the investment advisory agreement. Please also see the response to Item 12A above.

Adviser does not accept directed brokerage from clients.

### **Aggregation and Allocation of client transactions**

Adviser may combine orders into block trades when more than one account is participating in the trade. This blocking or bunching technique must be equitable and potentially advantageous for each such account (e.g. for the purposes of reducing brokerage commissions or obtaining a more favorable execution price).

Block trading is performed when it is consistent with the duty to seek best execution and is consistent with the terms of Adviser's investment advisory agreements. Equity trades are blocked based upon fairness to client, both in the participation of their account, and in the allocation of orders for the accounts of more than one client. Allocations of all orders are performed in a timely and efficient manner. All managed accounts participating in a block execution receive the same execution price (average share price) for the securities purchased or sold in a trading day.

Any portion of an order that remains unfilled at the end of a given day will be rewritten on the following day as a new order with a new daily average price to be determined at the end of the following day. Due to the low liquidity of certain securities, broker availability may be limited. Open orders are worked until they are completely filled, which may span the course of several days. If an order is filled in its entirety, securities purchased in the aggregated transaction will be allocated among the accounts participating in the trade in accordance with the allocation statement.

If an order is partially filled, the securities will be allocated pro rata based on the allocation statement. Adviser may allocate trades in a different manner than indicated on the allocation statement (non-pro rata) only if all managed accounts receive fair and equitable treatment.

## **ITEM 13 REVIEW OF ACCOUNTS**

### **A. Review of Accounts Generally**

All accounts are reviewed with you by your assigned advisory representative, initially and at least annually or as agreed upon with you. The reviews focus on consistency of portfolio investments with

investment objectives and risk tolerances. In addition, investment constraints are considered and tested against portfolio holdings. These constraints include but are not limited to:

- time horizon
- liquidity needs
- tax considerations
- legal/regulatory constraints and
- any other unique circumstances.

We will monitor accounts on an ongoing basis. Account reviews may be triggered by potential changes in general economic and market conditions, analyst reports, company news and interest rate movement. There is no limit to the number of accounts assigned to the reviewer. We strongly encourage you to advise your advisory representative of any changes in your personal circumstances, your investment goals or objectives, and your risk tolerances to ensure that your investments and investment strategies are most appropriate for you.

You will receive statements from the custodian/broker-dealer at least quarterly. These statements identify your current investment holdings, the cost of each of those investments, and their current market values.

#### **ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION**

Adviser does not have any referral or solicitor agreement with any third-party in which the third-party is compensated for referrals. Neither Adviser nor its related persons receive any compensation or pay any compensation for referrals of customers.

#### **ITEM 15 CUSTODY**

Adviser exercises only limited custody over the client's funds by direct debit management fees from the account. Where Adviser deducts its management fee from client accounts utilizing a qualified custodian, the Adviser will meet the following requirements:

- a. Adviser must possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian;
- b. Adviser must send the qualified custodian a written invoice detailing the fee amount to be deducted from the client account; and,
- c. Adviser must send the client a written invoice itemizing the fee, the invoice must detail any formulae used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based. This may be included with the clients quarterly performance report.

The client will also receive written statements no less than quarterly from the custodian. Adviser encourages clients to carefully review their account statements for any inaccuracies. Any discrepancies should be immediately brought to the firm's attention.

#### **ITEM 16 INVESTMENT DISCRETION**

Adviser generally has discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client. However, these purchases or sales

may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by Adviser in an investment policy statement.

Discretionary authority will only be authorized upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by Adviser will be in accordance with each client's investment objectives and goals and consistent with the Investment Policy statement.

The Client must understand that gains and losses are realized by discretionary activity and that these are taxable events, and that the client has authorized such activity in granting discretion. While some sensitivity to taxation is possible with discretion, if the client requires control of the taxable events, a non-discretionary approach is needed and therefore recommended, and this would require that the client's investment contract indicate the account is non-discretionary.

#### **ITEM 17 VOTING CLIENT SECURITIES**

Adviser will not vote, nor advise clients how to vote, proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. Also, Adviser cannot give any advice or take any action with respect to the voting of these proxies. The client and Adviser agree to this by contract.

For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. Also, Adviser cannot give any advice or take action with respect to the voting of these proxies.

#### **ITEM 18 FINANCIAL INFORMATION**

Adviser does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance.

Adviser has discretionary authority over client accounts and is not aware of any financial condition that will likely impair its ability to meet contractual commitments to clients. If Adviser does become aware of any such financial condition, this brochure will be updated and clients will be notified.