

**Item 1. Cover Page**

**CHARTERED WEALTH PARTNERS, LP**

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**This brochure provides information about the qualifications and business practices of Chartered Wealth Partners, LP. (“CWP”). If you have any questions about the contents of this disclosure brochure, please contact us at (323) 868.6668 or [dchan@charteredwealth.com]. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**CWP is registered as an investment adviser with the SEC; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.**

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

## **Item 2. Material Changes**

Chartered Wealth Partners, LP (“CWP” and/or the “Adviser”) is filing its initial Disclosure Brochure (Form ADV Part 2A) with the SEC and thus, at this time, has no material changes to report.

CWP encourages its clients to read this Disclosure Brochure carefully and, in its entirety, to contact us with any questions you can or will have.

Pursuant to SEC Rules, CWP will ensure that its clients receive a summary of any material changes to this Brochure and an offer to provide a copy of the full document within 120 days after CWP’s fiscal year-end. Additionally, as CWP experiences material changes in the future, we will send you a summary of our “Material Changes” under separate cover, along with an offer to provide the full Brochure. For more information about the Adviser, please visit [www.charteredwealth.com](http://www.charteredwealth.com)

Additional information about CWP and its investment adviser representatives is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 4. Advisory Business**

Chartered Wealth Partners, LP (“CWP” and/or the “**Adviser**”), a Delaware limited partnership, is a Securities and Exchange Commission (the “**SEC**”) registered investment adviser firm headquartered in Beverly Hills, California. Hereinafter, the terms “we,” “us,” “our,” and “ours” refer to CWP, unless the context clearly indicates otherwise.

CWP’s general partner is Chartered Wealth Partners GP, Inc., a Delaware corporation (the “**General Partner**”). The officers of the General Partner are Andrew Chan and Michael Winn, which are in charge of the day-to-day operations of CWP.

CWP’s limited partners that own 25% or more of the partnership include: (i) Andrew Chan, (ii) Michael and Tamera Winn Revocable Trust, and (iii) Pirelli Asset Holdings, Inc. Please refer to Form ADV Part 1, Schedule A and B for further information regarding these ownerships.

### ***A. Types of Advisory Services***

CWP provides bespoke holistic wealth management services, (the “**Services**”) to its clients, which include financial planning and investment management services, and solutions to high net worth and ultra-high net worth individuals and their families, trusts, estates, charitable organizations, corporations, business entities.

While CWP’s advice will vary depending on the unique profile of each client, the overall offering will be anchored by the primary services listed below:

- Holistic balance sheet review.
- Integrated financial planning.
- Overall and individual portfolio construction and asset allocation.
- Manager due diligence and selection, individual security supervision.
- Ongoing portfolio monitoring and performance reporting.
- Access to private market investing including Private Equity, Private Credit, Private Real Estate, Tangible Assets, and Hedge Funds in both co-mingled fund structures and direct co-investments.
- Supplemental broker-dealer and Insurance Planning Services.
- Full range of Family Office and Consultation Service.

CWP works closely with each client to identify their investment goals and objectives, risk tolerance, liquidity needs, time horizon, as well as any reasonable bespoke guidelines and restrictions a client may need or impose. CWP will directly manage accounts on either a discretionary or non-discretionary basis, depending on a client’s needs.

CWP’s discovery process includes multiple in-person or virtual meetings to help construct an overall personal balance sheet and risk profile. Documents such as trust and estate documents, current public and private holdings, and previous tax filings will be utilized by CWP as part of our discovery process. Clients are generally required to complete an investment advisory agreement (“**Client Agreement**”) setting forth the terms and conditions of the engagement, describing the scope and services to be provided, and the fee that is due from the client.

Client Discovery includes:

- Long-term goals and objectives.
- Risk tolerance.

- Time horizon.
- Liquidity needs.
- Tax considerations; and
- Investment restrictions (securities, industry sector, types of securities and vehicles),

### ***1. Wealth Management Services***

CWP provides discretionary investment advisory services which are focused on diversified portfolios including alternative investments crafted to individual client objectives. Portfolios are regularly reviewed and adjusted as client circumstances and investment markets evolve.

Before engaging CWP to provide investment management services, clients are generally required to complete an Investment Policy Statement setting forth the terms and conditions of the engagement, describing the scope and services to be provided, and the fee that is due from the client for performing such Services. The Client Agreement will also capture any reasonable investment restrictions or limitations imposed by the client. Clients should note that any investment restrictions that are placed on your account(s) might affect the account's performance and limit the CWP's ability to employ various investment strategies. This may result in investment performance that differs from that of a benchmark or other client account(s) utilizing the same or similar investment strategy.

CWP's investment approach is primarily long-term focused combined with a focus on tax-efficiency, but CWP may buy, sell, or reallocate positions that have been held for less than one year to meet the objectives of the client or due to market conditions. Direct-indexing strategies, proactive management of capital gains, tax-loss harvesting, and asset location will be utilized to minimize tax liabilities. Please refer to Item 8 for further details.

Investment vehicles include the following securities: individual public equities and fixed income securities, mutual funds, Exchange Traded Funds ("ETFs"), Exchange Traded Notes ("ETNs"), Closed End Funds, Interval Funds, Separately Managed Accounts ("SMAs"), and Limited Partnerships (e.g., private investment funds).

Based on a client's investment objectives and needs, CWP will recommend one or more third-party managers ("TPM") whose portfolio management style is appropriate for the client. Factors considered in making this recommendation include but are not limited to portfolio investment objectives, account size, client's objectives, risk tolerance, and time horizon. Once we determine the most suitable TPM(s) for a client, we will provide the selected TPM(s) with the client's risk tolerance, investment objectives, and any reasonable client restrictions and the TPM(s) then creates and manages the client's portfolio. Certain TPMs will require the client to execute a separate investment management agreement, which will be in addition to CWP's Investment Policy Statement that our clients sign. When this occurs, CWP will facilitate the delivery of documents between the TPM and the client. CWP also can enter into sub-advisory arrangements with certain TPMs. Under these arrangements CWP does not usually enter into an agreement with the TPM. Clients give CWP the authority to hire and fire all TPMs via the CWP Investment Policy Statement.

TPMs will usually have discretionary authority with respect to the client's account(s), which includes day-to-day responsibility for the active management of the allocated assets and implementing associated transactions. CWP will perform ongoing monitoring of the TPM arrangement, which will include but not be limited to reviewing account performance, overall portfolio asset allocation, and adherence with client investment objectives. CWP also monitors the ongoing suitability and performance of the selected TPM(s) and if we determine that a selected TPM is not providing sufficient portfolio management services to our client(s) or is not managing our clients' assets in line with their stated investment

objectives and risk tolerance, we have the authority to terminate the TPM and reallocate client assets as we deem appropriate.

For each TPM selected, the client will receive a copy of the TPM's Form ADV Part 2A, Part 2Bs, Form CRS (as applicable), and Privacy Notice. These documents should be read in their entirety in order for the clients to have a full understanding of the TPM's investment management services, the associated fees, and applicable risks and conflicts.

CWP also has arrangements with certain client accounts that are non-discretionary where clients may direct CWP to effect transactions in both public and private investments.

Clients must notify CWP promptly of any material change in financial circumstances or investment objectives which might affect the manner in which accounts should be invested.

## ***2. Financial Planning***

CWP believes that an integrated financial plan is key to a well-constructed diversified investment portfolio, so we provide financial planning as part of our wealth management services. We gather a client's investment goals and objectives, risk tolerance, liquidity needs, time horizon, as well as any reasonable bespoke guidelines and restrictions a client may need or impose, which are compiled and from there we perform an in-depth financial planning analysis including a cash flow analysis.

In order to provide financial planning recommendations, CWP will rely upon the information and data provided by each client. In our Client Agreement, each client acknowledges that CWP will rely at all times upon the information provided by the client and the Adviser will have no liability for a client's failure to provide accurate and complete information. In addition, clients are advised that certain assumptions are made with respect to interest and inflation rates, use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance and CWP does not provide any guarantees or promises that any client's financial goals and objectives will be met.

## ***3. Consulting and Family Office Services***

CWP offers a full range of Consultation and Family Office services pursuant to a written Consulting and Family Office Services Agreement (the "**Consulting Agreement**"). Our goal is to bring stability and clarity to a client's financial life by overseeing and coordinating amongst their other professional advisors. To begin this process, CWP will conduct an initial consultation during which time pertinent information about the client's financial circumstances, goals and objectives is collected. Dependent upon the client's needs, CWP may meet with the client for a specific financial consultation, or the client may desire ongoing and continuous financial planning.

- Business Planning
- Trust and Estate Planning
- Investment Consulting
- Insurance Planning
- Retirement Planning
- Risk Management
- Charitable Giving
- Distribution Planning
- Tax Planning
- Manager Diligence
- Consulting for Concentrated Positions

Throughout the Consulting and Family Office Services process, the client can expect ongoing communications and updates, a collaborative approach, and custom solutions to address the client's

specific goals and needs. Our commitment to individualized service ensures that our clients receive the most relevant and effective financial advice, enabling them to make informed decisions and achieve their financial goals with confidence.

#### ***4. Broker-Dealer and Insurance Consultation***

Moreover, certain CWP's Investment Adviser Representatives ("IARs") which are either employed by or associated with CWP, may in their separate capacity as an IAR, be licensed as a (i) registered representatives ("RRs") with unaffiliated broker-dealers and (ii) insurance agent. In this separate capacity, they can suggest that clients purchase or sell certain brokerage and insurance products.

If the CWP IAR, in his or her separate capacity as an insurance agent or RR, sells an insurance or brokerage product, that individual will earn a sales commission. This is a conflict of interest since the CWP IAR is incentivized and earns commissions for implementing insurance and/or brokerage product recommendations made, rather than acting in a client's best interest. This conflict is mitigated by CWP's policies and procedures which require the CWP IARs to always act in the best interest of the Adviser's clients. Please see Items 5, 10 and 14 below for additional information concerning such conflicts.

Clients should understand that CWP and our IARs have conflicts of interest when making investment recommendations since CWP and/or the IARs will receive compensation when a client implements such recommendations through CWP or our IARs. For example, CWP will receive investment management fees should a client implement investment recommendations through us and our IARs will receive commissions should a client purchase insurance or brokerage product through our IARs in their capacity as insurance agent or registered representative. To address this conflict, CWP clients retain full discretion to accept or reject any CWP recommendations and are free to select any advisory firm, insurance agency, and/or broker-dealer to implement any of our recommendations. Other investment advisers, insurance companies, and/or broker-dealers may offer similar services, with costs that are higher or lower than those obtainable from CWP.

#### ***5. 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 ("ERISA") and/or the Internal Revenue Code (the "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.

#### ***B. Advisory Agreement***

Prior to engaging CWP to provide advisory services, each client will be required to enter into one or more written Client Agreement(s) with us, setting forth the services to be provided, the fees to be charged and the terms and conditions under which we will render our services. CWP will provide a copy of this

Disclosure Brochure, the applicable Brochure Supplements (Form ADV Part 2B), Form CRS and Privacy Policy to each client or prospective client prior to or upon execution of our written Client Agreement. The advisory relationship will continue until terminated by the client or CWP in accordance with the provisions of the executed Client Agreement(s).

In performing these services, CWP is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.,) and is expressly authorized to rely on such information. CWP recommends certain clients engage the Adviser for additional related services and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists for the Adviser to recommend that clients engage CWP or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by CWP under a consulting and family office engagement. Clients are advised that it remains their responsibility to promptly notify the Adviser of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising CWP' recommendations and/or services.

***C. Participation in Wrap Fee Program***

CWP does not provide portfolio management services through wrap fee programs and does not sponsor any wrap programs.

***D. Assets Under Management***

As of the date of this Brochure, CWP does not have any assets under management as a newly registered investment adviser.

Assets under Management	
Discretionary	\$0
Non-Discretionary	\$0

**Item 5. Fees and Compensation**

CWP's will assess a management fee (the "Fee") to provide discretionary portfolio management services. The Fee is an annual fee based on a percentage of the client's assets under management.

***A. Advisory Fees***

***1. Wealth Management Services***

Based on a blended fee schedule (the "Fee Schedule") described below:

Amount of Assets Under Management ("AUM")	Fee
First \$5,000,000	1.00%
First \$5,000,000	0.75%

Next \$15,000,000	0.50%
Next \$25,000,000	0.40%

The Fee is prorated and charged quarterly, in arrears, based upon the market value of the average daily balance of a client's account(s) during that quarter. Since the asset-based fee is determined by the average daily balance of a client's account(s), if assets are deposited into or withdrawn from an account after the inception of the quarter, the base Fee payable with respect to such assets is adjusted accordingly.

Because the Fee Schedule above is tiered based on a client's AUM, it means that the greater a client's AUM is, the lower the client's investment management fee will be. When calculating the fee, CWP will aggregate all a client's account assets managed by the Firm, including those that belong to certain family members of the client, which generally is referred to as "householding." For purposes of AUM calculation, the value of such client's account(s) will be aggregated with the account values of a client's same family, defined as spouse or partner and dependent children (collectively, a "**household**"). Thus, when a household's account assets are aggregated, this could make such accounts eligible for a lower annual advisory fee (*i.e.*, a breakpoint) based on Advisor's tiered fee schedule.

In the event the Client Agreement is terminated, the Fee for the final billing period is prorated through the effective date of termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

For clients with an AUM over \$25 million, CWP will offer a fix fee arrangement for these clients. If a client elects to be charged a fixed fee, the Fee will be negotiated on a client-by-client basis, which will be reassessed annually. The annual fixed fee amount is typically discounted to the Fee Schedule above, however the fixed fee is determined based on the time, effort, scope, and complexity of the services to be performed, as discussed with each client, and is negotiable at our sole discretion. The Fee will be billed quarterly in arrears and debited from the client's account(s), unless client requests to pay by check.

Clients may make additions into and withdrawals from their account(s) at any time. Additions may be in cash or securities provided that CWP reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account(s). Clients may withdraw account assets on notice to CWP, subject to the usual and customary securities settlement procedures. However, CWP designs its portfolios as long-term strategic holdings, and the withdrawal of assets may impair the achievement of the client's investment objectives. CWP may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they will be subject to, as applicable, transaction fees, fees assessed at the mutual or interval fund (*i.e.* contingent deferred sales charge or early repurchase charge) and/or tax ramifications.

## **2. Use of Independent Third-Party Managers**

Each TPM charges a management fee, which is in addition to the Fees charged by CWP and are typically billed to the client by the TPM. Fees differ depending upon the individual agreements and type of arrangement we have with each TPM. In some cases, the advisory fees paid to the TPM and CWP will be more or less than if the client paid separately for the manager services and fees will vary depending on the investment advisory program or services offered by the TPM.

The TPM fees are described in each TPM's Form ADV Part 2A, a copy of which is delivered to clients utilizing a TPM and should be read fully to understand the fees and billing arrangements.

### **B. Financial Planning Fee**

CWP typically includes basic financial planning and cash flow analysis as part of its overall wealth management offering. For separate engagements for financial planning services, CWP will charge hourly fees or on a fixed fee (collectively “**Financial Planning Fees**”). Hourly fees range up to \$1,000 per hour. Fixed engagement fees are negotiated on the expected number of hours to complete the engagement. An estimate for total hours and/or total costs will be provided to the client prior to engaging for those services. The Financial Planning Fees will be memorialized in a financial planning engagement agreement between CWP and client. The Financial Planning Fee is predicated upon the facts known at the start of the engagement.

### **C. Consulting/Family Office Fee**

CWP will charge a fixed fee for providing consulting/family office services that fall outside of wealth management services under a stand-alone Consulting Agreement, which fees and services are outlined in the Consulting Agreement (the “**Consulting Fees**”). The minimum Consulting Fee generally begins at \$25,000. These fees are negotiable and will be based on the scope and complexity of the services rendered. The Consulting Fee amount is determined based on the time, effort, scope, and complexity of the services to be performed, as discussed with each client, and is negotiable at our sole discretion. This service is generally billed monthly and in advance. Certain engagements may include a 5% annual increase on the anniversary of the Consulting Agreement. If the client engages CWP for additional investment management services, CWP may offset all or a portion of its fees for those services based upon the amount for the consulting/family office services.

### **D. Additional Fees and Expenses**

In addition to the advisory fees paid to CWP, clients also incur certain charges imposed by other third parties including: trust companies, broker-dealers, trust companies, banks and other financial institutions. These additional charges include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, fees charged by TPMs, margin and other borrowing costs, charges imposed directly by a mutual fund, exchange traded fund, interval fund, or limited partnership in a client's account(s), as disclosed in the fund's prospectus or offering documents (e.g. expense ratio and/or performance fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer tax, foreign tax, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. This list is not all inclusive. Please refer to Item 12 “**Brokerage Practices**,” below for additional disclosures.

CWP does not receive compensation (commissions) generated from security related transactions. In addition, the Adviser does not compensate any third party for client referrals.

As mentioned in Item 4 above, CWP IARs are also RRs with unaffiliated broker-dealers, which are registered with the SEC and member of FINRA. In this capacity, the IARs, will receive usual and customary commissions should a client implement a recommendation to invest in certain brokerage products sold through the broker-dealers. Moreover, CWP IARs that are licensed insurance agents will receive usual and customary commissions should a client implement a recommendation to purchase an insurance product through the IAR (“**Insurance Fees**”). CWP will not receive any portion of such commissions/fees paid to the CWP IAR for the sale of brokerage and/or insurance products. Please review the IARs' Form ADV Part 2B for more information.

To the extent that the IAR recommends the purchase of securities, insurance or other brokerage products where the IAR receives commissions for doing so, a conflict of interest exists because the IAR receives compensation should the clients elect to follow the IAR's recommendations, even if such a

recommendation is based on the best interest of the clients and their needs. CWP has adopted certain procedures designed to mitigate the effects of these conflicts. For example, as part of CWP's fiduciary duty to clients, IARs must endeavor at all times to put the interests of clients first, and recommendations will only be made to the extent that they are reasonably believed to be suitable and in the best interests of the client. Additionally, material conflicts presented by these practices are disclosed to clients at the time of entering into any new advisory arrangement. Also, clients are under no obligation to transact in a brokerage or insurance product through an CWP IAR.

#### ***E. Fee Discretion***

CWP has sole discretion to negotiate fees and charge a lesser fee than noted in the Fees Schedule based upon certain criteria, such as future earnings capacity, anticipated future additional assets, combined assets under management on related accounts, legacy client relationships, account retention, and pro bono activities. CWP also has discretion to lower and/or waive fees for friends and family of the Adviser.

#### **Item 6. Performance-Based Fees and Side-by-Side Management**

CWP does not charge performance-based fees.

#### **Item 7. Types of Clients**

CWP offers its services primarily to high net worth and ultra-high net worth individuals and their families, trusts, estates, charitable organizations, corporations, and business entities.

CWP generally requires a minimum account size of \$5 million for opening and maintaining a managed account. However, CWP has sole discretion to lower or waive the minimum.

When CWP provides investment advice to a client, we are deemed a fiduciary under certain federal regulations, and 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 the Adviser makes money creates conflicts of interest; however, as a fiduciary, CWP and our supervised personnel are required to always act in our clients' best interests, which means we must, at a minimum take the following steps:

- Meet a professional standard of loyalty and care when making investment recommendations.
- Always put our clients' interests ahead of our own when making recommendations and providing services.
- Disclose all conflicts of interest and how the Adviser addresses such conflicts.
- Adopt and follow policies and procedures designed to help ensure that we give advice and provide services that remain in each client's best interest.
- Charge an advisory fee that is reasonable for our services.
- Not provide, or withhold, any information that could render our advice and/or services misleading.

If a client's account is a pension or other employee benefit plan governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), CWP may be a fiduciary to the plan. In providing our investment advisory services, the sole standard of care imposed upon us is to act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. The Adviser will provide certain required disclosures to the "responsible plan fiduciary" (as such term is defined in ERISA) in accordance with Section 408(b)(2), regarding the services we

provide and the direct and indirect compensation we receive by such clients. Generally, these disclosures are contained in this Form ADV Part 2A, the client Agreement and/or in separate ERISA disclosure documents and are designed to enable the ERISA plan's fiduciary to: (i) determine the reasonableness of all compensation received by CWP; (ii) identify any potential conflicts of interests; and (iii) satisfy reporting and disclosure requirements to plan participants.

## **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

CWP primarily employs a long-term strategic asset allocation framework with a tactical tilt overlay taking advantage of current market opportunities or displacements. This top-down approach focuses on asset classes first and investment vehicles secondary. A risk of asset allocation and diversification is that you may not participate in a sharp increase in a particular asset class, industry, market sector, or single stock. Another risk that is different asset classes and investment vehicles will change over time due to stock and market movement and, if not rebalanced, will no longer be allocated in the manner appropriate for a client's investment goals.

### ***A. Methods of Analysis***

CWP employs fundamental and technical analysis methods in developing investment strategies for its clients. Research and analysis from CWP are derived from numerous sources, including third-party research materials, professional data, subscriptions, and financial media companies.

Based on the client's needs, investment objectives and time horizon, CWP may use one of the following analyses when analyzing investment plans on behalf of its clients.

- **Fundamental analysis** involves analyzing a company's financial statements and health, its management and competitive advantages, and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives: to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions; and to calculate its credit risk. Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the issuer.
- **Technical analysis** is a method of evaluating securities by relying on the assumption that market data, such as charts of price, volume and open interest can help predict future (usually short-term) market trends. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall. The technical indicators that the Firm may consider include, but are not limited to, price, volume, momentum, relative strength, sector/group strength and moving averages. Technical analysis does not consider the underlying financial condition of a company. This presents a risk that a poorly managed or financially unsound company may underperform regardless of market movement.

Analysis consists of identifying an investment area or macro-opportunity where a market dislocation has occurred and/or where an extraordinary risk/reward potential exists, identifying prospective best of breed emerging managers in the identified investment area, and analyzing quantitative measurements to determine a potential fit for client's needs and expectations.

### ***B. Third-Party Manager (TPM) Analysis:***

CWP utilizes a proprietary due diligence process involving both quantitative and qualitative metrics to review and approve independent third-party investment managers. CWP will assess the TPM, its

management, people, process, philosophy, portfolio, and performance associated to that particular investment solution. CWP will maintain monitoring of the manager's underlying holdings, strategies, concentrations, leverage and performance as part of our overall periodic risk assessment. Additionally, as part of our due diligence process, we survey the manager's compliance business enterprise risks. A risk of investing with a third-party manager who has been successful in the past is that he/she will not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager deviates from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for CWP's clients. Moreover, we do not control the manager's daily business and compliance operations, we can be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

#### **C. Investment Strategies**

CWP always strives to meet the individual investment objectives of each of our clients. During an interview with a new client, will seek to understand the client's goals and time horizon while also evaluating the client's risk tolerance through discussion and feedback. The specific methods used to meet client investment objectives will vary but, in general will construct well-diversified investment portfolios that are comprised of low expense ratio, institutional share class mutual funds, ETFs, individual stocks, fixed income, Limited Partnerships (e.g., private investment funds), speculative strategies, insurance products including life insurance, disability insurance and other securities that are deemed to be appropriate, given the investment profile of a particular client.

Our investment analysis methods rely on the assumption that the investment solutions we recommend and utilize, the rating agencies that review these investments, and other publicly-available sources of information about these investments, are providing accurate and unbiased data. While we try to be aware of any indications that data may be incorrect, there is always a risk that our analysis, as a result of incorrect data, may be compromised and therefore incorrect. This may result in poor performance of your investments or a loss of your principal investment.

#### **D. Risk of Loss**

Investing in securities involves a significant risk of loss which clients should be prepared to bear. CWP's investment recommendations are subject to various market, currency, economic, political and business risks, and such investment decisions may not always be profitable. Clients should be aware that there can be a loss or depreciation to the value of the client's account, including loss of principal investment. There can be no assurance that the client's investment objectives will be obtained and no inference to the contrary should be made.

Generally, the market value of stocks will fluctuate with market conditions, and small-stock prices generally will fluctuate more than large-stock prices. The market value of fixed income securities will generally fluctuate inversely with interest rates and other market conditions prior to maturity. Fixed income securities are obligations of the issuer to make payments of principal and/or interest on future dates, and include, among other securities: bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities, or by a non-U.S. government or one of its agencies or instrumentalities; municipal securities; and mortgage-backed and asset-backed securities. These securities may pay fixed, variable, or floating rates of interest, and may include zero coupon obligations and inflation-linked fixed income securities. The value of longer duration fixed income securities will generally fluctuate more than shorter duration fixed income securities. Investments in overseas markets also pose special risks, including currency fluctuation and political risks, and it may be more volatile than that of a U.S. only investment. Such risks are generally intensified for investments in emerging markets. Small-cap stocks are subject to a higher degree of risk

than more established companies' securities. The illiquidity of the small- cap market may adversely affect the value of these investments.

Some of the ETFs and mutual funds that CWP invest in or recommend for clients can employ alternative or riskier strategies, such as the use of leverage or hedging. Leverage is the use of debt to finance an activity. For example, leverage is used when one uses margin to buy a security. Hedging on the other hand occurs when an investment is made in order to reduce the risk of adverse price movements in a security. For example, hedging is used when one takes an offsetting position in a related security, such as a short sale. While leverage or hedging can operate to increase rates of return, it also increases the amount of risk inherent in an investment. Other ETFs and mutual funds employ other alternative techniques which carry inherent higher degrees of risks.

Past performance of investments is no guarantee of future results.

Additional risks involved in the securities recommended and/or utilized by CWP include, among others:

### **1. Risks Pertaining to Certain Investment Types**

- *Stock market risk*, which is the chance that stock prices overall will decline. The market value of equity securities will generally fluctuate with market conditions. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Prices of equity securities tend to fluctuate over the short term as a result of factors affecting the individual companies, industries or the securities market as a whole. Equity securities generally have greater price volatility than fixed income securities.
- *Equity Risk*, which is the risk that stock prices can fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of each strategy's equity securities can fluctuate significantly from day-to-day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies can suffer a decline in response. These factors contribute to price volatility, which is the principal risk of investing in the strategies we offer.
- *Mutual Funds*, Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.
- *Sector risk*, which is the chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.
- *Issuer risk*, which is the risk that the value of a security can decline for reasons directly related to the issuer, such as management performance, financial leverage, and reduced demand for the issuer's goods or services.
- *Non-diversification risk*, which is the risk of focusing investments on a small number of issuers, industries or foreign currencies, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.
- *Value investing risk*, which is the risk that value stocks may not increase in price, may not issue the anticipated stock dividends, or can decline in price, either because the market fails to recognize the stock's intrinsic value, or because the expected value was misgauged. If the market does not recognize that the securities are undervalued, the prices of those securities might not appreciate as anticipated. They also can decline in price even though in theory they are already undervalued. Value stocks are typically less volatile than growth stocks but can lag behind

growth stocks in an up market.

- *Smaller company risk*, which is the risk that the value of securities issued by a smaller company can go up or down, sometimes rapidly and unpredictably as compared to more widely held securities. Investments in smaller companies are subject to greater levels of credit, market, and issuer risk.
- *Foreign (non-U.S.) investment risk*, which is the risk that investing in foreign securities can result in the portfolio experiencing more rapid and extreme changes in value than a portfolio that invests exclusively in securities of U.S. companies. Investments in emerging markets are generally more volatile than investments in developed foreign markets.
- *Interest rate risk*, which is the chance that prices of fixed income securities will decline because of rising interest rates. Similarly, the income from fixed income securities can decline because of falling interest rates.
- *Inflation Risk*, which is the loss of purchasing power through a general rise in prices.
- *Credit risk*, which is the chance that an issuer of a fixed income security will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that fixed income security to decline.
- *Fixed Income*, investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.). Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.
- *Real Estate Funds*, (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.
- *Exchange Traded Fund (ETF) risk*, which is the risk of an investment in an ETF, including the possible loss of principal. ETFs typically trade on a securities exchange, and the prices of their shares fluctuate throughout the day based on supply and demand, which may not correlate to their net asset values. Although ETF shares will be listed on an exchange, there can be no guarantee that an active trading market will develop or continue. Owning an ETF generally reflects the risks of owning the underlying securities it is designed to track. ETFs are also subject to secondary market trading risks. In addition, an ETF may not replicate exactly the performance of the index it seeks to track for a number of reasons, including transaction costs incurred by the ETF, the temporary unavailability of certain securities in the secondary market, or discrepancies between

the ETF and the index with respect to weighting of securities or number of securities held.

- *Options risk*, which is the risk that options can be subject to greater fluctuations in value than an investment in the underlying securities. Options and other derivatives may be subject to counterparty risk and can also be illiquid and more difficult to value. Purchasing and writing put, and call options are highly specialized activities and entail greater than ordinary investment risks.
- *Management risk*, which is the risk that the investment techniques and risk analyses applied by CWP may not produce the desired results and that legislative, regulatory, or tax developments, can affect the investment techniques available to CWP. There is no guarantee that a client's investment objectives will be achieved.

## **2. General Risks:**

- *Interest-rate Risk*, Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risk*, The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- *Inflation Risk*, When any type of inflation is present, a dollar will be worth more today than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk*, Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk*, This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- *Business Risk*, These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Liquidity Risk*, Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Financial Risk*, Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- *Leveraged Risk*, Although the Adviser does not employ leverage in the implementation of its investment strategies, some strategies that the Adviser allocates client's assets employ leverage. Leverage increases return to investors if the investment strategy earns a greater return on leveraged investments than the strategy's cost of such leverage. However, the use of leverage exposes investors to additional levels of risk and loss that could be substantial.

## **E. Acts of God and Geopolitical Risks**

The performance of an Account could be impacted by Acts of God or other unforeseen including, but not limited to, natural disasters, public health emergencies (including any outbreak or threat of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola, or other existing or new pandemic or epidemic diseases), terrorism, social and political discord, geopolitical events, national and international political

circumstances, and other unforeseen and/or uncontrollable events with widespread impact. These disruptions may affect the level and volatility of security prices and liquidity of any investments. There is risk that unexpected volatility or lack of liquidity will impair an investment's profitability or result in it suffering losses. Economics and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or securities industry participants in other countries or regions. The extent of the impact of any such disruption on the Adviser, clients, Accounts, and any underlying portfolio disruption, the extent of any related travel advisories and restrictions implemented, the impact of such disruption on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. A disruption may materially and adversely impact the value and performance of any investment, ultimately resulting in significant losses to the Account. In addition, there is a risk that a disruption will significantly impact, or companies.

#### **F. Reliance on Technology; Cybersecurity Risk; Back-up Measures**

CWP's operations is dependent on various computer and telecommunications technologies, many of which are provided by or are dependent upon third parties such as data feed, data center, telecommunications, or utility providers. The successful deployment, implementation, and/or operation of such activities and strategies, and various other critical activities, could be severely compromised by system or component failure, telecommunications failure, power loss, a software-related "system crash", unauthorized system access or use (such as "**hacking**"), computer viruses and similar programs, fire or water damages, human errors in using and accessing relevant systems, or various other events or circumstances. It is not possible to provide comprehensive and foolproof protection against all such events, and no assurance can be given about the ability of applicable third parties to continue providing their services. Any event that interrupts such computer and/or telecommunications systems or operations could have a material adverse effect on clients, including by preventing the Adviser or its affiliates from trading, modifying, liquidating, and/or monitoring its clients' investments. In addition, clients should be aware of the risk of attempted cyber-attacks, including denial-of-service attacks, and harm to technology infrastructure and data from misappropriation of corruption. Due to the Adviser's interconnectivity with third-party vendors, central agents, exchanges, clearing houses, and other financial institutions, CWP could be adversely impacted if any of them is subject to a cyber-attack or other information security event. Although the Adviser takes protective measures and endeavors to modify its operations as circumstances warrant, computer systems, software, and networks may be vulnerable to unauthorized access, issues, computer viruses or other malicious code, and other events that could have a security impact. CWP has certain backup measures in place for such disruptions, but no assurance can be given that these plans will be realized, or that the Adviser's would be able to resume operations following a business disruption.

While this information provides a synopsis of the events that may affect a client's investments, this list is not exhaustive each client shall understand that there are inherent risks associated with investing and depending on the risk occurrence, a client may suffer a loss of all or part of its' principal investment.

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**

Neither CWP nor its management person has had any legal or disciplinary events, currently or in the past.

## **Item 10. Other Financial Industry Activities and Affirmations**

Neither CWP nor any of its management persons are registered, or have an application pending to register, as a broker-dealer.

Neither CWP nor any of its management persons are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

As mentioned in Items 4 and 5 above, certain CWP IARs are also RRs of unaffiliated broker-dealers and/or insurance agents. In this separate capacity, a CWP IAR can recommend brokerage or insurance products when they believe it is in the client's best interest to do so and will receive a usual and customary commissions for the transaction.

If a client elects to implement the purchase of an insurance product recommended by a CWP IAR your IAR will receive Insurance Fees. Such Insurance Fees can be paid upfront, paid from the Insurance company base, incentives, or in some cases marketing credits paid by the wholesaler. Clients are recommended to carefully review their policies and ask their IAR any questions about the policy and the fees paid to the IAR. CWP will not receive any portion of such commissions/fees paid to the CWP IAR for the sale of brokerage and/or insurance products.

To the extent that the IAR recommends the purchase of securities, insurance or brokerage products where the IAR receives commissions for doing so, a conflict of interest exists because the IAR receives compensation should the clients elect to follow the IAR's recommendations, even if such a recommendation is based on the best interest of the clients and their needs. CWP has adopted certain procedures and Code of Ethics (see Item 11, below) designed to mitigate the effects of these conflicts. For example, as part of FAM's fiduciary duty to clients, IARs must endeavor at all times to put the interests of clients first, and recommendations will only be made to the extent that they are reasonably believed to be suitable and in the best interests of the client. Additionally, material conflicts presented by these practices are disclosed to clients at the time of entering into any new advisory arrangement. Clients are under no obligation to transact in a brokerage or insurance product through a CWP IAR who a registered representative or insurance agent is.

Prior to CWP IARs recommending any TPM to clients, the Adviser will confirm the TPM is properly licensed and/or registered.

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

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

CWP has adopted a Code of Ethics ("Code") in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The Code establishes standards of conduct for CWP' supervised persons and includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading and reporting, insider trading, and conflicts of interest areas. It contains written policies reasonably designed to prevent the unlawful use of material non-public information by CWP or any of its supervised persons. The Code also requires that certain of CWP' personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments, including initial public offerings and limited offerings (i.e., private investments).

The Code also requires supervised persons to report any violations of the Code promptly to the Adviser's Chief Compliance Officer ("CCO"). Each supervised person receives a copy of the Code and any

amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code during that year.

CWP will provide a copy of its Code of Ethics to any client or prospective client upon request.

#### ***B. Participation or Interest in Client Transactions***

Based upon a client's stated objectives, there will be times when CWP recommends to a client the purchase or sale of securities in which the Adviser and/or its supervised persons have also invested in personally. Such recommendations will only be made to the extent that they are reasonably believed to be in the best interests of the client. Additionally, as part of CWP' fiduciary duty to clients, the Adviser and its supervised persons will endeavor at all times to put the interests of the clients first and at all times are required to adhere to the Adviser's Code of Ethics. Also, CWP' Code of Ethics contains certain requirements designed to address the conflicts that arise with regard to personal trading by CWP or its supervised persons, including pre-approval of certain securities transactions, and reporting of personal securities transactions and holdings.

There also can be times when CWP and/or its supervised persons buy or sell specific securities for their own accounts based on personal investment considerations, which CWP does not deem appropriate to buy or sell for clients.

#### ***C. Insider Trading Policy***

It is further noted that the Adviser has policies and procedures in place that are reasonably designed to ensure compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, the Adviser has adopted a firm-wide policy statement that outlines insider trading compliance by the Adviser and its associated persons or other employees. This statement has been distributed to all associated persons and other employees of the Adviser and has been signed by each such person. Further, the Adviser has adopted a written supervisory procedures statement highlighting the steps that shall be taken to implement the firm-wide policy. There are provisions adopted for (i) restricting access to files, (ii) restricting and/or monitoring trading on those securities of which the Adviser's employees may have non-public information, and (iii) monitoring the securities trading of the Adviser and its employees and associated persons.

### **Item 12. Brokerage Practices**

#### ***A. Selection Criteria***

##### ***1. The Custodians and Brokers We Use***

CWP does not maintain custody of clients' assets that we manage (although we may be deemed to have custody of clients' assets if a client gives us authority to withdraw assets from their managed account (see Item 15 – Custody, below).

Clients' assets are required to be maintained in an account at a "qualified custodian", which is generally a broker-dealer or bank. CWP generally recommends that our clients use Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. CWP is independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when CWP instructs them to. While CWP recommends that you use Schwab as custodian/broker, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, but we do help facilitate the process. The final decision to custody assets with Schwab is at the discretion of the Adviser's clients.

## **2. How We Select Brokers/Custodians**

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear and settle trades (buy and sell securities for your account)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (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 them
- reputation, financial strength and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below (*see “Products and Services Available to Us from Schwab”*)

Clients have no obligation to open accounts with any custodial broker-dealers that CWP recommends. In limited situations CWP will accept written direction from a client regarding the use of a particular broker-dealer to execute some or all transactions for the client. In the event that a client directs CWP to use a particular broker or dealer, the client will negotiate terms and arrangements for the account with that broker-dealer, and CWP will not seek better execution services or prices from other broker-dealers or be able to “batch” client transactions for execution through other broker-dealers with orders for other accounts managed by CWP. Additionally, in directed brokerage situations, CWP will have limited ability to ensure the broker-dealer selected by the client will provide best possible execution. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Even when a client’s account is maintained at Schwab, CWP can still use other brokers to execute trades for a client’s account, as described in the next paragraph.

## **3. Client Custody and Brokerage Costs**

For clients’ accounts maintained at Schwab, Schwab generally does not charge separately for custody services but is compensated by charging the client commissions or other fees on trades that it executes or that settle into the client’s Schwab account.

In addition to commissions, Schwab charges a flat dollar amount as a “prime broker” or “trade away” fee for each trade that CWP has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a client’s Schwab account. These fees are in addition to the commissions or other compensation a client pays the executing broker-dealer. Because of this, in order to minimize a client’s trading costs, CWP will usually have Schwab execute all trades for clients’ accounts that are custodied at Schwab, unless CWP believes that they can receive better execution by trading through an executing broker-dealer.

#### **4. Products and Services Available to CWP from Schwab**

Schwab Adviser Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like CWP. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail clients. Schwab also makes available various support services. Some of those services help CWP manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to CWP as long as we keep a total of at least \$10 million of our clients' assets in accounts at Schwab. If we have less than \$10 million in client assets at Schwab, then Schwab may charge us quarterly service fees. Below is a more detailed description of Schwab's support services:

#### **5. Services that Benefit the Client**

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which CWP may not otherwise have access or that would require a significantly higher minimum initial investment by CWP' clients. Schwab's services described in this paragraph generally benefit the client and the client's account.

#### **6. Services that May Not Directly Benefit the Client**

Schwab also makes available to CWP other products and services that benefit CWP but usually do not directly benefit all our clients. These products and services assist CWP in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. CWP can use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements).
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts.
- provide pricing and other market data.
- facilitate payment of the Adviser's fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

#### **7. Services that Generally Benefit Only CWP**

Schwab also offers other services intended to help the Adviser manage and further develop our business enterprise. These services include:

- educational conferences and events.
- technology, compliance, legal, and business consulting.
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

In some cases, Schwab provides these services itself. In other cases, it will arrange for third-party vendors to provide the services to CWP. There also are times when Schwab will discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab can also offer to provide CWP with other benefits such as occasional business entertainment of our personnel, although to date no such benefit has been provided.

### **8. Our Interest in Schwab's Services**

The availability of these services from Schwab benefits CWP because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as we keep a total of at least \$10 million of client assets in accounts at Schwab. Beyond that, these services are not contingent upon CWP committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum gives us an incentive to recommend that clients maintain their accounts with Schwab based on CWP' interest in receiving Schwab's services that benefit our business rather than based on a client's interest in receiving the best value in custody services and the most favorable execution of their transactions. This is a potential conflict of interest. CWP believes, however, that our selection of Schwab as a broker/custodian is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab's services (based on the factors discussed above – see "How We Select Brokers/Custodians") and not Schwab's services that benefit only the Adviser. We do not believe that maintaining at least \$10 million of our clients' assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

### **9. Best Execution**

It is the policy and practice of CWP to strive for the best price and execution that are competitive in relation to the value of the transaction ("best execution"). In order to achieve best execution, CWP will use its best judgment to choose the broker-dealer most capable of providing the brokerage services necessary to obtain the best overall qualitative execution. Although CWP will strive to achieve the best execution possible for client securities transactions, this does not require it to solicit competitive bids and CWP does not have an obligation to seek the lowest available commission cost. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among other things, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while CWP will consider competitive rates, it does not necessarily obtain the lowest possible commission rates for client transactions. CWP is not required to negotiate "execution only" commission rates, thus the client can be deemed to be paying for research and related services (*i.e.*, "soft dollars") provided by the broker/custodian which are included in the commission/transaction fee rate.

To ensure that brokerage firms recommended by CWP are conducting overall best qualitative execution, CWP will periodically (and no less often than annually) evaluate the trading process and brokers utilized. CWP' evaluation will consider the full range of brokerage services offered by the brokers, which includes, but is not limited to price, commission, timing, research, ability to aggregate trades, capable floor brokers or traders, ability to position, capital strength and stability, reliable and accurate communications and settlement processing, use of automation, knowledge of other buyers or sellers, administrative ability, custody, and any services provided to client and/or CWP.

### **B. Use of Soft Dollars**

The Adviser does not participate in any soft dollar arrangements in which it receives credits from broker-dealers that may be used to offset the cost of research provided by such broker-dealer.

### **C. Valuation**

The Adviser will rely on the custodians and/or independent 3<sup>rd</sup> Party pricing services to value securities in each client's accounts that are listed on a national securities exchange or on NASDAQ at the last quoted sales price on the principal market where the securities are traded.

#### ***D. Trade Errors***

From time-to-time, the Adviser may make an error in submitting or processing a trade order. When this occurs, the Adviser will correct the trade, depending on the facts and circumstances associated with the error itself and at the time the error was discovered. The Adviser attempts to minimize the impact of trade errors by promptly performing daily reconciliation procedures with order tickets and intended orders. Trading errors will be corrected at no cost to client. Broker-dealers are not permitted to assume responsibility for trade error losses caused by the Adviser. Nor may there be any reciprocal arrangements with respect to the trade in question or any subsequent trade to encourage the broker to assume responsibility for such losses.

In most cases, the Adviser will correct trade errors via the executing broker-dealer's trade error desk. This process effectively cancels the original trade and replaces it with the correct trade by moving the original trade into the Adviser's Trade Error Account ("Error Account") and putting the correct trade into the client's account. In other words, the original trade (the trade made in error) is removed from the client's account and has no impact on the client. If there is a cost associated with this correction, such cost is borne by the Adviser. Occasionally, this method of correcting an error result in a gain. Because this gain occurs in the Adviser's Error Account, the Adviser does not credit such gains to the client's account. Gains and losses posted to the Error Account are netted quarterly and any net gains are transferred to a Charitable selected by the Adviser.

#### ***E. Cross Trades***

The Adviser does not engage in cross trades between client accounts or the Adviser and client accounts.

#### ***F. Balancing the Interests of Multiple Client Accounts.***

The Adviser may manage numerous accounts with similar or identical investment objectives or may manage accounts with different objectives that may trade in the same securities. Despite such similarities, portfolio decisions relating to a client's investments and the performance resulting from such decisions may differ from client to client.

#### ***G. Aggregating (Block) Trading For Multiple Client Accounts.***

The Adviser will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible clients, particularly if different clients have materially different amounts of capital under management by the Adviser or different amounts of investable cash available. Therefore, not all clients will necessarily participate in the same investment opportunities or participate on the same basis.

The Adviser may allocate investment and trading opportunities among various clients in a manner believed by the Adviser to be fair and equitable to each client over time. The Adviser may place a Block Trade to purchase or sell the same security for multiple accounts if the Adviser believes it will result in a more consistent execution among clients. The Adviser will not include a client in a Block Trade unless the transaction is consistent with the client's investment objectives and/or restrictions. In determining to include or exclude a client's account in a Block Trade, the Adviser will consider the following factors:

- The client's investment objectives and strategies.
- The composition, size, and characteristics of an account.
- The cash flows and amount of investment funds available to each client.
- The amount already committed by each client to a specific investment.
- Each client's risk tolerance and the relative risk of the investment.
- The marketability of the security being considered.

- Whether the Advisor has trading discretion over the account.

#### ***H. Principal Transactions***

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a “**principal transaction**”), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client’s consent to the transaction. In connection with the Adviser’s management of its clients account(s), the Adviser and its affiliates do not engage in principal transactions.

#### ***I. Client Referrals***

CWP does not receive client referrals from broker-dealers or third parties in exchange for using their services.

### **Item 13. Review of Accounts**

Accounts are monitored on an ongoing basis by the Adviser’s IARs assigned to the clients. Intermittent reviews can be triggered by factors such as substantial market volatility due to macro, economic, political events, a change in a client’s investment objective and/or client situation (such as divorce, death, birth, retirement, change of employment, relocation, inheritance, etc.) or, upon client request and any other activity that is discovered as the account is reviewed. Clients are advised to notify CWP promptly if there are any material changes in their objectives and/or financial situation.

The client will receive written statements no less than quarterly from their custodian. Clients’ custodian statements will reflect, at a minimum, the transactions during the time period, the account investment holdings, and any additional and/or withdrawals, including the payment of investment advisory fees.

CWP will send quarterly account statements or performance reports to clients. Clients are urged to compare custodial reports with any reports provided by CWP.

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

CWP receives an economic benefit from Schwab in the form of the support products and services it makes available to the Adviser and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 Brokerage Practices). The availability to CWP of Schwab’s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

CWP does not directly or indirectly compensate any person who is not a supervised person for client referrals.

### **Item 15. Custody**

Pursuant to Rule 206(4)-2 of the Advisers Act, CWP is deemed to have “constructive custody” of client funds because the Adviser has the authority and ability to debit its fees directly from the accounts of those clients receiving investment advisory services.

Additionally, when a client signs a Standing Letter of Authorization (“**SLOA**”) that gives the Adviser the authority to transfer funds to a third-party as directed by the client in the SLOA, CWP is deemed to have constructive custody. Custody is defined under Rule 206(4)-2 as any legal or actual ability by an adviser

to withdraw client funds or securities. Firms with deemed custody must take the following steps:

- Ensure clients' managed assets are maintained by a qualified custodian.
- Have a reasonable belief, after due inquiry, that the qualified custodian will deliver an account statement directly to the client at least quarterly.
- Confirm that account statements from the custodian contain all transactions that took place in the client's account during the period covered and reflect the deduction of advisory fees; and
- Obtain a surprise audit by an independent accountant on the clients' accounts for which the advisory firm is deemed to have custody.

However, the rules governing the direct debit of client fees and SLOAs exempt CWP from the surprise audit rules if certain conditions (in addition to steps 1 through 3 above) are met. Those conditions are as follows:

- Prior to debiting fees from client accounts, CWP must receive written authorization from clients permitting advisory fees to be deducted from the client's account.
- In the case of SLOAs, CWP must: (i) confirm that the name and address of the third party is included in the SLOA, (ii) document that the third-party receiving the transfer is not related to the Adviser, and (ii) ensure that certain requirements are being performed by the qualified custodian.

If client funds or securities are inadvertently received by CWP, they will be returned to the sender immediately, or as soon as practical. Physical custody of account assets will be maintained with each client's independent qualified custodian.

As mentioned above, CWP generally recommends Schwab to serve as custodian. Therefore, clients should thoroughly consider the differences between having their assets held at a broker-dealer versus at a bank or trust company. Some of these differences include, but are not limited to, custodian costs, trading issues, security of assets, client reporting and technology.

## **Item 16. Investment Discretion**

Clients have the choice to have their assets managed on a discretionary or non-discretionary basis.

When providing discretionary management services, CWP has the authority to: (i) select the securities and the amount of such securities to be bought or sold, and (ii) determine the timing for buying and selling the securities in client accounts without obtaining prior consent or approval from the client for each transaction. However, these purchases or sales are subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by CWP.

Discretionary authority will only be provided upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of the Client Agreement, or written addendum thereto, containing all applicable limitations to such authority. All discretionary trades made by CWP will be in accordance with each client's investment objectives and goals.

## **Item 17. Voting Client Securities**

Unless the client directs otherwise in writing, CWP is responsible for voting client proxies and will utilize a third-party provider to facilitate the proxy voting process.

CWP has adopted pre-determined proxy voting guidelines (the “**Guidelines**”) to make every effort to ensure the manner in which shares are voted is in the best interest of clients and the value of the investment. In addition, our policy allows us to vote a proxy contrary to our Guidelines if we determine

that such action is in the best interests of clients.

In cases where sole proxy voting authority rests with CWP for plans governed by ERISA, proxies for such accounts will be voted in accordance with the Guidelines unless outlined otherwise in the plan's governing documents and subject to the fiduciary responsibility standards of ERISA.

If at any time, CWP or the Proxy Vendor becomes aware of any type of potential or actual conflict of interest relating to a proxy proposal, such potential or actual conflict will be promptly reported to the Chief Compliance Officer. Conflicts will be handled in a number of ways depending on the type and materiality. The method selected by us will depend upon the facts and circumstances of each situation and the requirements of applicable laws and will always be handled in the client(s) best interest.

Our policy also allows us to choose not to vote proxies in certain situations or for certain accounts. For example, where a client has retained the right to vote the proxies or where a proxy is received for a client account that has been terminated. Also, we may be unable to vote proxies for any client account that participates in a securities lending program. A complete copy of our current Proxy Voting Policies & Procedures is available upon request. Clients can obtain information on how their proxies were voted by contacting CWP at the principal office and place of business indicated on the cover page of this form. Please provide your name, account number, and security for which you are making the request.

Clients utilizing a TPM, proxy voting is either retained by CWP or delegated to the TPM under their own proxy voting policies and procedures. CWP will provide information on proxy voting practices of any TPM engaged for their account by providing the TPM's Form ADV Part 2A and can request a copy of those policies and a record of how proxies were voted by contacting CWP or the TPM directly.

### **Item 18. Financial Information**

CWP does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance of services.

CWP is not aware of any financial condition that will likely impair its ability to meet contractual commitments to clients. If CWP does become aware of any such financial condition, this brochure will be updated, and clients will be notified. CWP has never been subject to a bankruptcy petition.