

# Disclosure Brochure

February 28, 2011

## **Wealth Health, LLC**

*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of Wealth Health, LLC (hereinafter "Wealth Health"). If you have any questions about the contents of this brochure, please contact Richard Coppa at (973) 535-9577. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Wealth Health, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Wealth Health, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

## Item 2. Material Changes

Wealth Health does not have any material changes to disclose in this Item.

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### Supervised Person Brochure Supplement(s)

## Item 4. Advisory Business

Wealth Health's services are designed to simplify the complex and daunting challenges clients face in managing their personal finances. Wealth Health seeks to offer its clients a solution to coordinating financial management among multiple advisors. Wealth Health aims to enable clients to centralize financial planning and wealth management at one highly focused, objective and experienced resource.

Wealth Health is an investment adviser providing financial planning, consulting, and investment management services. Prior to engaging Wealth Health to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with Wealth Health setting forth the terms and conditions under which Wealth Health renders its services (collectively the "*Agreement*"). Neither Wealth Health nor the client may assign the *Agreement* without the consent of the other party. A transaction that does not result in a change of actual control or management of Wealth Health is not considered an assignment.

Wealth Health has been registered as an investment adviser since April 8, 2005. Richard Coppa and Darin Gartland are the principal owners of Wealth Health.

Wealth Health has \$120,000,000 of assets under management as of February 2, 2011. \$118,427,333 of these assets are managed on a discretionary basis, and \$1,572,667 are managed on a non-discretionary basis.

This disclosure brochure describes the business of Wealth Health. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of Wealth Health's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on Wealth Health's behalf and is subject to Wealth Health's supervision or control.

### **Financial Planning and Consulting Services**

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Wealth Health may provide its clients with a broad range of comprehensive financial planning and consulting services (which may include tax-related and other non-investment related matters). These services may include cash flow analysis, education planning, retirement planning, compensation and benefit analysis, tax and estate planning, investments and business planning.

In performing its services, Wealth Health is not required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. Wealth Health may recommend the services of itself and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if Wealth Health recommends its own services. The client is under no obligation to act upon any of the recommendations made by Wealth Health under a financial planning or consulting engagement or to engage the services of any such recommended professional, including Wealth Health itself. The client retains absolute discretion

over all such implementation decisions and is free to accept or reject any of Wealth Health's recommendations. Clients are advised that it remains their responsibility to promptly notify Wealth Health if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Wealth Health's previous recommendations and/or services.

### **Investment Management Services**

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Clients can engage Wealth Health to manage all or a portion of their assets on a discretionary or non-discretionary basis.

As part of its investment management services, Wealth Health strives to build an appropriate asset allocation based upon the initial client goals as set forth in the client's financial plan. To achieve this, Wealth Health primarily allocates client assets among cash, stocks, short and long-term bonds, real estate, commodities and alternative investments. Wealth Health also utilizes mutual funds, exchange-traded funds ("ETFs"), *Independent Managers* (as defined below) and considers investments in limited partnerships for qualified clients. Specifically, Wealth Health may recommend that clients who are "accredited investors" as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, which may include debt, equity, and/or pooled investment vehicles when consistent with the clients' investment objectives. Wealth Health also provides advice about any type of investment held in clients' portfolios.

Wealth Health tailors its advisory services to the individual needs of clients. Wealth Health consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients' investment needs. Wealth Health ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify Wealth Health if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon Wealth Health's management services.

### **Use of Independent Managers**

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Wealth Health may also recommend that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment managers ("*Independent Managers*"), based upon the stated investment objectives of the client. The terms and conditions under which the client engages the *Independent Managers* are set forth in a separate written agreement between Wealth Health or the client and the designated *Independent Managers*. Wealth Health renders services to the client relative to the discretionary and/or non-discretionary selection or recommendation of *Independent Managers*. Wealth Health also monitors and reviews the account performance and the client's investment objectives. Wealth Health receives an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated *Independent Managers*.

When recommending or selecting an *Independent Manager* for a client, Wealth Health reviews information about the *Independent Manager* such as its disclosure statement and/or material supplied by the *Independent Manager* or independent third parties for a description of the *Independent Manager's* investment strategies, past performance and risk results to the extent available. Factors that Wealth Health considers in recommending an *Independent Manager* include the client's stated investment objectives as well as the *Independent Manager's* investment discipline, tenure and experience, performance, risk characteristics, reputation, financial strength, reporting, pricing, research and other talent based statistics. The investment management fees charged by the designated *Independent Managers*, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, may be exclusive of, and in addition to, Wealth Health's investment advisory fee set forth above. As discussed above, the client may incur additional fees than those charged by Wealth Health, the designated *Independent Managers*, and corresponding broker-dealer and custodian.

In addition to Wealth Health's written disclosure statement, the client also receives the written disclosure statement of the designated *Independent Managers*. Certain *Independent Managers* may impose more restrictive account requirements and varying billing practices than Wealth Health. In such instances, Wealth Health may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

## Item 5. Fees and Compensation

Wealth Health offers its services on a fee basis, which may include fixed fees as well as fees based upon assets under management.

### **Financial Planning and Consulting Fees**

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Wealth Health may charge a fixed fee for financial planning and consulting services. These fees are negotiable, but generally range from \$5,000 to \$10,000, depending upon the level and scope of the services and the professional rendering the financial planning and/or the consulting services. If the client engages Wealth Health for additional investment advisory services, Wealth Health may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Prior to engaging Wealth Health to provide financial planning and/or consulting services, the client is required to enter into a written agreement with Wealth Health setting forth the terms and conditions of the engagement. Generally, Wealth Health requires one-half of the financial planning / consulting fee (estimated fixed) payable upon entering the written agreement. The balance is generally due upon delivery of the financial plan or completion of the agreed upon services.

### **Investment Management Fee**

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Wealth Health provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed by Wealth Health. Wealth Health's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. Wealth Health does not, however, receive any portion of these commissions, fees, and costs. Wealth Health's annual fee is prorated and charged quarterly, in arrears, based upon the market value of the assets being managed by Wealth Health on the last day of the previous quarter. The annual fee varies (between 0.50% and 1.00%) depending upon the market value of the assets under management and the type of investment management services to be rendered, as follows:

<b><u>PORTFOLIO VALUE</u></b>	<b><u>BASE FEE</u></b>
up to \$2,000,000	1.00%
\$2,000,001 - \$4,000,000	0.75%
\$4,000,001 - \$10,000,000	0.50%
above \$10,000,000	Negotiable

As detailed in Item 8 (below), for certain clients, Wealth Health may also manage client portfolios by allocating client portfolio assets into its proprietary Wealth Health Alternate Strategy Portfolio™. Clients in this strategy will also be charged a supplemental annual fee of 0.50% based upon the market value of the

assets invested in the Wealth Health Alternate Strategy Portfolio™. This fee is in addition to Wealth Health's annual investment management fee set forth above.

Wealth Health, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

### **Fees Charged by Financial Institutions**

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As further discussed in response to Item 12 (below), Wealth Health generally recommends that clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services ("*Fidelity*") for investment management accounts.

Wealth Health may only implement its investment management recommendations after the client has arranged for and furnished Wealth Health with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, *Fidelity*, any other broker-dealer recommended by Wealth Health, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the "*Financial Institutions*").

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as fees charged by *Independent Managers* (as defined below), custodial fees, charges imposed directly by a mutual fund or ETF in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to Wealth Health's fee.

Wealth Health's *Agreement* and the separate agreement with any *Financial Institutions* may authorize Wealth Health or *Independent Managers* to debit the client's account for the amount of Wealth Health's fee and to directly remit that management fee to Wealth Health or the *Independent Managers*. Any *Financial Institutions* recommended by Wealth Health have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Wealth Health. Alternatively, clients may elect to have Wealth Health send an invoice for payment.

### **Fees for Management During Partial Quarters of Service**

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For the initial period of investment management services, the fees shall be calculated on a *pro rata* basis.



The *Agreement* between Wealth Health and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. Wealth Health's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Additions may be in cash or securities provided that Wealth Health reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Wealth Health may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

### **Additions and Withdrawals to Accounts**

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Clients may make additions to and withdrawals from their account at any time, subject to Wealth Health's right to terminate an account. Clients may withdraw account assets on notice to Wealth Health, subject to the usual and customary securities settlement procedures. However, Wealth Health designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives.

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

Wealth Health does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

## Item 7. Types of Clients

Wealth Health provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

### Minimum Account Size

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As a condition for starting and maintaining a relationship, Wealth Health generally imposes a minimum portfolio size of \$500,000. For those clients investing in the Wealth Health Alternate Strategy Portfolio™, Wealth Health shall generally impose a minimum portfolio size of \$50,000. Wealth Health, in its sole discretion, may accept clients with smaller portfolios based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and *pro bono* activities. Wealth Health shall only accept clients with less than the minimum portfolio size if, in the sole opinion of Wealth Health, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. Wealth Health may aggregate the portfolios of family members to meet the minimum portfolio size.

Additionally, certain *Independent Managers* may impose more restrictive account requirements and varying billing practices than Wealth Health. In such instances, Wealth Health may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

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

Wealth Health believes the key to designing an appropriate investment portfolio is to match the client's objectives with the expected results of the portfolio. Each client portfolio is designed with great care and intended to meet specific goals for cash flow, retirement, liquidity, intergenerational gifting and other lifetime objectives.

Wealth Health also believes a sound investment portfolio must meet a client's risk tolerance. Each Wealth Health portfolio seeks to deal with the individual client's ability to handle risk and avoid the use of generalizations when diagnosing risk tolerance.

As part of its investment process, Wealth Health strives to build an appropriate asset allocation based upon the initial client goals as set forth in the client's financial plan. To achieve this, Wealth Health primarily allocates client assets among cash, stocks, short and long-term bonds, real estate, commodities and alternative investments. Wealth Health also utilizes mutual funds, ETFs and considers investments in limited partnerships for qualified clients. As detailed above, Wealth Health also utilizes *Independent Managers* to manage clients' assets.

All Wealth Health portfolios are continually monitored in an effort to ensure that client objectives remain on target. In addition to asset allocation, Wealth Health pays great attention to specific asset location needs. Wealth Health also takes into consideration the proper allocation of assets across a client's taxable, non-taxable, company benefit and trust accounts with the goal of adding value to the success of a client's portfolio.

Wealth Health also implements analytical measures including performance against relevant benchmarks, time-weighted and internal rates of return, portfolio income characterization, and realized and unrealized gains and losses.

Wealth Health's primary method of analysis is fundamental, but it may also implement some technical and cyclical analysis.

*Fundamental analysis* involves the fundamental financial condition and competitive position of a company. Wealth Health will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

*Technical analysis* involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical

trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Wealth Health will be able to accurately predict such a reoccurrence.

Cyclical analysis is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company that Wealth Health is recommending. The risks with cyclical analysis are similar to those of technical analysis.

### **Mutual Funds and Exchange Traded Funds (ETFs)**

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An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual funds and ETFs are subject to secondary market trading risks. Shares of mutual funds and ETFs will be listed for trading on an exchange, however, there can be no guarantee that an active trading market for such shares will develop or continue. There can be no guarantee that a mutual funds' and ETFs' exchange listing or ability to trade its shares will continue or remain unchanged. Shares of the mutual fund or ETF may trade on an exchange at prices at, above or below their most recent net asset valuation (NAV), which is the price that an investor would buy or sell the mutual fund or ETF at. The per share NAV of a mutual fund or ETF is calculated at the end of each business day, and fluctuates with changes in the market value of the mutual fund's or ETF's holdings. The trading prices of a mutual fund's or ETF's shares may differ significantly from NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's ETF's shares trading at a premium or discount to NAV.

### **Options**

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Wealth Health may on a limited basis recommend the use of options for certain clients. Options allow Wealth Health to hedge (limit) certain losses on positions clients hold. The option allows Wealth Health to buy or sell a security at a certain price (not the current market price). Clients pay a fee for the option. If the option falls outside the money (i.e., the market price of the security does not justify purchasing/selling the security at the option price), the client will lose the fee for that option.

### **Market Risks**

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The profitability of a significant portion of Wealth Health's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Wealth Health will be able to predict those price movements accurately.

### **Use of Independent Managers**

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Wealth Health may recommend the use of *Independent Managers* for certain clients. Wealth Health will continue to do ongoing due diligence of such managers, but the such recommendations relies, to a great extent, on the *Independent Managers* ability to successfully implement their investment strategy. In

addition, Wealth Health does not have the ability to supervise the *Independent Managers* on a day-to-day basis, if at all.

### Use of Private Collective Investment Vehicles

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Wealth Health may recommend the investment by certain clients in privately placed collective investment vehicles (some of which may be typically called “hedge funds”). The managers of these vehicles will have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. The hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. The client will receive a private placement memorandum and/or other documents explaining such risks.

### Management Through Similarly Managed Accounts

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For certain clients, Wealth Health may manage portfolios by allocating portfolio assets by allocating client portfolio assets into its proprietary Wealth Health Alternate Strategy Portfolio™. In so doing, Wealth Health buys, sells, exchanges and/or transfers shares of ETFs upon the quantitative investment strategy of the Alternative Strategy Portfolio (the “*investment strategy*”).

Wealth Health’s management using the *investment strategy* complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the *investment strategy*, with a safe harbor from the definition of an investment company.

The *investment strategy* may involve an above-average portfolio turnover that could negatively impact upon the net after-tax gain experienced by an individual client. Securities in the *investment strategy* are usually exchanged and/or transferred without regard to a client’s individual tax ramifications. Certain investment opportunities that become available to Wealth Health’s clients may be limited. As further discussed in response to Item 12B (below), Wealth Health allocates investment opportunities among its clients on a fair and equitable basis.

### Use of Margin

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To the extent that a client authorizes the use of margin, and margin is thereafter employed by Wealth Health in the management of the client’s investment portfolio, the market value of the client’s account and corresponding fee payable by the client to Wealth Health will be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client’s decision to employ margin shall correspondingly increase the management fee payable to Wealth Health. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

While the use of margin borrowing can substantially improve returns, such use may also increase the adverse impact to which a client's portfolio may be subject. Borrowings will usually be from securities brokers and dealers and will typically be secured by the client's securities and/or other assets. Under certain circumstances, such a broker-dealer may demand an increase in the collateral that secures the client's obligations and if the client were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the client's obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the client's borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the client's profitability.

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

### **Item 9. Disciplinary Information**

Wealth Health is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Wealth Health does not have any required disclosures to this Item.



### Item 10. Other Financial Industry Activities and Affiliations

Wealth Health is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. Wealth Health has described such relationships and arrangements below.

#### **Tax Preparation Services**

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Wealth Health may provide its clients with tax preparation services. Wealth Health may charge a separate fee for these services which shall be agreed upon prior to rendering the services. Wealth Health anticipates that it will devote approximately ten (10%) of its time to such services.

#### **Fees from Independent Managers**

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As discussed above, Wealth Health recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain *Independent Managers*. In certain circumstances Wealth Health's compensation is included in the advisory fee charged by such *Independent Managers*. There may be a conflict of interest to choose such *Independent Managers*.

### Item 11. Code of Ethics

Wealth Health and persons associated with Wealth Health (“Associated Persons”) are permitted to buy or sell securities that it also recommends to clients consistent with Wealth Health’s policies and procedures.

Wealth Health has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws (“*Code of Ethics*”). In accordance with Section 204A of the Investment Advisers Act of 1940 (the “Advisers Act”), its *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by Wealth Health or any of its associated persons. The *Code of Ethics* also requires that certain of Wealth Health’s personnel (called “*Access Persons*”) report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Unless specifically permitted in Wealth Health’s *Code of Ethics*, none of Wealth Health’s *Access Persons* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of Wealth Health’s clients.

When Wealth Health is purchasing or considering for purchase any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when Wealth Health is selling or considering the sale of any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact Wealth Health to request a copy of its *Code of Ethics*.

### Item 12. Brokerage Practices

As discussed above, in Item 5, Wealth Health generally recommends that clients utilize the brokerage and clearing services of *Fidelity*.

Factors which Wealth Health considers in recommending *Fidelity* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Fidelity* enables Wealth Health to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Fidelity* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by Wealth Health's clients comply with Wealth Health's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where Wealth Health determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Wealth Health seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Wealth Health periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct Wealth Health in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and Wealth Health will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by Wealth Health (as described below). 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. Subject to its duty of best execution, Wealth Health may decline a client's request to direct brokerage if, in Wealth Health's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless Wealth Health decides to purchase or sell the same securities for several clients at approximately the same time. Wealth Health may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Wealth Health's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Wealth Health's clients pro rata to the purchase and sale orders placed for each client on any

given day. To the extent that Wealth Health determines to aggregate client orders for the purchase or sale of securities, including securities in which Wealth Health's *Supervised Persons* may invest, Wealth Health shall generally do so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Wealth Health shall not receive any additional compensation or remuneration as a result of the aggregation. In the event that Wealth Health determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, Wealth Health may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist Wealth Health in its investment decision-making process. Such research generally will be used to service all of Wealth Health's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Wealth Health does not have to produce or pay for the products or services.

### **Software and Support Provided by Financial Institutions**

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Wealth Health may receive from *Fidelity*, without cost to Wealth Health, computer software and related systems support, which allow Wealth Health to better monitor client accounts maintained at *Fidelity*. Wealth Health may receive the software and related support without cost because Wealth Health renders investment management services to clients that maintain assets at *Fidelity*. The software and related systems support may benefit Wealth Health, but not its clients directly. In fulfilling its duties to its clients, Wealth Health endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Wealth Health's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence Wealth Health's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, Wealth Health may receive the following benefits from *Fidelity* through the Fidelity Institutional Wealth Services Group: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Institutional Wealth Services Group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

### Item 13. Review of Accounts

For those clients to whom Wealth Health provides investment management services, Wealth Health monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom Wealth Health provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by one of Wealth Health’s Principals. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Wealth Health and to keep Wealth Health informed of any changes thereto. Wealth Health shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Wealth Health also provides investment account reports which illustrate the past and present performance of a Wealth Health portfolio as well as asset versus target allocations to clients on a quarterly basis. Clients should compare the account statements they receive from their custodian with those they receive from Wealth Health.

Wealth Health may also provide customized reports during in person meetings with clients that provide more detail than quarterly reports in an effort to explain more fully financial risk measures and other statistics of the portfolio design.

Those clients to whom Wealth Health provides financial planning and/or consulting services will receive reports from Wealth Health summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by Wealth Health.

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

Wealth Health is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, Wealth Health is required to disclose any direct or indirect compensation that it provides for client referrals. Wealth Health does not have any required disclosures to this Item.

### Item 15. Custody

Wealth Health's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize Wealth Health through such *Financial Institution* to debit the client's account for the amount of Wealth Health's fee and to directly remit that management fee to Wealth Health in accordance with applicable custody rules.

The *Financial Institutions* recommended by Wealth Health have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Wealth Health. In addition, as discussed in Item 13, Wealth Health also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from Wealth Health.



### Item 16. Investment Discretion

Wealth Health may be given the authority to exercise discretion on behalf of clients. Wealth Health is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. Wealth Health is given this authority through a power-of-attorney included in the agreement between Wealth Health and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Wealth Health takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The *Independent Managers* to be hired or fired.

### Item 17. Voting Client Securities

Wealth Health may vote client securities (proxies) on behalf of its clients. When Wealth Health accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special circumstances, which are fully- described in Wealth Health's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in Wealth Health's Proxy Voting Policies and Procedures, as they may be amended from time-to-time. Clients may contact Wealth Health to request information about how Wealth Health voted proxies for that client's securities or to get a copy of Wealth Health's Proxy Voting Policies and Procedures. A brief summary of Wealth Health's Proxy Voting Policies and Procedures is as follows:

- Wealth Health has formed a Proxy Voting Committee that will be responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that proxies are submitted in a timely manner.
- The Proxy Voting Committee will generally vote proxies according to Wealth Health's then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds.
- Although the Proxy Voting Guidelines are followed as a general policy, certain issues are considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, Wealth Health devotes an appropriate amount of time and resources to monitor these changes.
- Clients cannot direct Wealth Health's vote on a particular solicitation but can revoke Wealth Health's authority to vote proxies.

In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that Wealth Health maintains with persons having an interest in the outcome of certain votes, Wealth Health takes appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict.

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

Wealth Health does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, Wealth Health is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Wealth Health has no disclosures pursuant to this Item.

## **Wealth Health, LLC**

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