

## Item 1 – Cover Page

### 1st Worldwide Advisors, LLC

200 Water Street, Suite 1501

New York, NY 10038-3628

(732) 924-4100

CRD #133225

June 26, 2012

This wrap fee brochure provides information about the qualifications and business practices of 1st Worldwide Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at (732) 924-4100. 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.

1st Worldwide Advisors, LLC is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. This Brochure is intended, in part, to provide information which can be used to make a determination to hire or retain an Adviser.

Additional information about 1st Worldwide Financial Partners also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

There are no material changes since our last brochure dated March 26, 2012.

Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Our Brochure may be requested by contacting John Mahoney, Chief Executive Officer, at the numbers above.

Additional information about 1st Worldwide Advisors, LLC is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website provides information about any persons affiliated with 1st Worldwide Advisors, LLC who are registered, or are required to be registered, as investment adviser representatives of 1st Worldwide Advisors, LLC.

### Item 3 -Table of Contents

ITEM 1 – COVER PAGE.....	I
ITEM 2 – MATERIAL CHANGES .....	II
ITEM 3 -TABLE OF CONTENTS.....	III
ITEM 4 – SERVICES, FEES AND COMPENSATION .....	1
ITEM 5 – ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS.....	5
ITEM 6 – PORTFOLIO MANAGER SELECTION AND EVALUATION.....	5
PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	5
METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....	6
VOTING CLIENT SECURITIES .....	7
ITEM 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS.....	7
ITEM 8 – CLIENT CONTACT WITH PORTFOLIO MANAGERS .....	7
ITEM 9 – ADDITIONAL INFORMATION.....	7
DISCIPLINARY INFORMATION .....	7
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	7
BROKERAGE PRACTICES .....	8
CODE OF ETHICS .....	9
REVIEW OF ACCOUNTS .....	10
CLIENT REFERRALS AND OTHER COMPENSATION .....	10
FINANCIAL INFORMATION .....	10
CUSTODY.....	10
INVESTMENT DISCRETION .....	10
ITEM 10 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS.....	10
PRIVACY POLICY.....	11

#### **Item 4 – Services, Fees and Compensation**

1st Worldwide Advisors, LLC (“1WA”) was established in 2004 and approved as a Registered Investment Adviser in January of 2005. John Mahoney is its CEO, Founder, and 45% owner. Donald Donahue is also a shareholder and has a 37% ownership. Please refer to item 10 for more information on 1st Worldwide Financial Partners, which is an affiliated broker-dealer and under common control.

1WA also offers non-wrap fee programs, which are disclosed in ADV Part 2A.

For its investment advisory clients, the firm presently sponsors the following wrap fee program (“Program”):

**Traditional Advisory Accounts at Pershing LLC:** Services include an initial consultation with the client, and periodic reviews which include a review of investment objectives, targeted allocation, current allocation, suitability, performance, monthly distributions, concentrated positions, diversification, and outside holdings. 1WA serves as the portfolio manager in the wrap fee program. Accounts are charged an all-inclusive “wrap fee” on Program Assets that covers advisory, execution, custodial and reporting services on Eligible Assets. Clients pay all of the usual and customary commissions, transaction fees and other charges for transactions in Excluded Assets, if applicable. Commissions and fees on Excluded Assets and other charges will be assessed against a client’s account on or about the transaction date or such other date assessed by the Program. This wrap fee program requires the client to maintain an account at Bank of New York Mellon Corporation’s Pershing, LLC brokerage division. 1<sup>st</sup> Worldwide Financial Partners (“1WFP”) is under common control with 1WA and serves as the Fully Disclosed Introducing Broker Dealer. 1WA acknowledges and accepts its fiduciary responsibility to each client and its duty to determine whether a managed account is a suitable vehicle for each client and whether the strategy and/or manager selected are suitable for each client considering such factors as the client’s risk tolerance and investment objectives. 1WA’s advisory representatives (“Advisors”) will assist suitable clients in setting up accounts with the wrap fee programs available through the platforms offered by Pershing. Pershing shall be responsible for or shall take all steps necessary to implement the platforms selected by each client. Generally under this Program, 1WA recommends that the client allocate their investment assets primarily in various mutual funds and exchange traded funds (ETF’s), along with high quality individual fixed income and equity securities, according to the client’s investment objectives and risk tolerance. Also, other managers may be selected on the Pershing Platform. The accounts are supervised and managed on a continuous and regular basis. For fee based accounts in this program, sales charges for the purchase of mutual funds and sales commissions for the purchase and sale of securities are included as part of the program and therefore do not apply. Pershing, LLC however does charge brokerage transaction based fees or “ticket charges” that vary by security and type of transaction and may be passed to the client. Additionally, 1WA or 1<sup>st</sup> Worldwide Financial Partners may be charged an administrative fee by Pershing to cover expenses associated with the administration of the program. This fee will be paid by 1WA and/or 1<sup>st</sup> Worldwide Financial Partners to Pershing and will not be charged back to the client.

Because of these transaction fees, the Advisor is careful to limit the number and frequency of transactions consistent with the best interest of the client. In situations whereby 1WA or the Advisor absorbs the ticket charge, this could pose a conflict as the Advisor may not trade as frequent in the account.

**Fees and Compensation:** The specific manner in which fees are charged by 1WA is established in a client's written agreement with 1WA and are detailed below. All receipts of fees and/or charges assessed by Pershing are processed through to our affiliated broker-dealer 1<sup>st</sup> Worldwide Financial Partners. Fees are based on a percentage of assets under management and calculated at an annual rate and billed in advance on a quarterly basis. Fees are based on the assets in the account per the schedule below and in some instances, may be negotiated.

<b>FEE SCHEDULE</b>	Equities / Mutual Funds	Fixed Income	Cash
Up to \$499,999	1.50%	1.00%	0.30%
\$500,000-\$999,999	1.25%	0.85%	0.25%
\$1,000,000-\$1,999,999	1.00%	0.75%	0.20%
Above \$2,000,000	0.85%	0.75%	0.20%

The initial fee is due in full one business day after the client's account is accepted and opened with the minimum account balance and will be based on the asset value of the account on that date. The initial fee will be prorated according to the number of days remaining in the calendar quarter. Thereafter, the fee will be based on the account asset value on the last day of the previous calendar quarter and is payable quarterly in advance of service. Deposits and/or withdrawals of \$10,000 or more made during the calendar quarter will be prorated and charged or rebated in arrears, as applicable. Upon termination of an account, any prepaid, asset-based fees will be prorated and refunded to the client.

Fees are debited directly from client accounts and are calculated using the total assets in the account as shown on the client custodial statement, including any assets purchased on margin. If there is a net debit cash balance in the account as a result of using margin, the cash balance will be excluded from the fee calculation. Net positive cash balances in type 1 (cash account) and type 2 (margin account) are included in the fee calculation. The minimum annual fee is \$1,000. Accordingly, a client may pay an effective rate greater than the rate specified in the fee schedule shown above. 1WA, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Pershing, LLC does charge brokerage transaction based fees or "ticket charges" that vary by security and type of transaction. Additionally, 1WA may be charged an administrative fee by Pershing, LLC to cover expenses associated with the administration of the program. These fees are paid by 1WA or 1<sup>st</sup> Worldwide Financial Partners and will not be charged back to the client. Some mutual funds are part of a "No Transaction Fee" program and have lower or no ticket charges but may still have a \$5 administrative charge per transaction. Transaction fees for exchanges of one mutual fund for another within the same fund family have lower transaction fees and hence are more commonly used for making adjustments to the portfolio. Some mutual funds within this program pay 12b-1 service fees (normally 0.25% per year) to Pershing, LLC. Because the accounts in this program are thru 1<sup>st</sup> Worldwide Financial Partners, those "indirect" service fees are passed on to 1WA and/or the Advisor. Indirect fees received from mutual funds are considered and anticipated when net fees are set.

1WA has the right to change any or all of its fee schedules with 30 days written notice. 1WA is not compensated on the basis of a share of capital gains or capital appreciation in a client's account.

As authorized in the Client Agreement, the account custodian withdraws advisory fees directly from the clients' accounts according to the custodian's policies, practices, and procedures. The custodian sends the client a statement at least quarterly indicating the amount disbursed from the account including the amount of advisory fees paid to 1WA. The custodian of the account, not 1WA, holds all customer assets. Clients may be billed directly for advisory services if requested. In this case the client will receive an invoice indicating the amount of the fee, the value of the Client's assets on which the fee was based and the specific manner in which the fee was calculated. Clients should verify the accuracy of the computation; the custodian will not do an independent verification of the accuracy of the computation of fees.

A portion of the fees described herein may be paid to 1WA Financial Advisors in connection with the provision of investment advice and/or client-related services within those programs. This compensation may be more than 1WA's Financial Advisors would receive if clients paid separately for investment advice, brokerage, and other services and; therefore, 1WA Financial Advisors may have a financial incentive to recommend the program services over other programs or services.

As a shareholder of a money market fund or mutual fund, in addition to fees paid by a client to 1WA under a program, the client will bear a proportionate share of the fund's expenses, including the investment management fees that are paid to the fund's investment adviser, and will bear any other charges levied by a fund (e.g., redemption fees). For more information about fund expenses, see the fund's prospectus. Wrap fees also do not include fees related to adoption, maintenance, and closure of retirement accounts. A description of these and other expenses are available in each fund's prospectus.

Generally, 1WA purchases no-load mutual funds which do not generate sales charges. Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as 12b-1 fees. 12b-1 fees come from fund assets, therefore, indirectly from client assets. 12b-1 fees may be initially paid to 1WFP and a portion passed to Advisory Representatives. The receipt of such fees could represent an incentive for Advisory Representatives to recommend funds with 12b-1 fees over funds that have no fees or lower fees. As a result, there is a potential conflict of interest.

The wrap program may cost the client more or less than purchasing such services separately and will depend on the trading activity in the client's account. The cost of non-wrapped investment advisory services is lower than investment advisory services provided under the wrap program. Because 1WA may receive more compensation from a client from the client's participation in the Program than if the client received advisory services and brokerage services separately, 1WA may have a financial incentive to recommend the Program to clients over other types of advisory services. 1WA may give advice to others that may be different from the advice given to Program clients. Clients should consider the value of the additional consulting services when making such comparisons. The combination of custodial, consulting, and brokerage services may not be available separately or may require multiple accounts, documentation, and fees. In addition, certain advisors may not be available to certain clients outside the consulting relationship because of minimum account sizes, fee schedules, geographic availability, or other factors. A non-wrapped pricing arrangement may be more cost effective for accounts that do not experience frequent trading activity. Because of the single fee charged to a Program account, 1WA may be regarded as having a conflict of interest in that it may realize a greater profit on a Program account with a relatively low rate of portfolio turnover compared to other types of accounts, assuming the same level of fees.

All fees may be subject to negotiation. When negotiating fees, factors considered, but not limited to, include: (i) clients with multiple accounts; (ii) size of the account; (iii) a prior or existing relationship; and (iv) a client's particular needs or financial characteristics. Due to the fact that fees may vary, clients with existing accounts may be charged fees which do not match precisely the foregoing fee schedules or the fees paid by other clients.

Other costs that may be assessed and that are not part of those outlined above include fees for portfolio transactions executed away from the broker/custodian selected by the client (trades that are not done through Pershing), dealer mark-ups, electronic fund and wire transfers, spreads paid to market-makers, and exchange fees, among others. Trades executed away from Pershing incur additional and sometimes substantial clearing charges. For this reason, the fee for executing a transaction with another broker is not included in the wrap fee. Broker/custodian may charge client certain additional and/or minimum fees.

The Program wrap fee does not include: (i) annual account fees or other administrative fees, such as wire fees, charged by Pershing (ii) certain odd-lot differentials, transfer taxes, transaction fees mandated by the Securities Act of 1934, postage and handling fees, and charges imposed by law with regard to transactions in the client's account; and (iii) advisory fees, expenses or sales charges (loads) of mutual funds (including money market funds), closed-end investment companies or other managed investments, if any, held in client's account.

1WA and/or 1WFP receive compensation from the custodian based on the value of credit balances in the accounts. If cash is swept into a money market fund, 1WA and/or 1WFP receives compensation based on the value of assets in these funds as broker-dealer. Thus, 1WA and/or 1WFP have an incentive to recommend that clients select money market funds as a sweep vehicle that pays more compensation to 1WA or 1WFP than other funds.

**Account Termination:** If the ADV disclosure document was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory contract with this investment adviser, then the client has the right to terminate the contract without penalty within five business days after entering into the contract. For the purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract, or in the case of an oral contract otherwise signified their acceptance, any other provisions of this contract notwithstanding.

Upon written receipt of notice to terminate its Client Agreement and unless specific transfer instructions are received, 1WA and its agent will, in an orderly and efficient manner, proceed with liquidation of the client's account. There will not be a charge by us for such redemption; however, the client should be aware that certain mutual funds impose redemption fees as stated in each company's fund prospectus in certain circumstances. Clients must keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with the client's tax advisor. Factors that may affect the orderly and efficient manner would be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities' markets be unavailable and trading suspended, efforts to trade will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate client's investment advisory service and communicate the instructions to client's Investment Advisor, termination orders received from clients are not market orders; it may take several business days under normal market conditions to process the client's request. During this time, the client's account is subject to market risk. 1WA and its agent are not responsible for market fluctuations of the client's account from time of written notice until

complete liquidation. All efforts will be made to process the termination in an efficient and timely manner.

#### **Item 5 – Account Requirements and Types of Clients**

Certain advisors may not be available to certain Clients outside the consulting relationship because of minimum account sizes, fee schedules, geographic availability, or other factors.

1WA provides portfolio management services to individuals, corporations and business entities, pension and profit-sharing plans, charitable institutions, foundations, endowments, estates, trusts, and other U.S. and international institutions. The minimum account size is \$50,000. 1WA has the discretion to waive the account minimum. For example, accounts of less than \$50,000 may be set up when the client and the advisor anticipate the client will add additional funds to the account in a reasonable time frame.

#### **Item 6 – Portfolio Manager Selection and Evaluation**

1WA serves as the portfolio manager in the wrap fee program. 1WA does not use related persons (i.e., affiliates) to manage portfolios in the wrap program. 1WA uses industry standards to measure the performance of its portfolio managers; however, it does not use a third party auditor to review and verify the performance of its portfolio managers. Industry standards to measure performance include those standards that are consistent with the fair and ethical presentation of investment performance. However, industry standards are not as stringent as the global standards known as the Global Investment Performance Standards (GIPS). 1WA makes no representation that it evaluates managers based on performance presented in compliance with GIPS standards.

In a wrap fee program, clients are charged an all-inclusive wrap fee on Program Assets that covers advisory, execution, custodial and reporting services on Eligible Assets. A portion of these fees will be paid to 1WA for advisory services. In a non-wrap fee program, 1WA's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, 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. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in the fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to 1WA's fee, and 1WA shall not receive any portion of these commissions, fees, and costs.

Each client has the ability to impose reasonable restrictions on the management of his/her account, including the designation of particular securities or types of securities that should not be purchased for the account, or that should be sold if held in the account. If a client's instructions are unreasonable or an Investment Advisor Representative believes that the instructions are inappropriate for the client, 1WA will notify the client that, unless the instructions are modified, it may cancel the instructions in the client's account. A client will not be able to provide instructions that prohibit or restrict the Investment Adviser of an open-end or closed-end mutual fund or ETF with respect to the purchase or sale of specific securities or types of securities within the fund.

#### ***Performance-Based Fees and Side-by-Side Management***

1WA does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).



### ***Methods of Analysis, Investment Strategies and Risk of Loss***

Our investment strategy begins with an understanding of a client's financial goals. Advisors use demographic and financial information provided by the client to assess the client's risk profile and investment objectives in determining an appropriate plan for the client's assets. Investment strategies ordinarily include long- or short-term purchases of stock portfolios, mutual funds and fixed income securities.

Investment recommendations are based on an analysis of the client's individual needs, and are drawn from research and analysis. Security analysis methods may include the following:

- **Fundamental analysis:** We attempt to measure the intrinsic value of a security by looking at economic and financial factors to determine if the company is underpriced or overpriced. 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 stock.
- **Technical analysis and charting:** We attempt to determine the trend of a security by studying past market data, including price and volume. This presents a potential risk, as the price of a security can change directions at anytime and past performance is not a guarantee of future performance.
- **Cyclical analysis:** We attempt to identify the industry cycle of a company to determine whether the company is in a market introduction phase, growth phase or maturity phase. Generally projected revenues, growth potential and business risk may fluctuate based on the company's cycle phase.

Information for this analysis may be drawn from financial newspapers and magazines, research materials prepared by others, annual reports, corporate filings, prospectuses, company press releases and corporate ratings services.

It is important to note that investing in securities involves a risk that clients should be prepared to bear. For any risks associated with Investment Company products, please refer to the prospectuses for additional details about these risks. Our investment approach constantly keeps the risk of loss in mind. These risks include, but are not limited to:

- **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 today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **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.

### ***Voting Client Securities***

As a matter of firm policy and practice, 1WA does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. 1WA may provide advice to clients regarding the clients' voting of proxies. Clients will receive their proxies directly from their custodian or transfer agent.

### **Item 7 – Client Information Provided to Portfolio Managers**

1WA is both your Registered Investment Adviser and your portfolio manager. Information provided includes, among other things, income, net worth, risk tolerance, and investment objectives. Your portfolio manager uses this information to determine the appropriate asset allocation and manage your investments. When you update your information with 1WA, your portfolio manager will have immediate access to the same updated information.

### **Item 8 – Client Contact with Portfolio Managers**

You may communicate with portfolio managers directly. Consultations beyond normal business practices may require additional negotiated fees.

### **Item 9 – Additional Information**

#### ***Disciplinary Information***

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of 1WA or the integrity of 1WA's management. 1WA has no information applicable to this Item.

#### ***Other Financial Industry Activities and Affiliations***

1st Worldwide Financial Partners, LLC ("1WFP") is affiliated through common control and is effectively registered as a broker-dealer. 1<sup>st</sup> Worldwide Advisors maintains consolidated financial records with its affiliated broker-dealer, 1st Worldwide Financial Partners. Additionally, individuals are separately licensed as insurance agents with 1<sup>st</sup> Worldwide Services, LLC ("1WS"). 1WS is registered as an insurance agency engaging in Life, Health, Long Term Care and Variable Insurance business. 1WS is affiliated with the firm through common control. Variable products will be offered through the broker dealer. Non-variable products will be offered through the insurance agency. Compensation will be paid directly by these entities.

When applicable, these individuals may recommend insurance or broker-dealer transactions for advisory clients. All related compensation is separate from advisory services. On average individual Investment Advisor Representatives and the principals of 1WA spend 50% of their time on other such activities. If a trade error were to occur, it may result in profit or loss to the firm. The firm has controls

in place to limit such trade errors. Investment Advisers will not participate in any profits resulting from such errors.

1WA recommends that clients establish brokerage accounts with Pershing, LLC, a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although 1WA may recommend that clients establish accounts at Pershing, it is the client's decision to custody assets with Pershing. 1WA is independently owned and operated and not affiliated with Pershing.

### ***Brokerage Practices***

For 1WA client accounts maintained in its custody, Pershing generally does not charge separately for custody services. Pershing may make products and services available to 1WA and/or 1WFP that benefit 1WA and 1WFP but may not directly benefit its clients' accounts. Many of these products and services are used to service all or a substantial number of 1WA accounts. Some of these products and services provided by Pershing include software and other technology that (i) provides access to client account data (such as trade confirmations and account statements); (ii) facilitates trade execution and allocates aggregated trade orders for multiple client accounts; (iii) provides research, pricing and other market data; (iv) facilitates payment of 1WA fees from its clients' accounts; and (v) assists with back-office functions, recordkeeping and client reporting. 1WA does not have any commitments or understandings to trade with Pershing to generate a specified level of brokerage commission in order to receive the products and/or services referenced above. The products and services may benefit 1WA and/or 1WFP over the client; however, it is our intent to proportionately provide the benefits provided to all clients as part of our services.

1WFP, as the Fully Disclosed Introducing Broker Dealer, provides 1WA direct access to Pershing. Pershing is recommended to advisory accounts due to the services that they provide. Recommendations regarding Pershing and 1<sup>st</sup> Worldwide Financial Partners are consistent with the firm's duty to obtain best execution. Factors that are considered include a historical relationship with 1WA, financial strength, reputation, execution capabilities, pricing and service. Although the brokerage and/or transaction fees paid by clients shall comply with the firm's duty to obtain best execution, a client may incur costs that are higher than another qualified broker-dealer might charge to effect the same transaction, specifically where the Adviser determines, in good faith, that the costs are reasonable in relation to the value of the brokerage and services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the service and cost represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including execution capability, stability, reliability, and responsiveness.

On occasion, 1WA may aggregate orders for a client's account with orders for other 1WA clients for whom the transaction is appropriate, even though the accounts are individually managed. Aggregating orders may allow the participating accounts to receive volume discounts that would not be available when orders are executed separately. In addition, aggregated orders are executed together. If more than one price is paid for securities in an aggregated transaction, each client participating in the transaction will typically receive the average price paid for the block in the aggregated transaction for that day. Although this averaging is aimed at treating all participating clients fairly, it may adversely affect the results for any particular participating client.

Aggregation of orders may give rise to actual or potential conflicts of interest among the accounts for whom the transaction may be appropriate, and among the accounts actually selected to participate in

the transaction if the order is only partially filled. In the event that less than the full order is executed (partial fills) the executed amount will be allocated across all the accounts in the bunched order on a pro-rata basis according to the target amount on the initial (full) trade allocation. Exceptions to this are allowed when adherence to this policy could unfairly benefit or harm certain accounts. Exceptions may include, but are not limited to: 1) instances when adhering to the policy would not allow an account to reach a trading lot minimum, 2) when the account is underweighted in a security, it may receive a higher allocation in order to bring it in line with other accounts of similar strategy (and vice versa on sell orders), 3) when an account is low on cash and does not have sufficient liquidity to fund a particular allocation, or 4) when restrictions arise at the firm maintaining custody of the account if the trade was executed at a different firm. Exceptions are only permitted after their review and approval by 1WA's Chief Compliance Officer.

### ***Code of Ethics***

1WA has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at 1WA must acknowledge the terms of the Code of Ethics annually, or as amended.

Advisors of 1WA may buy or sell securities that are recommended to clients. 1WA's employees and persons associated with 1WA are required to follow the Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of 1WA and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for 1WA's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of 1WA will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of 1WA's clients. In addition, the Code requires pre-approval of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between 1WA and its clients.

Advisors may recommend and trade in the same securities with clients and/or related accounts at or about the same time. Generally, this would pose a conflict if the Advisor or related account were given a better price than the client. To mitigate this conflict, it is procedure to not trade an Advisors account or related persons account on the same day as a client unless the client gets the better price. Trades may be done on an aggregated basis when consistent with 1WA's obligation of best execution. In such circumstances, the Advisor (or related account) and client accounts will share commission costs equally and receive securities at a total average price. 1WA will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

1WA's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting John Mahoney at our main number.

### ***Review of Accounts***

Accounts are assigned to Investment Advisors who are responsible for performing periodic reviews and consulting with the respective client. Following these reviews, reports are prepared to assist principals in supervising and monitoring the accounts. Factors that are considered include, but are not limited to the following: investment objectives, targeted allocation, current allocation, suitability, performance, number of trades, monthly distributions, concentrated positions, diversification, and outside holdings. At least annually, the firm will contact the client and request current information to determine whether there have been any changes in the information provided in the client's investment questionnaire. Client agrees to inform the firm in writing of any material changes to the information included in the client's investment questionnaire or any other change in the client's financial circumstances that might affect the manner in which client's assets should be invested. Client may contact the firm during normal business hours to consult with the firm concerning the management of the client's account(s). All managed accounts are delivered quarterly performance reports.

### ***Client Referrals and Other Compensation***

1WA does not receive an economic benefit by anyone other than the client for providing investment advice and other advisory services. 1WA does not compensate others for client referrals.

### ***Financial Information***

Registered Investment Advisers are required to provide you with certain financial information or disclosures about 1WA's financial condition. 1WA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of any bankruptcy proceeding.

### ***Custody***

Clients should receive statements at least quarterly from Pershing, the qualified custodian that holds and maintains your investment assets. 1WA urges you to carefully review such statements and compare the official custodial records to the account statements that we may provide you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### ***Investment Discretion***

1WA usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Clients must authorize such discretion in the advisory agreement. When selecting securities and determining amounts, 1WA observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to 1WA in writing.

## **Item 10 – Requirements for State-Registered Advisers**

John Mahoney (b. 1/3/1958) serves as CEO of 1WA. The following describes his formal education and business background.  
CRD # 2198689

### **Education Background**

Georgetown University – BSBA, Accounting (1980)  
New York University – MBA, Executive Management Program (1990)

#### Business Background

<b>Firm</b>	<b>Position</b>	<b>Dates</b>
1st Worldwide Advisors, LLC	CEO	2004-Present
1st Worldwide Financial Partners, LLC	CEO	2004-Present
M Management Group, LLC	President	2000-Present
New York University	Adjunct Professor	2002-Present
Fuji Futures	Executive Vice President	1998-2000

On average, Mr. Mahoney spends an average of 50 hours a week equally divided between 1<sup>st</sup> Worldwide Advisors and 1<sup>st</sup> Worldwide Financial Partners, LLC. Mr. Mahoney does general business consulting for M Management Group, Inc. and he generally spends 50 hours a month on such activities. He also works as an Adjunct Professor at NYU and he spends approximately 5 hours a week on such activities.

Mr. Mahoney or the Advisors of 1WA are not compensated with performance based fees. There are no disciplinary proceedings against Mr. Mahoney that would require disclosure. Mr. Mahoney has no other relationship or arrangement with any issuer of securities.

#### **Privacy Policy**

We collect nonpublic personal information about you from the following sources: Information we receive on applications or other forms and information about your transactions with our affiliates, others, or us. We do not disclose any non-public information about our current or former customers to anyone, except as permitted by law or in order to provide the current services. Our employees have limited access to your personal information based on their responsibilities to provide products or services to you. Be assured that we maintain physical, electronic and procedural safeguards in compliance with federal standards to protect your information.

If our representative servicing your account leaves us to join another firm, he/she is permitted to retain copies of your information so that he or she can assist with the transfer of your account and continue to serve you at their new firm.

“Opting-out” of Third Party Disclosures: If you do not want your account representative to retain copies of your client sensitive information when he or she leaves us to join another firm, you may contact our Compliance Department by calling (732) 924-4100.