

## **Disclosure Brochure**

September 27, 2012

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This Disclosure Brochure provides information about the qualifications and business practices of SVA Plumb Wealth Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (608) 824-8800. 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.

SVA Plumb Wealth Management, LLC is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information for you to determine if you should hire or retain an Adviser.

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

## ITEM 2 – Material Changes

Please see the following summary of material changes made to our Form ADV Part 2A since our August 23, 2012 filing and our previous annual update filing date of August 29, 2011. We effected several changes to our disclosure language included within this Disclosure Brochure, in an effort to further clarify our business practices as well as to describe the evolution of our business model. As such, we do not feel it is practical to provide a full description of every change since our last annual update filing within this Item 2. Rather, we summarized below which items we updated, directing the user to the appropriate item. As such, we strongly encourage you to review this entire Disclosure Brochure. Further, this Item 2 should only be presented in connection with the full Disclosure Brochure. If you receive this Item 2 disclosure separately, please contact SVA Plumb Wealth Management, LLC (“SVA PWM”) at (608) 824-8800 for a full Disclosure Brochure.

Item 4 – Advisory Business: SVA PWM has acquired substantially all of the assets and liabilities of, and is a successor to, the investment advisory business of SVA Wealth Management, Inc., a SEC-registered investment adviser. The information set forth herein relates to the investment advisory business formerly operated by SVA Wealth Management, Inc. and currently operated by SVA PWM.

We also removed our previous disclosure on our Investment Manager Search and Monitoring Services, as we no longer actively offer these services. SVA PWM has only one account engaged in this legacy service.

Item 5 – Fees and Compensation: We added clarifying language throughout Item 5 regarding our fee billing practices, including:

1. We may charge clients in advance or in arrears, as outlined within the client’s investment management agreement.
2. Disclosure of SVA PWM’s portfolio valuation procedures for investment performance and fee calculation purposes.

Item 5 – Fees for Referrals: SVA PWM no longer provides retirement plan recordkeeping services to clients through its wholly owned subsidiary SVA Plumb Retirement Plan Services, LLC. Rather, effective July 1, 2012, SVA PWM may recommend the services of Alliance Benefit Group (“ABG”), a third party administrator that provides retirement plan recordkeeping services, and may receive referral fees for accounts transferred to ABG.

Item 11 – Code of Ethics: We included expanded disclosure regarding SVA PWM’s personal trading practices and controls, including practices and controls surrounding personal and client investments in the Plumb Funds, an affiliated mutual fund.

Item 12 – Brokerage Practices: We added clarifying language throughout Item 12 regarding our brokerage and trading practices, including:

1. Disclosure that SVA PWM may now utilize commissions generated from client transactions to pay for certain services used to assist in the management of client portfolios (known as “soft dollars”). We include disclosure of conflicts we encounter as well as controls we have implemented. We also disclosed that SVA PWM may receive benefits from soft dollar services obtained via commissions generated by SVA PWM’s affiliated adviser, Wisconsin Capital Management, LLC (“WisCap”). Similarly, disclosure that affiliated advisers may receive benefits from soft dollar services obtained via commissions generated by SVA PWM trades.
2. Expanded disclosure describing SVA PWM’s block trading (equity and fixed income) and related allocation practices, including a disclosure of SVA PWM’s ability to aggregate trades with client accounts of its affiliated investment adviser WisCap. This Disclosure Brochure also describes common sense deviations SVA PWM applies to its standard allocation process.
3. Disclosure regarding SVA PWM’s ability to now effect cross transactions between SVA PWM client accounts and affiliated accounts, including those of its affiliated adviser, WisCap. We disclose controls we have implemented to address such cross transactions.

Item 15 – Custody: We included additional disclosure regarding SVA PWM and its affiliates’ practices surrounding custody over client funds, including our control structure in place.

Item 16 – Investment Discretion: We included additional disclosure regarding SVA PWM’s trade error correction practices, including its policy to make clients whole and circumstances in which SVA PWM may rely on an executing broker to absorb de minimis losses.

Item 17 – Proxy Voting: We included clarifying disclosure regarding SVA PWM’s proxy voting practices, including:

1. SVA PWM’s policy to generally vote in support of management’s recommendations on proxy issues related to business operations matters since management’s ability is a key factor SVA PWM considers in selecting equity securities for client portfolios, unless we believe the company’s management is acting in an inconsistent manner with our clients’ best interests.
2. Approaches SVA PWM will consider in the event we identify a material conflict relating to a specific proxy vote.

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#### ITEM 4 – Advisory Business

SVA Plumb Wealth Management, LLC (“SVA PWM”), is a Registered Investment Adviser with the U.S. Securities and Exchange Commission (“SEC”) under the Investment Advisers Act of 1940, effective December 9, 2011. Registration of an Investment Adviser does not imply any level of skill or training.

On March 1, 2011, SVA Wealth Management, Inc. reorganized and changed its name to SVA Plumb Wealth Management, LLC. SVA PWM was the successor to SVA Wealth Management’s advisory business. SVA Wealth Management, Inc., the predecessor to SVA Plumb Wealth Management, LLC, was originally founded as SVA Planners, Inc. in 1987. In January 2007, it became SVA Wealth Management, Inc.

SVA PWM has a 100% non-voting equity interest in Wisconsin Capital Management, LLC (“WisCap”), an affiliated advisor. SVA PWM is owned by SVA Plumb Financial, LLC. SVA Plumb Financial, LLC is owned by Diversified Services of Wisconsin, Inc., TGP, Inc., and Timothy R. O’Brien. Diversified Services of Wisconsin, Inc. is owned by numerous shareholders of SVA Certified Public Accountants, S.C. and TGP, Inc. is owned by Thomas G. Plumb.

SVA PWM provides asset management and financial planning services. Clients may receive any combination of these disclosed services.

#### INVESTMENT MANAGEMENT SERVICES

As a fee-only Adviser, we evaluate a wide array of financial alternatives and recommend those services designed to best meet your financial goals and objectives.

We provide our services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. Our individual clients include retirement plan participants whose retirement plan assets are managed on either a group or an individual basis. Generally, our clients allow us full discretion to make investments on their behalf within agreed-upon parameters, although we will consider a nondiscretionary arrangement under certain circumstances. Our services may apply only to assets directly managed by us, or in some cases may also include summary reporting and/or oversight of all investable assets of our clients, even if they are managed by other entities, including other investment advisers.

Before services begin, a representative of SVA PWM reviews each client’s financial assets, investment needs, tolerance for risk, and investment objectives. From this initial overview, SVA PWM’s representative and the client develop specific objectives and guidelines for SVA PWM to follow while managing the client’s portfolio. Clients may impose restrictions on certain assets or certain types of assets and those restrictions are duly noted during the investment process. SVA PWM then exercises discretion to select the securities, amount of securities to buy or sell, and when to buy and sell them. Clients receive information about their accounts from SVA PWM no less than quarterly, unless otherwise directed.

We provide a historic client with an investment manager monitoring service, where the client's portfolio is managed by a separately investment management firm overseen by us. We no longer offer this historic service to prospective clients.

We do not offer any products or services that guarantee rates of return on investments for any time period to any client. All clients assume the risk that investment returns may be negative or below the rates of return of other investment advisers, market indices, or investment products.

### COMPREHENSIVE FINANCIAL PLANNING SERVICES

SVA PWM also provides financial planning advice. Clients purchasing this service will receive a written financial plan designed to provide information to the client to help them achieve their stated financial goals and objectives. In general, the financial plan may address the following topics:

- Personal cash flow - income, outflows, and budgeting.
- Risk management - cash needs at death, income needs of surviving dependents, estate planning, disability income analysis and personal liability.
- Taxes - income tax considerations for past, current, and future years.
- Education funding - analysis and projections of future income needs to fund education expenses.
- Retirement - analysis of investment alternatives and their effect on a client's portfolio.
- Investments - analysis of risk tolerance and investment strategies and their effect on a client's portfolio.

Should a client choose to implement the recommendations contained in the plan, SVA PWM suggests the client work closely with his/her attorney, accountant, insurance agent and/or stock broker. SVA PWM's involvement in implementation of financial plan recommendations is entirely at the client's discretion.

### LIMITED FINANCIAL PLANNING SERVICES

Clients can also receive financial planning and/or investment advice on a more limited basis. This may include advice on only an isolated area(s) of focus such as education funding, estate planning, retirement planning, or any other specific topic. SVA PWM also provides specific consultation and administrative services regarding investment and financial concerns of the client.

### NON-DISCRETIONARY INVESTMENT MANAGEMENT SERVICES

We may occasionally provide investment advice, recommendations and non-discretionary asset management for some retirement plans and corporate clients who wish to retain management control and investment discretion on their investment accounts. All such services are negotiated on a case-by-case basis.

## ASSETS UNDER MANAGEMENT INFORMATION

As of June 30, 2012, SVA PWM had the following assets under management and total number of accounts:

	<u>U.S. Dollar Amount</u>	<u>Total Number of Accounts</u>
Discretionary:	\$956,608,757	2,904
Non-Discretionary:	\$54,350,788	142

## **ITEM 5 – Fees and Compensation**

We may negotiate fee schedules based upon factors we determine to be material. We may also negotiate the fee structure utilized, including agreeing to a fixed fee arrangement in limited circumstances. Since the inception of business, SVA PWM has had other fee schedules in effect which may provide for fees lower or higher, as the case may be, than those disclosed below. Therefore, some clients are paying higher or lower fees than those disclosed below. SVA PWM maintains investment, trade allocation and account valuation policies and procedures designed to address potential conflicts of interest related to the fact that different clients may pay different fee schedules. Assets of accounts which have a family or business relationship to each other may be aggregated for purposes of determining the percentage fee applicable to each account.

### FEES - INVESTMENT MANAGEMENT SERVICES

Fees are payable quarterly and may be payable in advance or in arrears, as dictated by the individual investment management agreement. Fees are based upon the total market value of assets under management on the last business day of each billing quarter (payable in arrears) or the last business day of each previous billing quarter (payable in advance) and based upon the following standard schedule:

<b>Assets under Management</b>	<b>Annual Fee*</b>
First \$500,000	1.00%
Next \$1,500,000	0.80%
Next \$3,000,000	0.65%
Over \$5,000,000	0.50%

\*Subject to a minimum quarterly fee of \$375, or \$1,500 annually.

In those instances where services are provided to a group of retirement plan participants on a negotiated flat-fee basis, the fee rate is applied to the aggregate value of all accounts as of December 31 of each year. Each participant is then responsible for paying a pro-rata share of the fee quarterly based upon account value. Clients should be aware that such a formula could result in large increases in fees due to fund withdrawals and participant departure.

## FEES - SERVICES BY AFFILIATES

When clients also use the accounting services of SVA Certified Public Accountants, S.C., an accounting firm affiliate, and have SVA PWM pay for such services, annual asset-based fees for both management and accounting services will vary from the fee schedule shown above and generally range from 0.50% to 1.50% of the value of assets under management per annum. The fee is payable quarterly and fees are calculated and payable in advance or in arrears, depending on the terms of the investment advisory agreement, as described above. This combined service fee is negotiable and thus may vary from client to client.

The fees paid to SVA PWM and SVA Certified Public Accountants, S.C. are asset-based. From this asset based fee, SVA PWM pays SVA Certified Public Accountants, S.C. an annual fee, which ranges from 0% to 100% for its services, depending upon the size of the account and the scope of services needed. A client may pay a higher or lower total annual fee than the client would have paid if billed separately for management and the accounting services relationship. The client(s) are also free to terminate the investment management services of SVA PWM and continue with the accounting services relationship of SVA Certified Public Accountants, S.C.

Clients should be aware that when the accounting services of SVA Certified Public Accountants, S.C. are recommended, SVA PWM and other individuals associated with SVA PWM do not evaluate similar accounting or other services which may be available to the client from other providers, nor does SVA PWM supervise, evaluate, or monitor those services on behalf of the client.

To the extent that accounting or trust services are provided by affiliates, SVA PWM will communicate financial or other information about the client directly to those affiliates to the extent that such information is available to SVA PWM. The affiliated service providers also may contact the client directly to obtain initial and follow-up information from the client. There is no restriction on the ability of any client to contact or consult with affiliates performing accounting or trustee services.

In the event that a client's portfolio includes shares of a mutual fund managed by WisCap (the Plumb Funds), it creates a conflict of interest for SVA PWM. The value of such shares of the Plumb Funds is not included in the fee calculation for services provided by SVA PWM. Those assets are subject only to the mutual funds' expenses and fees applicable to all shareholders in the Plumb Funds, as set forth in the Funds' Prospectus. However, the Plumb Funds pay WisCap an advisory fee (considered a fund expense). Depending upon in which fund the account is invested, the fees may be more or less than the separate account advisory fee otherwise applicable to the account. For ERISA accounts, SVA PWM may recommend or purchase the Plumb Funds, however, no investment management fees will be paid based on the value of the account invested in the Plumb Funds in order to comply with the requirements of the Employee Retirement Income Security Act of 1974.

Clients have the option to purchase Plumb Funds through other brokers or agents not affiliated with SVA PWM or WisCap.



## FEES - COMPREHENSIVE FINANCIAL PLANNING SERVICES

Fees for financial planning services and the preparation of a full financial plan are individually negotiated and subject to a minimum fee of \$1,500.

## FEES – LIMITED FINANCIAL PLANNING SERVICES

From time to time, SVA PWM may furnish investment advice through consultations to persons who do not wish to receive a full comprehensive financial plan, but who desire to have SVA PWM consult with them regarding investment matters. SVA PWM charges an hourly fee of \$150 to \$250 per hour, with a \$1,500 minimum fee for an initial consultation and follow-up summary. SVA PWM reserves the right to waive this minimum fee on a case by case basis.

## FEES - NON-DISCRETIONARY INVESTMENT MANAGEMENT SERVICES

Fees for such services generally follow the Investment Management Services fee schedule outlined above, although we may, in certain cases, negotiate a flat fee arrangement.

## FEES - INVESTMENT ONLY ACCOUNT

If a client is unable to reach the \$150,000 minimum account size, SVA PWM will set up an "investment only" account on the client's behalf and an annual asset management fee equal to the greater of \$500 or 1.25% of assets under management will be charged. Clients utilizing an "investment only" account will generally also be charged an implementation fee of \$1,500, however SVA PWM reserves the right to waive this implementation fee on a case by case basis.

## FEES FOR REFERRALS

Until July 1, 2012, SVA PWM provided retirement plan recordkeeping services to clients through a wholly owned subsidiary called SVA Plumb Retirement Plan Services, LLC. Effective July 1, 2012, SVA PWM may recommend the services of Alliance Benefit Group ("ABG"), a third party administrator that provides retirement plan recordkeeping services. SVA PWM will receive revenue sharing fees for accounts that transferred to ABG as of July 1, 2012, and from accounts subsequently referred to ABG, over a two year period ending July 2014. The recommendation to use ABG creates a conflict of interest as SVA PWM (including its owners) may receive income from this arrangement; however, clients are not obligated to use the services of ABG. .

## FEES - MISCELLANEOUS

Clients may elect to be billed directly for fees or to authorize SVA PWM to directly debit fees from client accounts.

Either the client or SVA PWM can terminate the Advisory Agreement upon written notice, as outlined within the Advisory Agreement. In the event of termination, for accounts in which fees are paid in arrears, any fees due are calculated on a pro-rata basis from the end of the last completed quarter to the date of termination and are automatically deducted from the client's custodial account or billed to the client. In the event of termination, for accounts in which fees are payable in advance, all fees paid in advance but not earned are prorated to the date of

termination and returned to the client. Termination of an advisory agreement by a client will not affect transactions that SVA PWM initiated on the client's behalf prior to the effective date of such termination.

All fees paid to SVA PWM are separate from the expenses charged by mutual fund companies (including Exchange Traded Funds) to shareholders of such fund shares. These expenses include advisory fees, which are deducted from the fund's reported performance. Depending on the fund and their share class offering, a client may be able to invest directly in a fund without incurring any sales or advisory fees. A complete explanation of expenses charged by the fund is contained in each fund prospectus.

SVA PWM'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, 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.

Item 12 further describes the factors that SVA PWM considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

#### VALUATION PROCEDURES

SVA PWM uses pricing information provided by client custodians (SVA PWM's "Primary Pricing Source") for purposes of valuing client portfolios for investment performance and fee calculation purposes. In cases where the Primary Pricing Source does not provide a price for a security, SVA PWM will generally use a price provided by an outside pricing service ("Secondary Pricing Source").

In the rare instance where the Primary Pricing Source or Secondary Pricing Source is unable to obtain a price, where SVA PWM wealth managers or consultants strongly believe the Primary Pricing Source or Secondary Pricing Source is not pricing a security fairly, or where a security has halted trading, SVA PWM's Valuation Committee will determine a fair value for the security based on the firm's knowledge of the security, current market conditions, and any other considerations deemed appropriate. No single factor or approach will be implemented by SVA PWM in every case of determining a fair value for a security as each individual case is unique in nature. SVA PWM's objective in determining a fair value price will be to determine a price SVA PWM believes it could reasonably receive upon a current sale.

#### **ITEM 6 – Performance-Based Fees and Side-By-Side Management**

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

## ITEM 7 – Types of Clients

We provide portfolio management services to individuals, high net worth individuals, banking and/or thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. We usually require assets of at least \$150,000 before accepting a new account, although under certain circumstances we may accept a lesser amount under an “investment only” account arrangement which is described above. We will usually reject or terminate a client if substantial investment restrictions imposed by a client prevent implementation of a consistent, long-term investment program.

## ITEM 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Our financial professionals use fundamental, technical and cyclical methods to analyze the investment vehicles we recommend to our clients. We obtain our research and information from a variety of sources, including financial newspapers and magazines; research materials prepared by third parties; corporate rating services; and information provided by investment companies and public entities, such as annual reports, prospectuses, press releases and SEC filings. We encourage a long-term investment strategy to our clients.

The financial professional will design a portfolio suitable for the client based upon an understanding of the client's current circumstances. The suitability of the investments may be determined by guidelines or directives given by the client, questionnaires completed by the client, correspondence or other documentation provided to us by the client. Past performance is not necessarily indicative of future results, while investing in securities involves risk of loss that clients should be prepared to bear.

### INVESTMENT PROCESS

SVA PWM has an investment committee which meets routinely to research, review, develop and implement investment strategies and models for client portfolios.

SVA PWM Wealth Consultants work closely with their clients to develop portfolios suitable to meet the clients' objectives. Clients consult with their Wealth Consultant who will work through SVA PWM's investment process to develop and maintain investment portfolios. Together, the client and Wealth Consultant define goals and objectives as well as determine the client's comfort with various levels of market volatility and asset quality.

Once the basic structure is determined, the Wealth Consultant will formalize it in an Investment Policy Statement (IPS). The Wealth Consultant then designs an individualized portfolio to fit that client's goals. The Wealth Consultant will continue to monitor the investments and meet with clients to review the portfolio and to determine whether changes are necessary or advisable.

### INVESTMENT STRATEGY FOR MUTUAL FUND MODELS

Models are created looking at diversification and how the individual components of the model will compliment the overall model's objective. We select funds from 10,000+ funds available on

the Charles Schwab Trust Company and Institutional trading platforms. Mutual fund and Exchange Traded Fund selection criteria generally include: consistency of performance vs. our peer group, risk adjusted performance, consistency and longevity of management team, consistency of management style and avoidance of style drift, tax efficiency, and fund expenses.

SVA PWM uses various quantitative tools to research investment options. We also monitor various academic and industry publications to identify trends and new products.

Subsequent to selecting mutual funds for inclusion in a model, SVA PWM performs ongoing due diligence of the selected funds with the objective of ensuring the funds selected remain the most appropriate to achieve the investment strategy, replacing such funds as necessary.

### INVESTMENT STRATEGIES FOR INDIVIDUAL SECURITIES

SVA PWM seeks to invest in a diversified portfolio of companies that meet its investment criteria. SVA PWM uses a value-based investment strategy, seeking to identify companies whose stocks are trading at substantial discounts to SVA PWM's estimates of the companies' underlying value. SVA PWM estimates intrinsic values based on rigorous fundamental analysis that includes analysis of the firm's balance sheet, cash-flow and income statements, and beliefs about the competitive environment, product sustainability, market power, and the quality of the firm's management. SVA PWM couples its fundamental work with an analysis of the structural trends faced by the industry at both a micro and macro level. This is because SVA PWM believes even the strongest fundamental stories can be influenced by strong macro trends. SVA PWM typically invests in the securities of US companies, but may also invest in foreign companies, usually through the purchase of American Depositary Receipts (ADR's) and foreign companies that are dual listed on US stock exchanges.

Depending on the client's investment objectives, risk tolerance, and market opportunities, SVA PWM supplements its equity investments with fixed income investments and other securities suitable for the client. Fixed income investments typically include investment grade bonds and government securities. In SVA PWM's experience, fixed income securities and other investments purchased with a similar research-focused approach can augment an investor's returns and reduce portfolio volatility. Investments in client accounts may include the following:

- Equities / stocks
- Fixed income / bonds
- Cash equivalents / money market funds
- Preferred stocks, convertible bonds, and convertible preferred stocks
- Real estate investment trusts (REITs), publicly traded master limited partnerships (MLPs), royalty trusts
- American depository receipts
- Index funds/ ETFs
- Non-proprietary managed mutual funds
- Proprietary mutual funds (the Plumb Funds)

- Private placements, including hedge funds formed as partnerships or limited liability companies which invest in securities
- Options and warrants
- Variable annuities

SVA PWM does not manage an unregistered (“hedge”) fund and does not short securities. However, SVA PWM may from time to time utilize outside advisers, including sub-advisers, to assist in managing our clients’ assets.

As part of the client’s asset management plan, SVA PWM strategizes to lessen the potential tax exposure through asset allocation and selection. Client’s specific investments depend on such factors as the client’s particular tax situation, risk tolerance, time horizon, and account size. SVA PWM generally seeks to purchase securities with a long-term investment horizon.

Our selection strategies for individual securities include:

Buy strategy indicators:

- Favorable market/economic conditions for industry
- Strong balance sheets with high cash flows which can be an indicator of a company’s ability to self fund new projects
- Experienced and capable management team
- Market at discount to our proprietary estimates of value

Sell strategy indicators:

- Increase in market value
- Potential catalyst for recovery is no longer evident
- Deterioration of fundamentals not yet reflected in market price
- More compelling alternatives exist with better quality or larger discount to value

## RISK OF LOSS

SVA PWM’s approach to investment management emphasizes global diversification to manage risk. Diversification includes geographic concentration, investment style, capitalization of underlying investments, as well as the maturity credit quality and geographic exposure to income funds. SVA PWM’s selected investments are subject to risks that clients should be prepared to bear, including the possible loss of some or all of the principal amount invested. There can be no assurance that SVA PWM will be successful in meeting its investment objective. SVA PWM’s investments are also subject to the following additional risks:

*Market Risk.* The market value of a security may decline due to general market conditions that are not specifically related to a particular company or because of factors that affect general economic conditions of the market as a whole.

*Individual Security Selection Risk.* Securities selected as portfolio investments for our clients may decline due to events unique to the individual security. Such events include, but are not limited to, changes in a company's business or credit outlook, its geographic exposure, events at competitor companies and changes in government policy or regulatory environment.

*Sector Risk.* Sector risk is the possibility that securities within the same industry will decline in price due to sector-specific market or economic developments. Government regulation or technological changes often influence specific industry characteristics and profitability. Although SVA PWM seeks to invest in a diversified portfolio of securities, it is often the case that the company finds numerous attractive investments within a particular industry sector. In such cases, SVA PWM may choose to overweight a particular sector, relative to the weightings in the S&P 500. Such overweighting exposes the portfolios to risks specific to that industry that may not be correlated with the overall market.

*Foreign Securities.* Although SVA PWM invests primarily in securities priced in U.S. dollars and traded on U.S. exchanges or issued by U.S. mutual fund companies, it may from time to time invest in foreign securities. To the extent SVA PWM invests in foreign securities, such investments will be subject to special risks, including exposure to currency fluctuations, less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political instability and differing auditing and legal standards.

*Credit Risk.* The value of client's investments in fixed income securities is dependent upon SVA PWM's analysis of a number of factors, including the underlying credit worthiness of the issuer. A reduction in the credit worthiness of the fixed income instrument's issuer or negative perception of the issuer's ability to pay may result in a reduced price of the security and greater risk of principal loss, and bankruptcy of the issuer may result in a total loss of principal.

## **ITEM 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the client's evaluation of SVA PWM or the integrity of SVA PWM's management. SVA PWM has no information applicable to this Item.

## **ITEM 10 – Other Financial Industry Activities and Affiliations**

SVA PWM is owned by SVA Plumb Financial, LLC. SVA Plumb Financial, LLC is owned by Diversified Services of Wisconsin, Inc., TGP, Inc., and Timothy R. O'Brien. Diversified Services of Wisconsin, Inc. is owned by numerous shareholders of SVA Certified Public Accountants, S.C. and TGP, Inc. is owned by Thomas G. Plumb.

SVA PWM has a number of affiliates, including:

- SVA Certified Public Accountants, S.C.
- SVA Consulting, LLC
- SVA Healthcare Services, LLC

- SVA MediCode Specialists, LLC
- SVA Financial Services, LLC
- SVA Franchise Services, LLC
- SVA Technology Services, LLC
- SVA Staffing Solutions, LLC
- SVA Plumb Trust Company, LLC
- WisCap

On an individual basis and based on our good faith judgment of a client's specific needs, SVA PWM may recommend a client utilize an affiliate's services. Unless otherwise disclosed to the client, services provided by an affiliate are separate and distinct from the investment advisory services provided by SVA PWM. Fees for such services are generally separate and distinct from the advisory fee charged by SVA PWM, with the exception of the joint billing situations disclosed in Item 5 and other exceptions which may be communicated to clients from time to time. In recommending an affiliate's services, SVA PWM experiences conflicts of interest as a client utilizing an affiliate's services based upon SVA PWM's recommendation will generate revenue for the affiliated subsidiary and, indirectly, benefit SVA PWM as an affiliate. Further, as an affiliate, SVA PWM's employees may receive referral fees from any or all of its affiliates related to SVA PWM clients who use affiliated services. This scenario results in additional conflicts, as SVA PWM's employees may have a direct financial incentive to refer clients to its affiliates.

Clients may be able to obtain comparable services from unaffiliated individuals and organizations at fees which may be higher or lower than the fees charged by SVA PWM's affiliate. No client is obligated to utilize SVA PWM's affiliates for any other services and clients can terminate their services with the affiliate at any time in accordance with their service agreement. Termination of the use of an SVA PWM affiliated provider will not, as a matter of practice, have an impact on the level of service SVA PWM provides its clients.

WisCap is the investment adviser to the Plumb Funds. SVA PWM may invest some or all of clients' accounts in the Plumb Funds. Because an affiliate earns investment advisory fees for its services to the Plumb Funds based upon the value of the funds it manages, a conflict of interest exists when SVA PWM effects such purchases for client accounts. SVA PWM does not charge clients directly any investment advisory fees for that portion of an account invested in the Plumb Funds. SVA PWM has an incentive to recommend the Plumb Funds for its client accounts in order to grow the Plumb Funds, thereby benefiting SVA PWM's affiliated adviser, WisCap, and indirectly benefiting SVA PWM as an affiliate of WisCap. SVA PWM recommends Plumb Funds to clients when it determines the investment is appropriate for the client's account. See specific disclosure for Plumb Fund shares purchased in ERISA accounts in Item 5 of this brochure.

The Plumb Funds shares are distributed by Quasar Distributors, LLC ("Quasar"). Select individuals associated with WisCap, SVA PWM's affiliate, are also registered as securities sales representatives for Quasar. When these representatives make Plumb Fund purchase

recommendations to SVA PWM clients, they have a conflict of interest since an affiliate receives internal Plumb Fund management fees based upon the value of Plumb Fund assets.

Clients and prospective clients are encouraged to carefully consider the affiliations and conflicts of interest described above. Questions regarding the service of affiliates, the relationship between affiliates and the revenues earned may be directed to SVA PWM by calling (608) 824-8800.

## **ITEM 11 – Code of Ethics**

SVA PWM 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, 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 (generally, SVA PWM employees) at SVA PWM must acknowledge the terms of the Code of Ethics annually, or as amended.

SVA PWM's Code of Ethics governs its employees' personal securities trading activity. Employees are permitted to buy and sell securities SVA PWM also recommend to clients. The Code of Ethics is designed to provide reasonable assurance that the personal securities transactions, activities and interests of the employees of SVA PWM 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 materially not interfere with the best interest of SVA PWM's clients. In addition, the Code 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 in a security held by an employee. Employee personal trading is monitored by SVA PWM to address the conflicts arising from allowing its employees to invest in the same securities as clients.

SVA PWM may recommend to client and invest some or all of clients' accounts in the Plumb Funds, which are managed by an affiliate. Because an affiliate earns investment advisory fees for its services to the Plumb Funds based upon the value of the funds it manages, a conflict of interest exists when SVA PWM makes such purchases for client accounts. Refer to Item 10 for further details on conflicts arising related to the Plumb Funds and how they are addressed.

SVA PWM employees are permitted to invest in the Plumb Funds. This may create an incentive for SVA PWM to put the interests of these affiliated mutual funds ahead of other clients. However, the Code requires staff members to place clients' interests ahead of their own and to report personal transactions and holdings in mutual funds managed by SVA PWM or SVA PWM's affiliates in accordance with the reporting requirements described above.



Certain affiliated accounts, including mutual funds managed by WisCap, may trade in the same securities with client accounts on an aggregated basis when consistent with SVA PWM's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. SVA PWM 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. Please see Item 12 for an overview of SVA PWM's trade aggregation and allocation practices.

SVA PWM's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Connie Redman, Chief Compliance Officer, at 608-824-8800.

When deemed appropriate or advisable by SVA PWM, client accounts, including registered mutual funds managed by SVA PWM's affiliate, may purchase from or sell to any other client account a security that is consistent with the account's investment objectives, policies, and limitations. The participating clients may both be clients of SVA PWM or one may be a client of WisCap (SVA PWM's affiliated adviser). Please see Item 12 for additional information, including potential conflicts involved, with these "cross trades".

## **ITEM 12 – Brokerage Practices**

The primary consideration in SVA PWM's selection of brokers and dealers is prompt and efficient execution of orders so that clients' total cost in each transaction is the most favorable and equitable under the circumstances. We select the broker-dealer to be used with the objective of negotiating a combination of the most favorable commission and the best price obtainable given the market conditions and the nature of the specific account. The specific factors considered in selecting a broker-dealer to effect client transactions include: SVA PWM knowledge of commission structure; broker-dealer knowledge of and dominance in specific markets, securities, and industries including investment idea generation; quality of execution including best price under the circumstances; the broker-dealer's ability to locate liquidity; the overall relationship of the broker-dealer with SVA PWM including responsiveness and dependability; whether or not the broker dealer has acceptable record keeping, administrative and settlement functions; and research services provided by the broker-dealer (as described in further detail below).

When placing orders for securities traded in a negotiated market, particularly government bonds and over-the-counter stocks, SVA PWM may use the services of a broker ("introducing broker") rather than the primary dealers ("market makers") in the specific security. These introducing brokers process transaction orders from SVA PWM by buying or selling securities through market makers in the securities. The introducing brokerage firms receive a commission. Although SVA PWM has the ability to go directly to market makers for transaction executions and avoid the introducing broker-dealers commission, SVA PWM sometimes finds that use of introducing brokerage firms, particularly the broker associated with the client's account, is a convenient means to obtain efficient executions for client accounts. It is generally SVA PWM's practice not to place orders directly with a market maker when the size of the order is small or

when SVA PWM believes security delivery delays could occur by use of a particular market maker brokerage firm. Use of brokerage firms other than the market maker may not result in best price to clients on a trade-by-trade basis.

SVA PWM may recommend that you establish brokerage accounts with Schwab Institutional, Schwab Retirement Plan Services or Charles Schwab Trust Company, divisions of Charles Schwab & Company, Inc. (collectively referred hereinafter as "Schwab") to maintain custody of your assets and to effect trades for your accounts. SVA PWM is not affiliated with Schwab. Schwab provides SVA PWM with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to registered investment advisers on an unsolicited basis, at no charge to them as long as a total of at least \$10 million of the adviser's clients' account assets are maintained in accounts at Schwab, and are not otherwise contingent upon us committing to Schwab any specific amount of business (assets in custody or trading). Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody, but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available other products and services that benefit us, but may not specifically benefit our clients' accounts. Some of these other products and services assist us in managing and administering your accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution, provide research, pricing information and other market data, facilitate payment of our fees from client accounts, assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of our accounts, including accounts not maintained at Schwab.

Schwab also makes available other services intended to help us manage and further develop our business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to us by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to us. We endeavor to act in our clients' best interests. Our recommendation that our clients maintain their assets in accounts at Schwab may be based in part on the benefit of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest. While SVA PWM encourages clients to consider the use of Schwab's services as we are able to manage an account at Schwab in an efficient manner, the decision of which custodian to choose rests with the client.

In addition to Schwab, in certain circumstances, we may recommend the account custody and transaction execution services of other firms, such as Fidelity Brokerage Services, LLC; Monumental Life Insurance Company/AEGON Insurance Group; Johnson Bank; and Wells Fargo. These firms, and firms affiliated with them, carry client accounts on their records, process client transactions ordered by us, provide software and computer access to us for review of client positions, and may provide quotes or other data needed for the reports we prepare for clients. These services and products are provided to us at little or no cost. We believe that use of these firms is a convenient means of obtaining efficient transaction executions, account reference and reporting services for client account investment positions. However, receipt of such support services creates an inducement and conflict of interest for us since referring clients to any other firm may result in higher reporting and overhead costs. While we may recommend clients use these firms, the decision of which custodian to choose rests with the client.

SVA PWM participates in the institutional adviser program (“the Program”) offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA (“TD Ameritrade”), an unaffiliated SEC registered broker/dealer and FINRA member. TD Ameritrade offers to independent investment advisers services which include custody of securities, trade execution, clearance and settlement of transactions. Adviser receives some benefits from TD Ameritrade through its participation in the Program.

As disclosed above, SVA PWM participates in TD Ameritrade’s institutional adviser program and may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between SVA PWM’s participation in the program and the investment advice we give to our clients, although SVA PWM receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving SVA PWM participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to SVA PWM by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Advisor’s related persons. Some of the products and services made available by TD Ameritrade through the program may benefit SVA PWM but may not benefit its client accounts. These products or services may assist SVA PWM in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help SVA PWM manage and further develop its business enterprise. The benefits received by SVA PWM or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. SVA PWM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by SVA PWM or its related persons in and of itself creates

a potential conflict of interest and may indirectly influence SVA PWM's choice of TD Ameritrade for custody and brokerage services.

SVA PWM considers a number of factors in selecting brokers and custodians at which to locate its client accounts, including, but not limited to, execution capability, experience and financial stability, reputation and the quality of services provided. In selecting TD Ameritrade Institutional ("TD Ameritrade") as the broker and custodian for certain of its current and future client accounts, SVA PWM takes into consideration its arrangement with TD Ameritrade as to obtaining price discounts for TD Ameritrade's automatic portfolio rebalancing service for advisors known as "iRebal".

The standard iRebal annual license fee applicable to Adviser is \$44,000.00. That fee is subject to specified reductions (and even complete waiver) if specified amounts of client taxable assets are either already on the TD Ameritrade platform or are committed to be placed on it. Specified taxable client assets either maintained on or committed to the TD Ameritrade platform will bring fee reductions of up to \$44,000.00 per year for each of as many as three years or more.

The non-taxable assets excluded from the maintenance and commitment levels described above are those that constitute "plan assets" of plans subject to Title 1 of the Employee Retirement Income Security Act of 1974, amended, or of plans as defined in Section 4975 of the Internal Revenue Code (which include IRAs).

If SVA PWM does not maintain the relevant level of taxable assets on the TD Ameritrade platform, SVA PWM may be required to make a penalty fee payment to TD Ameritrade calculated on the basis of the shortfall.

Although SVA PWM believes that the products and services offered by TD Ameritrade are competitive in the market place, for similar services offered by other broker-dealers or custodians, the arrangement with TD Ameritrade as to the iRebal service may affect SVA PWM's independent judgment in selecting or maintaining TD Ameritrade as the broker or custodian for client accounts.

#### SOFT DOLLAR PRACTICES

SVA PWM also considers the value of proprietary and third party research services received in return for the client brokerage SVA PWM directs to various broker-dealers. This research is used by SVA PWM to manage its clients' accounts. SVA PWM may pay brokerage commissions ("soft dollars") in excess of the commissions another broker-dealer or trading platform may have charged for executing similar transactions without providing such research. Some of these research products and services might otherwise be available to SVA PWM for a cash payment. When SVA PWM receives research or other services through client commissions, it receives a benefit because it does not have to produce or pay for the research or services. Research services provided by broker-dealers may be used in servicing any or all SVA PWM clients and such research products or services may not necessarily be used by SVA PWM in connection with the accounts that paid commissions to the broker-dealer providing the products or services. SVA PWM does not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate. SVA PWM's Brokerage & Soft Dollar Committee (the "Committee") evaluates the price and quality of execution of SVA PWM

trades, including the value of research products and services obtained by SVA PWM with client brokerage commissions. Research obtained includes sell side research (including access to broker-dealers' research analysts), access to company management, invitations to investment conferences, electronic research services, best execution evaluation services, and market data services. SVA PWM has an incentive to continue to use selected research broker-dealers to execute transactions so SVA PWM may continue to receive research products and services.

SVA PWM may from time to time receive the benefits from soft dollar services obtained via commissions generated by clients of WisCap (SVA PWM's affiliated investment adviser). Similarly, WisCap may receive certain benefits from soft dollar services obtained via commissions generated by SVA PWM clients. SVA PWM and WisCap essentially function in tandem, overseen by a single management team (who serve as employees of both entities), utilizing a joint oversight structure (including a single Brokerage and Soft Dollar Committee), and operating under a joint compliance program. In addition, certain members of SVA PWM's investment management team service WisCap clients as well. As a practical matter, research services obtained are used to service clients of both entities. SVA PWM's Brokerage and Soft Dollar Committee routinely monitor its soft dollar arrangements.

To mitigate SVA PWM's soft dollar conflicts, SVA PWM maintains policies and procedures designed to ensure it selects brokers based on its fiduciary obligations, and not based on this conflict. The Committee also routinely reviews allocation of commissions to brokers and soft dollar matters including evaluating whether the value of soft dollar services received are reasonably equitable to the commissions paid.

#### AGGREGATION AND ALLOCATION OF TRADE ORDERS

SVA PWM may, when appropriate, aggregate trade orders and allocate trades among two or more clients. SVA PWM may be able to decrease brokerage and transaction costs to its clients through volume discounts and lower commissions that are not available to smaller volume transactions. Aggregating trades or "blocking orders" also permits SVA PWM to enter and exit securities markets on behalf of clients in a more efficient and organized manner and attempt to obtain the best market pricing given the market conditions. SVA PWM generally blocks trades for SVA PWM client accounts with trades of its affiliated adviser, WisCap, subject to the practices outlined below.

In order to provide for the fair treatment of all clients while recognizing the need for flexibility, SVA PWM will strive to allocate investment opportunities among clients in a fair and equitable manner based on the characteristics and needs of the clients and the market conditions.

When a block order is filled (full or partial fill) at several prices through multiple trades, SVA PWM calculates an average price for all trades executed, and all participants in the block trade receive the average price. Only trades executed within the block on the single day are generally combined for purposes of calculating the average price. Commission costs are generally shared pro rata based on each client's participation in the block. For each block trade, SVA PWM creates pre-allocation schedules of shares for each client account based upon the

account value, target weight and current price. Once the aggregated trade is executed the shares are allocated in-line with the pre-allocation schedule.

SVA PWM generally allocates shares of partial fill equity trades to client accounts on a *pro-rata* basis based on the pre-allocation schedule. SVA PWM considers shares to be allocated pro rata if any difference from the exact proportion results from:

1. Rounding off the number of securities allocated to any client to the next higher or lower round-lot figure; or
2. Not allocating securities to one or more clients because:
  - a. The number of securities to be allocated is considered to be relatively small in relation to the ordinary size or volume of transactions for that client;
  - b. A trade in a particular security would, in the judgment of SVA PWM, be too small in relation to the size of the account to warrant an allocation ; or
  - c. A trade in a particular security would result in unnecessary or unusual expense (including trade-away costs) to the client.

When trading fixed income securities in block orders, securities will be allocated to client accounts in accordance with the pre-allocation schedule when adequate volume is available. In the case where there is not enough volume to fill all fixed income client accounts participating in the block trade, SVA PWM allocates fixed income securities to client accounts based on need; specifically, those accounts with excess cash and those accounts whose current investment allocation is out of line with the account's desired strategy.

SVA PWM may apply common sense deviations to its standard allocation process, including the following circumstances:

1. Pro-rata allocation results in a de minimis number of shares;
2. Client account is charged per trade transaction fees by its custodian, creating undue costs by executing trades over several days;
3. Extreme market volatility;
4. Cash limitations or excess cash;
5. Client specific investment restrictions;
6. Client's tax status;
7. Client direction or requirement to raise cash in the account; and
8. Common sense and equitable adjustments.

#### LIMITATIONS ON ABILITY TO AGGREGATE TRADES

Limitations on SVA PWM's ability to aggregate trades exist. SVA PWM and WisCap are not as readily able to include Restricted Accounts, as defined below, in block trades. These accounts may have economic or operational considerations that prevent SVA PWM and WisCap from freely selecting the executing broker-dealer or placing a trade within the account at the same time as the other accounts making up the block.

## CATEGORIZATION OF CLIENT ACCOUNTS

As SVA PWM and WisCap block client orders together, we included a description of both SVA PWM and WisCap's client account types below. The client accounts of SVA PWM and its affiliated companies, including WisCap, can be broadly categorized as:

*Free Accounts.* Free Accounts include SVA Plumb Trust Company or other trust company clients, institutional clients, and certain bank custody accounts. These accounts provide the most flexibility and opportunity for aggregation.

*Custodian Accounts.* A substantial number of WisCap and SVA PWM's separate account clients maintain their accounts at custodians which provide substantial benefits to their clients when trades are also placed through that custodian's broker-dealer (such as Schwab and Fidelity). Schwab and Fidelity offer SVA PWM clients attractive brokerage rates and professional execution and services but will charge additional settlement fees when trades are executed by another broker-dealer. In most instances it is in the best interest of an account custodied with Schwab or Fidelity to aggregate its trades with other accounts which utilize Schwab or Fidelity and execute substantially all its brokerage with Schwab or Fidelity.

*Restricted Accounts.* These are accounts that have unique economical or operational considerations that must be addressed prior to making a trade in that account. SVA PWM and WisCap strive to aggregated these accounts with their corresponding block (Custodian or Free), but often their circumstances do not allow for this. Accounts may be considered restricted for various reasons, including:

- The client has requested that SVA PWM provide them with notification as a courtesy prior to transacting a trade.
- An account may have special tax or cash flow situations which require specific consideration prior to transacting a trade.
- SVA PWM is required to provide instructions to the trustees of certain retirement client accounts to make trades in the retirement accounts. The trustee or plan administrator may have operational considerations included within its systems and processes which could delay the execution of these trades.

## GENERAL TRADING HIERARCHY

SVA PWM and WisCap generally maintains a trade rotation that treats Free Accounts and the Custodian Accounts in parity, considering their respective account characteristics and commission structures, as well as the relative sizes of these blocks of accounts trading in the same security in the same time frame. SVA PWM and WisCap generally execute Free Accounts and Custodian Accounts in parity by aggregating trades in the same security into several blocks (a Free Account block and a block for each unique Custodian Account group) and then systematically rotating the initiation of the block trades on the trading desk. Trades are placed for Restricted Accounts as soon as practically possible after the unique characteristic of that account has been considered or overcome.

## DEPARTURES FROM THE GENERAL TRADING HIERARCHY

SVA PWM's trading is authorized by the Committee to depart from the General Trading Hierarchy when in the Trader's good-faith determination departing from the hierarchy will benefit one client without causing disadvantage to another client account. SVA PWM may deviate from the General Trading Hierarchy if market conditions warrant a deviation. For example, two members of the trading department may simultaneously enter trades for Free and the Custodial accounts if the market is liquid and the effect or risk of "working against yourself" is low.

## RETIREMENT ACCOUNTS

SVA PWM clients maintain retirement accounts whereby the clients' routine contributions are invested by the plan administrator according to an asset allocation model as determined by SVA PWM. When SVA PWM makes the determination to change the allocation or the securities within the allocation, it provides notice to the plan sponsor or its agent of the amended investment allocation on a timely basis after determining the change.

## ANNUITY ACCOUNTS

SVA PWM includes annuities in client accounts where utilizing these instruments is deemed to be appropriate in achieving the clients' overall investment objectives. When SVA PWM determines it is in the best interests of its clients to change the amount or type of annuities within our clients' accounts, we provide instruction to change the instrument in all affected accounts at essentially the same time. The annuities used by these accounts are generally not included in the investment models used broadly by SVA PWM.

## INITIAL PUBLIC OFFERING AND PRIVATE PLACEMENT ALLOCATIONS

SVA PWM does not frequently invest its clients in initial public offerings ("IPOs") or private placement securities. To the extent SVA PWM does invest its clients in IPO or private placement securities, SVA PWM uses the following procedures when allocating securities sold in initial public offerings and private placements. SVA PWM considers a variety of factors, including the investment objective and risk posture of the client's account, cash available in an account, the current diversification in the client's portfolio, the number of IPO or private placement securities available to allocate, and whether available IPO or private placement securities would be a material position for a client's account.

When a broker-dealer selling securities in an IPO or private placement indicates that it will allocate securities only to client accounts which maintain custody at the broker-dealer, SVA PWM will allocate available securities to those client accounts maintained at the broker-dealer, once it has determined that the securities are appropriate for the account(s). The use by a client of one brokerage firm rather than another often results in a client obtaining an IPO or private placement allocation advantage over other accounts because of the client's relationship with the selling or underwriting broker-dealer.

A mutual fund or other substantial client account that generates commissions which result in an allocation of IPO or private placement securities from a broker-dealer should have the benefit of



receiving those securities, taking precedence over other accounts where allocations of these securities is limited.

### **CROSS TRANSACTIONS**

SVA PWM may effect a purchase and sale transaction between two affiliated accounts (a “cross” trade) where it determines a cross trade is in the best interest of each participating client and no client is deemed to be disadvantaged by the transaction. The participating clients may both be clients of SVA PWM or one may be a client of WisCap (SVA PWM’s affiliated adviser). If a broker-dealer is used to facilitate settlement, the client may incur a customary, nominal fee to be paid to the broker-dealer. SVA PWM applies an independent market price in each cross transaction, and does not receive any fee or other compensation, other than their advisory fees, for effecting a cross transaction. ERISA accounts managed by SVA PWM are generally not eligible to participate in cross transactions.

### **ITEM 13 – Review of Accounts**

All client records are computerized; transactions are subject to a routine review by Wealth Consultants.

A designated supervisor reviews client accounts on a periodic basis. The review includes but is not limited to the recommendations for portfolio management clients' accounts to determine that such recommended transactions are suitable for the clients' accounts based on general guidelines set up at the inception of the adviser-client relationship; written agreements between client and adviser; correspondence; or changes in life circumstances of client.

Unless otherwise requested by the client, SVA PWM provides reports on the status of client accounts on a routine basis. Clients using an affiliated Trust Company receive account statements no less than quarterly from the Trust Company, unless otherwise requested by the client.

### **ITEM 14 – Client Referrals and Other Compensation**

SVA PWM pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by SVA PWM is a percentage of the fees the client owes to SVA PWM or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. SVA PWM pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to SVA PWM quarterly and may be increased, decreased, or waived by Schwab from time to time. The Participation Fee is paid by SVA PWM and not by the client. SVA PWM has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs SVA PWM charges clients with similar portfolios who were not referred through the Service.

SVA PWM generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from, Schwab. This fee does not apply if the client was responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a onetime payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees SVA PWM generally would pay in a single year. Thus, SVA PWM will have an incentive to recommend that client accounts be held in custody at Schwab. The Participation and Non-Schwab Custody Fees will be based on assets in accounts of SVA PWM's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, SVA PWM will have incentives to encourage household members of clients referred through the program to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit SVA PWM's fees directly from the accounts. For accounts of SVA PWM's clients in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from SVA PWM's clients in the form of commissions or other transaction related compensation on securities trades executed through Schwab.

Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealers' fees. Thus, SVA PWM may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. SVA PWM nevertheless acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for SVA PWM's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

## ITEM 15 – Custody

SVA PWM only maintains custody over client funds or securities by virtue of the fact that client assets are custodied at SVA Plumb Trust Company, LLC, an affiliate of SVA PWM, or to the extent advisory fees are deducted from a client's account. As a result, client assets held by the Trust Company are verified via an annual surprise exam by an independent public accountant registered with the Public Company Accounting Oversight Board ("PCAOB"). In addition, SVA PWM annually obtains a written internal control report from the Trust Company prepared by an independent public accountant registered with PCAOB, stating: 1) the accountant's opinion as to whether controls in place at the Trust Company are suitably designed to meet control objectives related to custodial services; and 2) the accountant verified the funds and securities are reconciled by the Trust Company to a custodian other than the Trust Company (e.g., the Depository Trust Corporation).

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. SVA PWM encourages

you to review these statements carefully. Your account information contained within these statements is derived from sources we deem to be accurate, but we cannot guarantee its accuracy as statements provided by your custodian represent the true record of your account holdings and activity. Performance information contained within these statements is presented net of our management fees, and past performance shown is not indicative of future results. We encourage you to compare information contained in our reports to reports provided by your custodian. Further, you should not rely on information contained within our statements for tax or legal purposes; rather, we recommend you rely upon information provided by your custodian for these purposes. Clients are encouraged to contact SVA PWM with any questions regarding their account statements.

#### **ITEM 16 - Investment Discretion**

Clients generally provide discretionary authority to SVA PWM via the Advisory Agreement to select the identity and amount of securities to be bought or sold and determine when the securities should be bought and sold.

When selecting securities and determining amounts, SVA PWM observes the investment policies, limitations and restrictions of the clients for which it advises.

SVA PWM prefers investment guidelines and restrictions to be provided in writing.

As part of its internal policies and procedures, SVA PWM adopted a Trade Error Correction Policy to address a trade error that may occur in a client account. SVA PWM considers a trade error to be an unintentional mistake, such as purchasing instead of selling a security, purchasing (or selling) an incorrect amount of a security, or purchasing (or selling) a security contrary to an applicable client guideline. SVA PWM strives to correct all trade errors within a reasonable period of time following discovery of the error by reversing the original action that caused the error. SVA PWM shall not use commissions from other client accounts to correct trade errors.

It is SVA PWM's policy for clients to be made whole following a trade error. SVA PWM will pay as appropriate to make the client account whole, unless the executing broker's policy is to absorb de minimis (e.g., under \$100) losses. To the extent an executing broker independently determines to absorb a de minimis loss arising from a trade error caused by SVA PWM, the broker will not be compensated for the loss with brokerage business. If the trade error results in a gain, SVA PWM will strive to ensure proceeds of the error are donated to charity. These efforts could include: (1) requesting return of the gain from the executing broker and donating that gain to charity; or (2) obtaining assurances from the executing broker that the gain will be donated to charity.

Addressing trade errors presents a true conflict to all advisers, including SVA PWM, as advisers have a financial incentive to minimize a trade error resulting in a loss and to maximize a trade error resulting in a gain. To mitigate this conflict, SVA PWM maintains policies and

procedures designed to provide reasonable assurance trade errors are properly addressed. In addition, SVA PWM routinely monitors trade errors.

## ITEM 17 – Voting Client Securities

SVA PWM, as a matter of policy and practice, may have the authority to vote proxies on behalf of its advisory clients. The firm may offer assistance as to proxy matters upon a client's request. Currently, the firm does not vote proxies on behalf of retirement plans it may manage.

In instances where the client authorizes SVA PWM to vote its proxies, SVA PWM strives to vote all proxies in the best economic interests of its clients. The Policies and Procedures do not apply to those situations where the client has retained voting discretion. SVA PWM shall vote proxies for clients pursuant to the authority granted in the investment management agreement between SVA PWM and its client, or as granted by written direction from each client. SVA PWM's Proxy Review Committee is responsible for ensuring that proxies are voted in accordance with SVA PWM's policies.

In general, proxies will be voted in a manner designed to maximize the value of client investments. In evaluating a particular proxy proposal, SVA PWM takes into consideration, among other things, management's assertions regarding the proxy proposal, SVA PWM's determination of how the proxy proposal will impact its clients and SVA PWM's determination of whether the proxy proposal will create dilution for shareholders.

Generally, it is SVA PWM's policy to vote in support of management's recommendations on proxy issues related to business operations matters since management's ability is a key factor SVA PWM considers in selecting equity securities for client portfolios. SVA PWM believes a company's management should generally have the latitude to make decisions related to the company's business operations. However, when SVA PWM believes the company's management is acting in a manner inconsistent with its clients' best interests, SVA PWM will vote against management's recommendations.

SVA PWM has a duty to recognize a material conflict and to resolve the conflict before voting the proxy. For purposes of proxy voting, material conflicts of interest are defined as those conflicts that, in the opinion of the Proxy Review Committee, a reasonable investor would view as important in making a decision as to how to vote a proxy. Upon identification of a material conflict of interest relating to a specific proxy vote, the Proxy Review Committee will take one of any action deemed appropriate to ensure the proxy voting decision is based on the client's best interests and is not a result of the conflict, including:

1. Refer the proxy to a client or to a representative of the client for voting purposes;  
or
2. Disclose the conflict to the affected clients and seek their consent to vote the proxy prior to casting the vote.

The Proxy Review Committee has established base guidelines for voting proxies. The Proxy Review Committee reviews the firm's base guidelines on a periodic basis. From time to time, the portfolio manager or Wealth Consultant responsible to review a specific proxy proposal may

desire to vote contrary to the firm's base guidelines. Under such circumstances the portfolio manager or Wealth Consultant will consult with the Proxy Review Committee, who will review relevant information and determine whether to deviate from the applicable base proxy voting guideline.

Clients may obtain a copy of SVA PWM's complete proxy voting policies and procedures upon request. Clients may also obtain information from SVA PWM regarding how it voted proxies on behalf of their account(s) by calling (608) 824-8800.

#### **ITEM 18 – Financial Information**

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures. SVA PWM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## Exhibit A – Privacy Notice

### ***Our Promise to You***

As a client of SVAPF\*, you share both personal and financial information with us. Your privacy is important to us, and we are dedicated to safeguarding your personal and financial information.

### ***Information Provided by Clients***

In the normal course of doing business, we may obtain the following non-public personal information about our clients:

- Personal information regarding our clients' identity such as name, address and social security number;
- Information regarding securities transactions effected by us;
- Client financial information such as net-worth, assets, income, bank account information, personal income tax information, and account balances;
- Information we receive from custodians with respect to your account(s); and
- Information received from service bureaus or other third parties.

### ***How We Manage and Protect Your Personal Information***

We do not sell information about current or former clients to third parties, nor is it our practice to disclose such information to third parties unless requested or permitted to do so by a client or client representative or, if necessary, in order to process a transaction, service an account or as permitted by law. We may share information with outside companies that perform administrative services for us. However, our arrangements with these service providers require them to treat your information as confidential.

SVAPF may send clients marketing materials from any affiliate of SVAPF with your authorization. SVAPF believes that our ability to provide information about services offered by our affiliates enables us to more effectively serve our customers.

In order to protect your personal information, we maintain physical, electronic and procedural safeguards to protect your personal information. Our Privacy Policy restricts the use of client information and requires that it be held in strict confidence.

### ***Client Notifications***

We are required by law to annually provide a notice describing our privacy policy. In addition, we will inform you promptly if there are changes to our policy. Thank you for allowing us to serve you. We value your business and are committed to protecting your privacy. We hope you view our firm as your most trusted adviser, and we will work to continue earning your trust. Please do not hesitate to contact us with questions about this notice.

\* This privacy notice applies to the following affiliates of SVAPF: SVA PWM and Wisconsin Capital Management, LLC.