



## **Firm Brochure**

**Effective: March 29, 2013**

This Brochure provides information about the qualifications and business practices of Dynamic Wealth Advisors (“DWA”) and nature of advisory services that should be considered before becoming an advisory client of DWA.

DWA is an investment adviser registered with the U.S. Securities and Exchange Commission. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an Investment Adviser does not imply any specific level of skill or training. The oral and written communications of an investment adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about DWA and its investment advisor representatives (“Financial Advisors”) is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

If you have any questions about the contents of this Brochure, please contact us at:

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## Material Changes

DWA provides investment advisory services to independent fee based financial advisors and their clients. In accordance with rules and regulations promulgated by the Securities and Exchange Commission, we are required to distribute this brochure to you so you may have a better understanding of our business and qualifications. DWA believes communication and transparency are the foundation of our relationships and continually strives to provide you with complete and accurate information at all times. We encourage all current and prospective clients to read this Brochure and discuss any questions you may have with your DWA financial advisor. And of course, we always welcome your feedback.

DWA amends this Brochure at least annually to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. At any time, you may view the current Brochure on-line at the SEC's Investment Adviser Public Disclosure website at <http://adviserinfo.sec.gov>. Enter **151367** (*our firm's CRD number*) into the search field and ADV Part 1 will be displayed. On the left navigation, Form ADV Part 2 is located near the bottom. You may also request a copy of this Brochure at any time, by contacting us at the above address. Information about your Financial Advisor may be found in the supplement to this Brochure, ADV Part 2B for your Financial Advisor. Additional information about your Financial Advisor is also available via the SEC's website, at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The following material changes have been made to this brochure since its last update in March 2012.

Section "Placemark Investments Unified Managed Account Platform" on page 5 has been added to describe an agreement DWA entered into with Placemark Investments to offer investment models on Placemark's Unified Managed Account platform. DWA receives a portion of the advisory fees charged by Placemark Investments for offering DWA investment models on this platform.

Section "DWA Total Fiduciary Solutions" on page 6 has been added to describe a retirement plans program DWA offers to sponsors of qualified retirement plans. This program is available to both Financial Advisors and unaffiliated financial advisors. DWA receives fees for offering this program.

Section "Client Referrals and Other Compensation" on page 12 has been updated to describe Solicitors Agreements entered into with unaffiliated advisors and other professionals to provide Client referrals to DWA. DWA shares a portion of its Investment Advisory Fees with unaffiliated advisors and other professionals who refer Clients to DWA.

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## Advisory Services

DWA is an investment adviser registered with the U.S. Securities and Exchange Commission ("SEC"). DWA was founded in 2008 and is owned by its founder and Managing Member, James R. Cannon.

DWA offers investment advisory services to individuals, high net worth individuals, trusts, estates, charitable organizations, pension plans, profit sharing plans and businesses (each referred to as a "Client" or "You") through affiliated investment advisor representatives ("Financial Advisors"). DWA also provides services to other independent registered investment advisors, including an integrated technology platform to efficiently operate their advisory practices, a range of investment management solutions and related services, client account aggregation and consolidated reporting through an on-line portal, and the ability to service Clients utilizing various asset custodians.

**DWA Investment Management Accounts.** DWA, Clients and Financial Advisors enter into an Investment Management Agreement "IMA") to provide DWA and Financial Advisors with discretion to manage one or more Client accounts. Financial Advisors work with you to identify your investment goals and objectives as well as your risk tolerance and financial situation. Investment strategies consider your specific needs and are implemented using the investment options most appropriate for you. Your Financial Advisor may develop an asset allocation or a targeted investment strategy, as appropriate.

Financial Advisors construct your portfolios with various types of securities based your investment goals and risk tolerance. DWA may utilize individual equity and fixed income securities, mutual funds, exchange-traded funds ("ETFs"), and options as necessary to achieve your investment goals. Individual equity securities may include domestic and international securities covering all market capitalizations. Fixed income securities may include corporate debt securities, U.S. Government Securities, municipal securities, foreign debt and short-term instruments. Investments in tradable or non-tradable real estate investment trusts ("REITs"), limited partnerships and non-security investments may be recommended, as appropriate, for certain Client portfolios.

**Outside Accounts.** Financial Advisors may also manage and recommend allocations as well as provide consolidated reporting for Outside Accounts as such sub accounts of variable annuities, fixed annuities, 401ks, REITs and other similar accounts. Generally these accounts are not held by a custodian holding other accounts managed by DWA and Financial Advisors. Outside Accounts may be included in the accounts on the IMA and subject to an Investment Advisory Fee, if applicable (See Fees and Compensation).

**Sub-advisors.** Financial Advisors may utilize third party managers to sub-advise your accounts, if you need or are seeking a specific type of investment management or strategy. Sub-advisors provide investment allocation and securities selection and may execute securities transactions in your accounts pursuant to an agreement with DWA and your authorization. Financial Advisors advise you in establishing investment objectives, and work with the third party manager to ensure an investment strategy meets those objectives. You are provided with the third party manager's Form ADV 2 (or a brochure such as this).

**Third Party Account Managers.** Financial Advisors may recommend to you that all or a portion of your portfolio be implemented by utilizing one or more unaffiliated money managers. This involves entering into an Investment Management Agreement with DWA and Financial Advisor and a separate agreement with a third party manager. The Financial Advisor advises you in establishing investment objectives for the account, the selection of the third party manager, and defining any restrictions on the account. Financial Advisors continue to provide management oversight of your account and ongoing monitoring of the activities of the third party manager. You are provided with the third party manager's Form ADV Part 2 (or a brochure such as this one).

DWA's investment strategies are primarily long-term focused, but Financial Advisors may, in certain circumstances, buy, sell, re-allocate or rebalance positions that have been held less than one year to

meet the your objectives or due to market conditions. Prior to rendering investment advisory services, Financial Advisors ascertain your financial situation, risk tolerance, and investment objectives. Financial Advisors construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance that you agreed to. You have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to the acceptance by the Financial Advisor and DWA.

Financial Advisors may recommend, on occasion, redistributing investment allocations to diversify the portfolio. Financial Advisors may recommend specific positions to increase sector or asset class weightings. Financial Advisors may recommend employing cash positions as a possible hedge against market movement, which may adversely affect the portfolio. Financial Advisors may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the positions in the portfolio, change in your risk tolerance, generating cash to meet your needs, or any risk deemed unacceptable for your risk tolerance. You should immediately advise your DWA Financial Advisor if your investment objectives or risk tolerance changes, or other factors change that may affect the proper positioning of your portfolio.

As of March 28, 2013, total assets under management were \$292,882,295, with discretionary assets under management of \$276,016,600 and non-discretionary assets under management of \$16,865,695.

**Placemark Investments Unified Managed Account Platform.** DWA, through certain of its Financial Advisors, provides model portfolio services pursuant to a Model Portfolio Adviser Agreement with Placemark Investments, a registered investment advisor and sponsor of this Program. The services DWA provides include a select list of model strategies that closely follow the investment management strategies provided by such Financial Advisors in DWA Investment Management Accounts. Under the Program, DWA model strategies are offered by Placemark Investments through unaffiliated financial advisors. You may access the same or similar DWA model strategies, generally at a lower cost, in a DWA Investment Management Account by entering into an IMA with DWA and a Financial Advisor. Clients of Placemark Investments are provided with its Form ADV Part 2 (or a brochure such as this one).

**Financial Planning, Consulting and Non-discretionary Services.** Certain Financial Advisors provide a variety of planning services to individuals and families, pursuant to a written Financial Planning or Non-discretionary Advisory Agreement with DWA. Generally, such financial planning services involve preparing a financial plan or rendering a financial consultation for you based on your financial goals and objectives. This planning or consulting may encompass one or more areas of need, including, but not limited to investment planning, retirement planning, personal savings, education savings and other areas of your financial situation. A financial plan developed for you or financial consultation rendered to you usually includes general recommendations for a course of activity or specific actions to be taken by you. For example, recommendations may be made that you initiate or revise your investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs. Financial Advisors may also refer you to an accountant, attorney or other specialist, as appropriate for your unique situation. For certain financial planning engagements, Financial Advisors generally provide a written summary of your financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. You are not obligated to implement any recommendations made by the Financial Advisor and Financial Advisor is in no way responsible for assuring you do so.

**Employee Retirement Income Security Act (“ERISA”).** DWA may authorize certain of its Financial Advisors to provide fiduciary or non-fiduciary services to ERISA plans. ERISA plan documents typically designate one of more persons, such as the plan trustee, to undertake fiduciary responsibility for the operation of, and take actions on behalf of, the plan. Such persons are known as Responsible Plan Fiduciaries (“RPFs”). Financial Advisors may provide the following services to ERISA plans.

- Assessment and Selection of Investments
- Investment Policy Statement Development
- Non-ERISA Fiduciary Services
- Investment Policy Statement Review
- Performance Monitoring
- Employee Enrollment and/or assistance
- Employee Education
- Vendor Review and Conversion

**DWA Total Fiduciary Solutions.** DWA makes available a qualified retirement plan program to Financial Advisors and other third party advisors for sponsors of qualified retirement plans (“DWA Total Fiduciary Solutions”). DWA Total Fiduciary Solutions includes the coordination and management of the above ERISA plan services and consists of the following investment management options: an asset allocation service engineered by Dimensional Fund Advisors to emphasize desired outcomes of retirement plan participants; mutual fund allocation models; and self directed brokerage accounts. The investments are maintained in accounts held by unrelated custodians. DWA facilitates arrangements with third party record keepers and administrators of plan assets, professional fiduciaries and other retirement plan service providers. DWA and plan sponsor enter into an agreement for services which details the services, and obligations of DWA, Financial Advisor and plan sponsor.

**Wrap Fee Programs.** DWA does not place your assets into a wrap fee program.

## Fees and Compensation

The following paragraphs detail the fee structure and compensation methodology for investment management. You are required to sign an Investment Management Agreement (“IMA”) with DWA and Financial Advisor which details the fees.

**DWA Investment Management Account Fees.** Investment Advisory Fees are paid quarterly, in advance, pursuant to the terms of the IMA, unless otherwise agreed to in writing by DWA and yourself. Investment Advisory Fees are generally determined by Financial Advisors and are based upon the market value of all the assets subject to an IMA at the end of the preceding quarter.

Investment Advisory Fees range from 2.25% to 0.20% annually depending on the type and complexity of the investment management strategy employed as well as the size of your account(s). Generally, larger accounts, or accounts with less complexity may be offered a lower Investment Advisory Fee relative to fees generally assessed by a Financial Advisor. Certain accounts may be charged higher Investment Advisory Fees based on complex situations, including, but not limited to, accounts with multiple investment objectives, multiple underlying registrations, aggressive growth strategies and/or accounts which require active trading to achieve your objectives. Investment Advisory Fees may be negotiable at the discretion of Financial Advisors.

All securities held in accounts managed by DWA are independently valued by the Custodian or other third party pricing services. DWA does not have the authority or responsibility to value portfolio securities. Investment Advisory Fees are automatically deducted from your Account by the Custodian. You provide written authorization permitting DWA to be paid directly from accounts held by the Custodian as part of the IMA and separate account forms required by the Custodian. DWA sends an invoice to the Custodian indicating the amount of the fees to be deducted from your Account. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to your total account assets at the end of preceding quarter. Investment Advisory Fees in the initial quarter of service may be prorated to include the number of days in the previous quarter your account(s) was managed. You are provided with a quarterly fee statement, generated by DWA’s portfolio management system, showing the Investment Advisory Fees charged by account and the calculation used to derive such fees. You also receive, at least quarterly, a statement from the Custodian reflecting the deduction of the Investment Advisory Fee (please note: usually this is coded as a “management fee” by the custodian). It is your responsibility to verify the

accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility.

You may request to terminate your IMA with DWA, in whole or in part, by providing advance written notice. You shall be responsible for Investment Advisory Fees up to and including the effective date of termination. DWA will refund any unearned, prepaid fees based on the number of days remaining in the quarter from the day following the effective date of termination to the end of the quarter. Your IMA with DWA is non-transferable without your written approval.

**Fees for Outside Accounts.** Financial Advisors may also manage and recommend allocations as well as provide consolidated reporting for Outside Accounts as such sub accounts of variable annuities, fixed annuities, 401ks, REITs and other similar accounts generally not held by a custodian of other Client securities managed by DWA and Financial Advisors. If included as managed accounts on IMA, Outside Accounts are subject to an Investment Management Fee as described above. Investment Advisory Fees for Outside Accounts range from 2.25% to .20%, depending upon several factors, including the size of accounts managed and type of assets in the accounts.

**Fees for Sub-advisors.** The fees for sub-advisors are paid from Investment Advisory Fees DWA charges as outlined above. In certain instances, you may pay higher Investment Advisory Fees to DWA if a sub-advisor is used. Investment Advisory Fees may not exceed 2.25%.

**Clearing, Trading and Settlement Costs.** The costs of clearing, settlement and trading of DWA Investment Management Accounts are billed separately by the custodian holding your accounts (See Brokerage Practices).

**Fees for Third Party Account Managers.** If you are using a third party manager under separate agreement, you would pay DWA's Investment Advisory Fee plus the third party manager's fee. Both fees are deducted from your account, with DWA's Investment Advisory Fee paid as outlined above. The third party manager's fee is usually calculated in the same manner and charged quarterly. The amount of the third party manager's fee is disclosed in the separate agreement between you and the third party manager and in the third party manager's Form ADV 2 (or similar disclosure as this). Investment Advisory Fees plus the third party manager's fee may not exceed 2.25%.

If you are referred to a third party manager under a solicitor arrangement, your fee will be deducted from your account with the respective manager and a portion of such fee will be paid to DWA as a solicitor. Under a solicitor arrangement, the third party manager's fee is usually calculated in the same manner as described above and charged quarterly. The amount of the third party manager's fee under a solicitor's arrangement is disclosed in the separate agreement between you and the third party manager and in the third party manager's Form ADV 2 (or similar disclosure as this). You will also receive a solicitor's disclosure statement stating the amount of the third party manager's fees to be paid to DWA.

Trading, clearance and settlement costs are charged to Client accounts by custodians, in addition to the third party manager's fee.

In the event that you should wish to terminate your relationship with a third party manager, the provisions for termination are set forth in the respective agreements between you and those third parties. DWA and your Financial Advisor will assist you with the termination and transition as appropriate.

**Fees for Investment Strategy Models Provided to Placemark.** We receive a portion of the fees Placemark Investments charges its clients for model strategy services we provide.

**Financial Planning, Consulting and Non-discretionary Advisory Services Fees.** DWA offers financial planning or non-discretionary advisory services on a fixed rate or hourly basis. The hourly rate generally ranges from \$150 to \$500 per hour and fixed fees may range from \$1,000 to \$20,000 per project, depending on the nature and complexity of the services involved. Fixed fee engagements are based on the estimated hours to complete the deliverable for the engagement. You may also be charged for any

out of pocket expenses, such as, postage, copying, etc. Fixed fees are due upon receipt, unless you and your Financial Advisor agree to quarterly payments. If you are billed on a quarterly basis and/or upon completion of work performed, you may be required to provide an advance payment of up to 50% of the expected cost of the financial plan. These fees may be negotiated by the Financial Advisor at his or her sole discretion.

Whether you implement any investment recommendations resulting from the financial planning services provided by your Financial Advisor is entirely your decision. If you implement recommendations, you may do so through the financial professional of your choice. If you implement recommendations through your Financial Advisor, DWA and your Financial Advisor will receive compensation for the services provided in conjunction with that implementation. Certain Financial Advisors are also licensed to sell insurance products and may be compensated with commissions for recommending insurance solutions to you as part of their financial plan.

You may terminate a planning or non-discretionary agreement at anytime by providing written notice to DWA. In the event you wish to cancel the agreement under which any plan or service is being provided, you shall be billed for actual hours worked times the agreed upon hourly rate. Any surplus in the DWA's possession as the result of collecting a deposit at the time of signing the agreement will be returned to you.

**ERISA Fees.** Fees charged for ERISA fiduciary or non-fiduciary services are agreed upon between the plan sponsor, DWA and Financial Advisor. Fees may be based on a percentage of plan assets per year, hourly charges, or a fixed fee. All fees are detailed in an Investment Management Adoption Agreement ("IMAA") between the plan fiduciaries, Financial Advisor and DWA.

**DWA Total Fiduciary Solutions Fees.** DWA's Fees for Total Fiduciary Solutions range from .10% to 1.20% of the plan assets, depending upon the total plan assets. All DWA's fees are detailed in the IMAA. All plan fees are detailed in a separate disclosure provided to plan sponsors.

**Other Fees and Expenses.** You may incur certain fees or charges imposed by third parties, other than DWA, in connection with investments made on behalf of your account. You are responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The Investment Advisory Fee charged by DWA is separate and distinct from these custodian and execution fees. In addition, all fees paid to DWA are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. You may be able to invest in some of these products directly, without the services of DWA, but would not receive the services provided by DWA which are designed, among other things, to assist you in determining which products or services are most appropriate to your risk tolerance, financial condition and objectives.

**Compensation for Sales of Securities.** DWA does not receive any compensation for securities transactions in your account, other than the Investment Advisory Fees noted above.

## Performance-Based Fees

DWA does not charge performance-based fees for its investment advisory services. The fees charged by DWA are as described above and are not based upon the capital appreciation of the funds or securities you hold.

DWA does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund).

## Types of Clients

DWA, through Financial Advisors, offers investment advisory services to individuals, high net worth individuals, trusts, estates, charitable organizations, pension plans, profit sharing plans, businesses and other investment advisors who sponsor investment management programs. DWA generally does not impose a minimum account size for establishing a relationship. Certain Financial Advisors may require minimum total client assets.

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

**Methods of Analysis.** DWA and its Financial Advisors primarily employ fundamental analysis methods in developing investment strategies for you. Research and analysis is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others. DWA generally employs a long-term investment strategy for you, as consistent with your financial goals. DWA will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting your cash needs. At times, DWA may also buy and sell positions that are more short-term in nature, depending on your goals and/or the fundamentals of the security, sector or asset class.

**Risk of Loss.** Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. You should be prepared to bear the potential risk of loss. Financial Advisors assist you in determining an appropriate strategy based on your tolerance for risk and other factors noted above. However, there is no guarantee you will meet your investment goals. Your engagement will entail a review of your investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing your account. Your participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of your account. Your Financial Advisor and DWA shall rely on the financial and other information provided by you or your designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is your responsibility to inform your Financial Advisor or DWA of any changes in financial condition, goals or other factors that may affect this analysis. The Financial Advisor will work with you to determine your tolerance for risk as part of the asset allocation and portfolio construction process. Your Financial Advisor may recommend Options, Margin and Short-sale transactions in your portfolios. Following are some of the risks associated with Options, Margin and Short-Sale transactions.

**Options Contracts.** Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

**Margin Borrowings.** The use of short-term margin borrowings may result in certain additional risks to you. For example, if securities pledged to brokers to secure your margin accounts decline in value, you could be subject to a "margin call", pursuant to which you must either deposit additional funds with the broker or be the subject of mandatory liquidation of the pledged securities to compensate for the decline in value.

**Short Sales.** A short sale involves the sale of a security that you do not own in the hope of purchasing the same security at a later date at a lower price. To make delivery to the buyer, you must borrow the security and are obligated to return the security to the lender, which is accomplished by a later purchase of the security. You realize a profit or a loss as a result of a short sale if the price of the security decreases or increases respectively between the date of the short sale and the date on which you recover its short position, (i.e., purchases the security to replace the borrowed security). A short sale involves the theoretically unlimited risk of an increase in the market price of the security that would result in a theoretically unlimited loss.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that you should understand and be willing to bear. You are reminded to discuss these risks with your Financial Advisor.**

## Disciplinary Information

There are no legal, regulatory or disciplinary events involving DWA or any of its Financial Advisors. DWA and its Financial Advisors value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with which you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at <http://adviserinfo.sec.gov>. To review the firm information contained in ADV Part 1, select the option for Investment Adviser Firm and enter **151367** in the field labeled "Firm IARD/CRD Number:". This will provide access to Form ADV Parts 1 and 2. Item 11 of the ADV Part 1 lists legal and disciplinary questions. DWA Financial Advisors are required to provide you with a current copy of their ADV Part 2B Disclosure which provides information about their background and disciplinary history, if any. Please contact your Financial Advisor or DWA if you would like a copy of this document.

## Other Financial Activities and Affiliations

Financial Advisors of DWA may offer services other than investment advice. In addition to providing advisory and related services you, DWA provides unaffiliated registered investment advisors with practice support, including technology platforms, back office support and other business services. These services represent approximately 20% of the business time of DWA. Financial Advisors may be engaged in professions other than providing financial planning and investment advice for which they receive additional compensation. They may be licensed to sell insurance products through various insurance companies that are unaffiliated with us. Certain Financial Advisors may be associated with a commodities and futures Introducing Broker that is unaffiliated with us. As a DWA Client, you are under no obligation to utilize the services of your Financial Advisor in the purchase or sales of other products including securities, insurance, commodities or futures products. Any such transactions you may effect through a Financial Advisor may result in the receipt of commissions and other compensation in addition to any Investment Advisory Fees as discussed above.

The above described arrangements may present a conflict of interest because they could create an incentive for Financial Advisors to make recommendations based upon the amount of compensation received rather than based upon your needs. DWA and its Financial Advisors are committed to acting in your best interests at all times. Financial Advisors will explain to you the specific costs associated with any investments recommended and you have no obligation to purchase investments or insurance products or to implement any financial plan recommendations through a Financial Advisor.

Financial Advisors are required to provide their ADV Part 2B Disclosures to you. These disclosures provide information about the Financial Advisors' other businesses, financial activities and affiliations as well as background and disciplinary history. You may request a copy of your Financial Advisor's disclosure by contacting your Financial Advisor or DWA.

## Code of Ethics, Participation in Client Transactions and Personal Trading

**Code of Ethics.** DWA has implemented a Code of Ethics to define our fiduciary commitment to you. This Code of Ethics applies to all persons associated with DWA. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. DWA and its personnel owe a duty of loyalty, fairness and good faith to you. It is the obligation of DWA associates to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that may include; general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public

offerings and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV and supervisory procedures. DWA has established its Code of Ethics to meet and exceed regulatory standards. To request a copy of our Code of Ethics, please contact us.

**Personal Trading and Conflicts of Interest.** DWA allows Financial Advisors and our personnel to purchase or sell the same securities that may be recommended to and purchased on your behalf. Owning the same securities we recommend to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. We have also adopted written policies and procedures to detect the misuse of material, non-public information. We may have an interest or position in certain securities, which may also be recommended to you. At no time, will DWA or any associated person of DWA, transact in any security to your detriment.

## Brokerage Practices

**Recommendation of Custodians.** DWA and its Financial Advisors generally recommend you use either Fidelity Brokerage Services, LLC ("Fidelity"), Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab"), or T.D. Ameritrade, Inc. ("TD Ameritrade") ("custodians") as custodians for your accounts. DWA does not have discretionary authority to select the broker-dealer/custodian for custodial and execution services or to select the administrator for defined contribution accounts. You, in consultation with your Financial Advisor, determine the broker-dealer or custodian to safeguard your assets and authorize DWA to direct trades to this custodian as agreed in the Investment Management Agreement and custodian documents. Further, DWA does not have the discretionary authority to negotiate commissions on your behalf on a trade-by-trade basis. You are not obligated to use the recommended custodian and will not incur any extra fee or cost from DWA by using a custodian not recommended by DWA. DWA may recommend a custodian based on criteria such as, but not limited to, reasonableness of commissions charged to you, services made available to you and Financial Advisors, and location of the custodian's offices. DWA does not receive research services, other products, or compensation as a result of recommending a particular broker that may result in you paying higher commissions than those obtainable through other brokers. Following are additional details regarding the brokerage practices of DWA:

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. DWA does not participate in soft dollar programs sponsored or offered by any broker-dealer.

**2. Brokerage Referrals** - DWA does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.

**3. Directed Brokerage** - You are serviced on a "directed brokerage basis", where DWA will place trades within the established account at the custodian designated by you. Further, your accounts are traded within their respective brokerage account. DWA will not engage in any principal transactions (i.e., trade of any security from or to DWA's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account). In selecting the custodian, DWA will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the designated custodian.

**Aggregating and Allocating Trades.** The primary objective in placing orders for the purchase and sale of securities for your accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. DWA executes its transactions through unaffiliated custodians. DWA may, but is not required to aggregate orders in a block trade or trades when securities are purchased or sold through the same

custodian for multiple discretionary accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts.

## Review of Accounts

Accounts are monitored on a regular and continuous basis by Financial Advisors. Formal reviews are generally conducted by Financial Advisors at least annually or more or less frequently depending on your needs. Portfolios may be reviewed as a result of major changes in economic conditions, known changes in your financial situation, and/or large deposits or withdrawals in your account. You are encouraged to notify your Financial Advisor if changes occur in your personal financial situation that might adversely affect your investment plan. Additional reviews may be triggered by material market, economic or political events.

**Reports.** You should receive brokerage statements no less than quarterly from the trustee or custodian of your account. These brokerage statements are sent directly from the custodian to you either electronically or by physical mail, at your election. You may also establish electronic access to the custodian's website so that you may view these reports and your account activity. Your brokerage statements will include all positions, transactions and fees relating to your account. DWA also provides you with periodic reports regarding your holdings, allocations, and performance via an on-line portal which you access with a unique id and password. You may request that your Financial Advisor provide physical copies of these DWA reports to you. You are encouraged to compare any reports from DWA or your Financial Advisor with statements from custodians.

## Client Referrals and Other Compensation

**Compensation Received by DWA.** DWA does not receive securities commissions or other compensation from product sponsors, or broker dealers.

In addition to Investment Advisory Fees, DWA Financial Advisors licensed as insurance professionals may receive commissions on implementation of insurance recommendations and may receive compensation in the form of solicitation fees if they refer you to a third party manager with which DWA has a solicitor's arrangement (see Third Party Account Managers).

**Client Referrals from Solicitors.** DWA may enter into Solicitors Agreements with certain unaffiliated investment advisors and other professionals ("Solicitors") to compensate them for referring Clients to DWA. As disclosed in a Solicitors Agreement between such Solicitors and DWA, DWA may pay a portion of the Investment Advisory Fee to a Solicitor who refers a Client to DWA. Any such referral fee is paid solely from DWA's Investment Advisory Fee, and does not result in any additional charge to the Client. The Solicitor is also required to provide the Client with a copy of this disclosure brochure which meets the requirements of Rule 204-3 of the Investment Advisers Act of 1940 and a copy of the Solicitor's Disclosure Brochure containing the terms and conditions of the solicitation arrangement including compensation.

You should review your DWA Financial Advisor's Form ADV, Part 2B brochure for more information about his or her specific compensation from other products.

## Custody

DWA does not accept or maintain custody of your accounts. You must place your assets with a qualified custodian. You select your own custodian, in consultation with your Financial Advisor, to hold your funds and securities and direct DWA to utilize that custodian for your securities transactions. You should receive statements from your custodian at least quarterly. We urge you to review these statements and

ensure the transactions are consistent with your objectives. For more information about custodians and brokerage practices, see Brokerage Practices.

## **Investment Discretion**

DWA generally has discretion over the selection and amount of securities to be bought or sold in your accounts without obtaining prior consent or approval from you. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by you and agreed to by DWA. Discretionary authority will only be authorized upon full disclosure to you. The granting of such authority will be evidenced by your execution of an Investment Management Agreement containing all applicable limitations to such authority and necessary custodian agreements and required custodian forms. All discretionary trades made by DWA will be in accordance with your investment objectives and goals.

## **Voting Client Securities**

DWA does not accept proxy-voting responsibility for you. Clients may contact DWA or their Financial Advisor to obtain information or to inquire about proxy voting. Clients should receive their proxies or other solicitations directly from their custodian(s) or transfer agent(s).

## **Financial Information**

Neither DWA nor its management has any adverse financial situations that would reasonably impair our ability to meet all our obligations to you. DWA has not been subject to a bankruptcy or financial compromise.