

FORM ADV Uniform Application for Investment Adviser Registration
Part 2A: Investment Adviser Brochure and Brochure Supplements
Item 1: Cover Page



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This brochure provides information about the qualifications and business practices of New Wealth Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 978-687-5869. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about New Wealth Advisors, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

The purpose of this Item 2 is to disclose material changes that have been made to this Brochure since the last annual update of this Brochure.

No material changes have been made to this Brochure since its last annual update. The last annual update of this Brochure was dated September 2013.

Item 3: Table of Contents

Topic	Page #
Item 1: Cover Page	1
Item 2: Material Changes 2	2
Item 3: Table of Contents (this page)	2
Item 4: Advisory Business	2
Item 5: Fees & Compensation.....	6
Item 6: Performance-Based Fees and Side by Side Management.....	8
Item 7: Types of Clients.....	8
Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss	8
Item 9: Disciplinary Information	10
Item 10: Other Financial Industry Activities and Affiliations	10
Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading.....	11
Item 12: Brokerage Practices	12
Item 13: Review of Accounts	13
Item 14: Client Referrals and Other Compensation	13
Item 15: Custody	14
Item 16: Investment Discretion	14
Item 17: Voting Client Securities.....	14
Item 18: Financial Information	15
Item 19: Miscellaneous.....	15

Item 4: Advisory Business

Since March 2, 2004, New Wealth Advisors, LLC (“New Wealth”) has been in business as a New England-based registered investment adviser. Through its three primary practice areas, the firm offers both individuals and businesses advice and service through financial planning and consultative services, retirement plan advisory services, and investment management services.

The accounting firm of Moody, Famiglietti & Andronico, LLP is the principal owner of New Wealth. As of June 30, 2014, New Wealth manages \$323,746,309 in assets under management, of which \$58,178,932 is managed on a discretionary basis and \$265,567,377 is managed on a non-discretionary basis. New Wealth also advises on \$41,971,648 in pension plan assets.

This disclosure brochure describes the business of New Wealth. Certain sections will also describe the activities of its Supervised Persons. Supervised Persons are any of New Wealth’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other

person who provides investment advice on New Wealth's behalf and who remain subject to New Wealth's supervision or control.

Retirement Plan Advisory Services/Pension & Profit Sharing Plan Consulting

New Wealth's Retirement Plan Advisory Practice is based on specialized engagements negotiated with plan sponsors based upon their specific needs. New Wealth consults on the administration and participation of qualifying and non-qualifying plans, addressing the following areas:

Plan Investment Advisory Services: New Wealth's investment consultants support ERISA administrative committees by confirming and monitoring ERISA fiduciary compliance based on the committees' Investment Policy Statement, non-discretionary investment manager evaluations, and providing monitoring and reporting on plan and manager performances.

Provider Search: New Wealth provides comprehensive and objective management of the search process; including administration needs assessment, provider review and service contract negotiations, selection and conversion.

Plan Design & Compliance: New Wealth consults and guides sponsors through the complex plan design and related regulatory environment.

Educational Seminars & Workshops: New Wealth organizes workshops for participants and offers educational sessions, which are designed to help employees understand and weigh the financial implications of certain actions and the additional costs of inaction.

Employee Communications: Working with plan sponsors, New Wealth produces communication strategies and materials that reinforce the value of the company's benefits program and seek to enable employees to make decisions with confidence.

In addition to the services described above, New Wealth's Retirement Plan Advisory Practice offers retirement plan vendor requests for proposals, fiduciary governance analysis, retirement plan compliance reviews, investment selection analysis, and fee benchmarking services.

Investment Management Services

Clients can engage New Wealth to manage all or a portion of their assets on a discretionary or non-discretionary basis. New Wealth provides these investment management services for equity, fixed income, cash management and blended portfolios.

In providing investment management services, New Wealth may:

- a) manage client assets directly, allocating a client's investment management assets among various investment vehicles, including but not limited to mutual funds, ETFs (exchange-traded funds), model portfolios, and individual debt and equity securities;
- b) allocate a client's investment management assets among Separate Account Managers through Schwab Sponsored Programs, in accordance with the investment objectives of the client;
- c) allocate a client's investment management assets among Separate Account Managers through Other Third-Party Programs, in accordance with the investment objectives of the client;
- d) recommend that clients enter into an agreement with a Separate Account Manager for management of all, or a portion of, the client's investment management assets; this recommendation is made in accordance with the investment objectives of the client;

- e) recommend that clients who are “accredited investors” as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, which may include debt, equity, and/or pooled investment vehicles when consistent with the clients’ investment objectives; and/or
- f) provide investment advice about any legacy securities and other types of investment otherwise held in a client’s account.

New Wealth also may render non-discretionary investment management services to clients relative to their individual employer-sponsored retirement plans or other products that may not be held by the client’s primary custodian. In so doing, New Wealth recommends the allocation of client assets among the various investment options that are available. Client assets are maintained at the specific insurance company or designated custodian.

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

Clients may impose reasonable restrictions or mandates on the management of their assets (e.g., require that a portion of their assets are invested exclusively in socially responsible funds) if, in the sole discretion of New Wealth, these conditions will not adversely impact the administration of its management services. Clients are advised to promptly notify New Wealth if there are changes in their financial situation or investment objectives, or if they wish to impose any reasonable restrictions upon New Wealth’s management services.

Financial Planning and Consulting Services

New Wealth may provide its clients with a broad range of financial planning and consulting services (which may include tax-related and other non-investment related matters). These services may include:

- Financial life planning;
- Investments review;
- Cash flow planning;
- Tax planning;
- Risk management and insurance consulting;
- Retirement planning;
- Inheritance, estate and gift planning;
- Education planning; and
- Charitable giving.

New Wealth may recommend the services of itself, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if New Wealth recommends its own services or those of an affiliate. The client is under no obligation to act upon any of the recommendations made by New Wealth under a financial planning or consulting engagement or to engage the services of any such recommended professional, including New Wealth itself and any of its affiliates. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of New Wealth’s recommendations. Clients are advised of their responsibility to promptly notify New Wealth of changes in their financial situation or investment objectives.

Use of Separate Account Managers (SAMs)

As mentioned above, New Wealth recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain separate account managers (“SAMs”), based upon the stated investment objectives of the client.

Clients may engage SAMs:

1. through Schwab Sponsored Programs (described above as option b);
2. through Other Third Party Programs (described above as option c); or
3. directly via a written agreement with the SAM (described above as option d).

Schwab Sponsored Programs

Clients who participate in a Schwab Sponsored Program may have their assets managed by one or more SAMs and will pay one bundled “program fee”, charged by the program sponsor, which covers program sponsor fees as well as SAM fees. This program fee is further described in Item 5 below and in the Schwab Sponsored Program brochure delivered to clients participating in such a program.

The Schwab Sponsored Programs currently offered by New Wealth include Schwab’s Managed Account Select program and Schwab’s Managed Account Access program.

Other Third Party Programs

Similar to Schwab Sponsored Program, clients who participate in Other Third Party Programs may have their assets managed by one or more SAMs; however, program sponsor fees and SAM fees are not bundled into one program fee; they are charged separately. Clients participating in these programs may also incur other charges, including transaction, execution, and custodian fees.

The separate account program currently offered by New Wealth is Schwab’s Managed Account Marketplace.

Direct Agreement with SAMs

Clients who enter into a direct agreement with one or more SAMs will have their assets managed directly by the SAM(s), independent of a structured program. The terms and conditions of this relationship, including the assessment of the SAM’s fees and any other fees to be charged to the client in the servicing of the account, are set forth in the separate written agreement between the client and the designated SAM.

The SAMs with whom clients may contract directly are Breckinridge Capital Advisors and Gannet, Welsh & Kotler Investment Management.

New Wealth renders services to the client relative to the discretionary and/or non-discretionary selection or recommendation of SAMs. New Wealth also monitors and reviews the account performance and the client’s investment objectives. New Wealth receives an annual advisory fee, billed monthly, which is based upon a fixed fee, an hourly fee, or percentage of the market value of the assets being managed by the designated SAM. The investment management fees charged by the SAMs, as well as any fees charged by the program sponsor, are exclusive of, and in addition to, New Wealth’s investment advisory fee.

When recommending or selecting an SAM for a client, New Wealth reviews information about the SAM, such as its Form ADV Part 2 and/or material supplied by the SAM or independent third parties for a description of the SAM's investment strategies, past performance and risk results to the extent available. New Wealth also distributes, collects, and reviews a comprehensive due diligence questionnaire to each of the SAMs with whom a client may contract directly. Factors that New Wealth considers in recommending a SAM include the client's stated investment objectives, and the SAM's management style, performance, reputation, financial strength, reporting, pricing, and research.

In addition to New Wealth's written disclosure brochure, the client also receives the written disclosure brochure of the designated SAM(s), and, if applicable, the Schwab Sponsored Program brochure for the program in which the client is participating. Certain SAMs may impose minimum account requirements and varying billing practices that differ from those of New Wealth.

Additions and Withdrawals to Accounts

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

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

Item 5: Fees and Compensation

New Wealth offers its services on a fee basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management.

Financial Planning and Consulting Fees

New Wealth charges a fixed fee and/or hourly fee for financial planning and consulting services. These fees are negotiable, but generally range from \$2,500 to \$50,000 on a fixed fee basis and/or from \$200 to \$410 on an hourly basis, depending upon the level and scope of the services and the professional engaged to render the services. If the client engages New Wealth for additional investment advisory services, New Wealth may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Retirement Plan Advisory Services/Pension & Profit Sharing Plan Consulting

New Wealth charges hourly, fixed fee and/or basis point fees for its Retirement Plan Advisory consulting services. These fees are negotiable, but generally range from \$2,500 to \$80,000 on a fixed fee basis and/or \$130 to \$325 on an hourly basis, depending upon the level and scope of the services and the professional engaged to render the services.

Investment Management Fee

New Wealth provides the investment management services described above for an annual fee, charged in arrears, based upon a percentage of the market value of the assets in the client's account. In some cases, a minimum fee for investment management services may be negotiated and agreed upon in writing. Each

month, clients with an agreed upon minimum will be charged the greater of (1) the monthly allocation of the annual minimum fee or (2) the monthly allocation of the annual fee calculated based upon the value of the assets under management on the last day of the previous month. As discussed above, New Wealth's annual fee is exclusive of, and in addition to, SAM fees, as well as any program sponsor fees, brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client.

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

For investment management services through which a SAM is engaged, New Wealth's Investment Management Agreement requires the client to authorize the deduction of New Wealth's investment management fee directly from the client account. For investment management services through which New Wealth is managing client assets directly (without the use of a SAM), clients may elect to have New Wealth send an invoice for payment.

The annual investment management fee varies (between 0.525% and 1.50%) depending upon the market value of the assets under management and the type of investment management to be rendered.

Fees Charged for Access to Separate Account Managers (SAMs)

Schwab Sponsored Programs

In addition to the Investment Management fee charged by New Wealth, clients who participate in Schwab Sponsored Programs will also incur a program fee. This program fee covers services provided by the program sponsor, including custody, execution of client transactions, and program administration, as well as the asset management fees for services provided by the SAM(s) to manage the client's assets. Clients participating in such a program are required to authorize automatic deduction of the program fee directly from the client account, a portion of which is then directly remitted to the SAM(s) for management of the account.

Other Third Party Programs

In addition to the Investment Management fee charged by New Wealth, clients who participate in separate account programs will also incur fees charged by the program sponsor and by the SAM(s) managing the client's assets. Clients may also incur other charges, including transaction, execution, and custodian fees. Clients participating in such a program are required to authorize automatic deduction of these fees directly from the client account.

Direct Agreement with SAMs

In addition to the Investment Management fee charged by New Wealth, clients who contract directly with one or more SAMs will incur asset management fees charged by the SAM(s), and may also incur custodial, transaction, and other fees charged for the servicing of the account. The method of payment for asset management fees charged by the SAM(s) is set forth in the written agreement between the SAM and the client.

All client assets are held by a Qualified Custodian, who sends a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to New Wealth, as well as applicable program fees, SAM fees, and/or other fees charged directly to the client's account.

Custodial and Other Fees

As further discussed in Item 12 below, New Wealth generally recommends that Charles Schwab & Co., Inc. ("Schwab") serve as Qualified Custodian for client accounts. Schwab also provides brokerage and clearing services for investment management accounts. Clients who use a custodian other than Charles Schwab may incur additional fees in order for NWA to be able to prepare quarterly reports requiring the aggregation of asset details from other custodians.

Clients who receive investment management services other than through a Schwab Sponsored Program may incur custodial charges imposed by the Qualified Custodian and/or charges imposed directly by a mutual fund or ETF in the account, (which shall be disclosed in the fund's prospectus and may include fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Investment Management Agreement & Fees for Management during Partial Months of Service

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

For the initial period of investment management services, the fees are calculated on a pro rata basis. The Agreement between New Wealth and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. New Wealth's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Item 6: Performance-Based Fees and Side by Side Management

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

Item 7: Types of Clients

New Wealth provides its services to individuals, families, trusts, estates, nonprofit organizations, and pension and profit sharing plans (for corporations and other business entities).

Minimums Imposed By Separate Account Managers (SAMs)

New Wealth does not impose a minimum portfolio size or minimum annual fee. Certain SAMs may, however, impose more restrictive account requirements and varying billing practices than New Wealth. In such instances, New Wealth may alter its corresponding account requirements and/or billing practices to accommodate those of the SAMs.

Primary Methods of Analysis

New Wealth's investment plans contain assets in classes that it believes, based upon historical data, have attractive combinations of return, risk and correlation. These investment plans are crafted using a combination of fundamental and technical research methods derived from a variety of commercially available investment information and evaluation services.

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

Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that New Wealth will be able to accurately predict such a reoccurrence.

Investment Strategy

New Wealth utilizes a rigorous client interview process to determine an appropriate investment asset allocation mix to target stated return goals and risk tolerance. Among the factors New Wealth considers when determining an appropriate strategy include account size, investment styles, strategies, portfolio diversification, risks levels and turnovers. Investment policy and overall portfolio weightings as between equities and fixed income investments are formulated based upon each client's objectives, risk tolerance, and time horizon. New Wealth places a strong emphasis on optimizing performance at the portfolio level, while attempting to control risk through diversification and asset allocation.

New Wealth utilizes both in-house portfolio managers and external SAMs to effectuate its investment plans. New Wealth targets those SAMs who specialize in the specific investment types that it has recommended to its clients. New Wealth's portfolios are primarily designed as strategic, long-term allocations; however, New Wealth may rebalance its clients' portfolios to maintain desired allocations, make short-term adjustments to respond to market conditions, or revise the allocation to reflect changes in circumstances or goals. When necessary, New Wealth may suggest certain alternative investments, which include hedge funds or other private equity, real estate and venture capital offerings. New Wealth continues to monitor investor correspondence and advise clients as to tax, liquidity and other financial considerations pertaining to these complex investments.

Mutual Funds and Exchange-Traded Funds (ETFs)

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss. As such, a mutual fund investor may incur substantial tax liabilities even when the fund underperforms.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per-share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Market Risks

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

Use of Separate Account Managers (SAMs)

New Wealth may recommend the use of SAMs for certain clients. New Wealth reviews such managers, but such recommendations rely, to a great extent, on the SAM's ability to successfully implement their investment strategy. New Wealth also distributes, collects, and reviews a comprehensive due diligence questionnaire to each of the SAMs with whom a client may contract directly

Use of Private Collective Investment Vehicles

New Wealth may recommend the investment by certain clients in privately placed collective investment vehicles (some of which may be typically called "hedge funds"). The managers of these vehicles will have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. The hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. There are numerous other risks in investing in these securities. The client will receive a private placement memorandum and/or other documents explaining such risks.

Risk of Loss

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

Item 9: Disciplinary Information

New Wealth is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of New Wealth's advisory business or the integrity of management. New Wealth has no disclosures pursuant to this item.

Item 10: Other Financial Industry Activities and Affiliations

New Wealth is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons.

Related Certified Public Accountants

New Wealth is majority owned by Moody, Famiglietti & Andronico, LLP ("MFA"), a Certified Public Accounting Firm. Any accounting services rendered by MFA are independent of New Wealth pursuant to a separate agreement between the client and MFA.

Certain individuals affiliated with both MFA and New Wealth are entitled to receive distributions / dividends relative to their respective ownership interests in MFA.

Related Insurance Services

New Wealth is sole owner of New Wealth Insurance Advisors, LLC. ("New Wealth Insurance"), a licensed insurance agency. Certain investment adviser representatives of New Wealth are also licensed insurance agents with New Wealth Insurance and various insurance companies. While New Wealth does not sell such insurance products to its investment advisory clients, New Wealth does permit these persons, in their capacity as insurance agents, to sell insurance products to such clients and to receive insurance commissions or other compensation on the sale of such products. A conflict of interest exists to the extent that New Wealth's advisory representatives may recommend insurance services to a New Wealth client and subsequently provide such insurance services on a commission basis to that client through New Wealth Insurance. All investment adviser representatives of New Wealth have a fiduciary obligation to act in the best interest of New Wealth's clients.

Other Related Parties

New Wealth is under common control with Strategic Talent, LLC. ("Strategic Talent"), a staffing company owned indirectly by members of New Wealth. Any services rendered by Strategic Talent are independent of New Wealth pursuant to a separate agreement between the client and Strategic Talent.

New Wealth is under common control with MFA Cornerstone Consulting, LLC. ("MFA Cornerstone"), a consulting company owned indirectly by members of New Wealth. Any services rendered by MFA Cornerstone are independent of New Wealth pursuant to a separate agreement between the client and MFA Cornerstone.

The investment adviser representatives of New Wealth may, if in the client's best interest, recommend the services of one of New Wealth's affiliates to a client. Other than as described above, these investment adviser representatives receive no compensation for making such recommendations. Clients are under no obligation to act upon any of the recommendations made by New Wealth or to engage the services of any affiliate of New Wealth.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

New Wealth and persons associated with New Wealth ("Associated Persons") are permitted to buy or sell securities that New Wealth also recommends to clients consistent with New Wealth's policies and procedures. New Wealth has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics").

In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), New Wealth's

Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by New Wealth or any of its associated persons. The Code of Ethics also requires that certain of New Wealth's personnel (called "Access Persons") report their personal securities holdings and transactions to the Chief Compliance Officer and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

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

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

Item 12: Brokerage Practices

New Wealth may only implement its investment management recommendations after the client has arranged for and furnished New Wealth with all information and authorizations regarding accounts with the custodians. Custodians include, but are not limited to, Schwab, any other broker-dealer recommended by New Wealth, or a broker-dealer directed by the client, trust companies, banks, etc.

As discussed above in Item 5, New Wealth generally recommends that clients utilize the custodial, brokerage and clearing services of Schwab. Factors which New Wealth considers in recommending Schwab or any other broker-dealer for execution services include their respective financial strength, reputation, execution, pricing, research and service. Schwab enables New Wealth to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Schwab may be higher or lower than those charged by other brokerage firms.

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

New Wealth periodically and systematically reviews its policies and procedures regarding its brokerage firm recommendation in light of its duty to obtain best execution. The client may direct New Wealth to use a particular brokerage firm to execute some or all transactions for the client. In that case, the client will negotiate the terms and arrangements for the account with that brokerage firm and New Wealth will not

seek better execution services or prices from other brokerage firms. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, New Wealth may decline a client's request to direct brokerage if, in New Wealth's sole discretion, such directed brokerage arrangements would result in additional operational difficulties. New Wealth does not aggregate client and/or firm transactions.

Software and Support Provided by Financial Institutions

New Wealth may receive from Schwab, without cost to New Wealth, computer software and related systems support, which allow New Wealth to better monitor client accounts maintained at Schwab. New Wealth may receive the software and related support without cost because New Wealth maintains client assets at Schwab. The software and related systems support may benefit New Wealth, but not its clients directly. In fulfilling its duties to its clients, New Wealth endeavors at all times to put the interests of its clients first. Clients should be aware; however, that New Wealth's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence New Wealth's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services. Additionally, New Wealth may receive the following benefits from Schwab through its Schwab Institutional division: receipt of duplicate client confirmations and bundled duplicate statements, and access to a trading desk that exclusively services the Schwab Institutional participants.

Item 13: Review of Accounts

For those clients to whom New Wealth provides investment management services, New Wealth monitors client portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom New Wealth provides financial planning and/or consulting services, reviews are conducted on an "as needed" basis. Such reviews are conducted by one of New Wealth's investment adviser representatives.

All investment advisory clients are encouraged to discuss their needs, goals, and objectives with New Wealth and to keep New Wealth informed of any changes thereto. New Wealth contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact of any changes in the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the Qualified Custodian for the client accounts. Those clients to whom New Wealth provides investment advisory services will also receive a report from New Wealth that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on a quarterly basis. Clients should compare the account statements they receive from their custodian with those they receive from New Wealth.

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

Item 14: Client Referrals and Other Compensation

New Wealth may compensate related parties for client referrals, as discussed below. While investment adviser representatives of New Wealth may, if in the client's best interest, recommend the services of one of New Wealth's affiliates to a client, these investment adviser representatives receive no compensation for

making such recommendations. Clients are under no obligation to act upon any of the recommendations made by New Wealth or to engage the services of any affiliate of New Wealth.

Related Certified Public Accountants

Under written agreement, New Wealth compensates individuals affiliated with MFA, a related certified public accounting firm, for client referrals. Such individuals disclose the nature of the relationship between New Wealth and MFA to the prospective client at the time of solicitation. Any such referral fee is paid solely from New Wealth's investment management fee, and does not result in any additional charge to the client.

Other Related Parties

New Wealth may compensate individuals affiliated with Strategic Talent, LLC, MFA Cornerstone Consulting, LLC, or New Wealth Insurance Advisors, LLC, all of which are related entities of New Wealth, for client referrals. Such compensation may only be paid under written agreement. Any individual who solicits on New Wealth's behalf must disclose the nature of the relationship between New Wealth and the related entity to the prospective client. Any such referral fee is paid solely from New Wealth's investment management fee, and does not result in any additional charge to the client.

Item 15: Custody

New Wealth's Investment Management Agreement and the terms of a separate agreement into which the Client may enter with the Qualified Custodian authorizes the deduction of New Wealth's investment management fee from the client's account. New Wealth is deemed to have custody of client assets solely because it deducts advisory fees from client accounts. Other than these client-authorized fee deductions, New Wealth does not maintain or accept custody of client funds or securities.

In accordance with Custody Rule requirements, New Wealth verifies that the Qualified Custodian is sending a statement to clients, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to New Wealth. In addition, as discussed in Item 13, New Wealth also sends periodic supplemental reports (quarterly) to clients. Clients are encouraged to carefully review the statements sent directly by the Qualified Custodian to those received from New Wealth and immediately report any unexplained differences to New Wealth and/or the Qualified Custodian, as appropriate.

Item 16: Investment Discretion

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

- The securities to be purchased or sold (which align with our client's risk tolerance profiles);
- The amount of securities to be purchased or sold;
- When transactions are made;
- The broker or dealer to be used for a client securities transaction; and
- The SAMs to be hired or fired.

Item 17: Voting Client Securities

New Wealth is required to disclose if it accepts authority to vote client securities. New Wealth does not vote securities on behalf of its clients.

Item 18: Financial Information

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

Item 19: Miscellaneous

New Wealth prohibits the disclosure of any client related non-public or personal information to others except as authorized by the client or as otherwise set out in the firm's related privacy policies. In the event of a disruption in service, the firm also maintains a business continuity plan which is reviewed in its entirety annually.