

**Walden Capital Advisors, LLC**

**Form ADV Part 2A - Brochure**

**Two Bala Plaza  
Suite 602  
Bala Cynwyd, PA 19004**

**Main Phone Number: (610) 664-6100**

**<http://www.waldenadv.com>**

**March 28, 2014**

This brochure provides information about the qualifications and business practices of Walden Capital Advisors, LLC. If you have any additional questions about the contents of this Brochure, please contact us at (610) 664-6100. 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.

Walden Capital Advisors, LLC is a registered investment advisor. Registration as an investment advisor does not imply a certain level of skill or training.

Additional information about Walden Capital Advisors, LLC is available on the SEC's website at <http://www.adviserinfo.sec.gov>.

## **Item 2. Material Changes**

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. The Brochure dated March 29, 2011 (the “Initial Filing”), was prepared according to the SEC’s new requirements and rules.

Pursuant to new SEC Rules, we are required to prepare a summary of any material changes to this Brochure within 120 days of the close of our fiscal year. In order to comply with this rule, we will deliver an updated Brochure, which will include a summary of any material changes, to you within 120 days of the close of our fiscal year.

### **Material Changes:**

- We have moved office locations from Two Bala Plaza, Suite 300, Bala Cynwyd, PA to Two Bala Plaza, Suite 602, Bala Cynwyd, PA.
- Recently, we began recommending that certain clients utilize managed accounts advised by third-party money managers for fixed income allocations, as reflected in Items 4, 5, 10 and 14.

Currently, our Brochure may be requested by contacting Jill Steinberg at (610) 664-6100 or emailing your request to [jill@waldenadv.com](mailto:jill@waldenadv.com).

Additional information about our firm is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any of our affiliated persons who are registered, or are required to be registered, as investment advisor representatives of Walden Capital Advisors, LLC.

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## **Item 4. Advisory Business**

Walden Capital Advisors, LLC (“Walden”) is a federally registered investment advisor that provides investment advisory services to clients (each, a “Client” and together, “Clients”), as further described below. Walden is a Pennsylvania limited liability company which has been in business since October, 2006. Walden’s principal owner and managing member is Jill Broder Steinberg.

The investment advisory services (the “Services”) include investment management, retirement planning, education planning, advice with respect to small business retirement plans, tax and estate planning and financial education. Walden does not hold itself out as specializing in a particular type of advisory service. The investment management services are discretionary in nature and consist of the ongoing and continuous review of each Client’s investment assets. Walden also provides reports on the Client assets.

Walden uses the principles of asset allocation and diversification to create model portfolios designed to meet the needs of Walden’s Clients. Walden reviews each Client’s financial situation to understand the goals and objectives of each Client. Walden then prepares a strategy tailored to the individual needs of each Client. Walden takes into consideration the investment objectives as well as the time horizon, income needs and tax situation of each Client when preparing the investment policy statement and when choosing which mutual funds to use in each Client’s account. Walden supervises and rebalances the portfolio as changes in market conditions and Client circumstances may require.

Walden primarily advises with respect to investments in a diversified portfolio of mutual funds. Walden may occasionally use exchange traded funds or provide advice on any type of investment held in a Client’s portfolio at the inception of the advisory relationship or on any investment for which the Client requests advice. Walden’s investment management services, however, are generally focused on providing advice with respect to asset allocation and mutual fund selection.

Each Client portfolio is tailored to meet the individual needs of each individual Client, based on the investment objectives, time horizon, income needs, tax situation, and risk profile of each Client. The Clients may also communicate to Walden restrictions on securities, asset classes, custodians, mutual funds holdings or any other personal restriction they would like to impose on their portfolios in their Investment Policy Statements.

### **Managed Account Programs**

Walden may recommend to Clients that all or a portion of their portfolio be implemented by utilizing one or more unaffiliated money managers participating in a managed accounts program at the Client’s selected custodian (the “Program Sponsor”). The Client will then enter into an agreement with the Program Sponsor. Walden will assist and advise the Client in establishing investment objectives for the account, the selection of the money

manager[s], and defining any restrictions on the account. Walden will continue to provide oversight of the Client account and ongoing monitoring of the activities of the unaffiliated money managers.

These money managers will develop an investment strategy to meet those objectives by identifying appropriate investments and monitoring such investments. In consideration for such services, the Program Sponsor will charge a program fee that includes the investment advisory fee of the money managers, the administration of the program and trading, clearance and settlement costs. The Program Sponsor will add Walden's Investment Advisory Fee (described below in Item 5) and will deduct the overall fee from the Client account, generally at the start of each calendar quarter. The asset-based program fee is tiered and varies depending on the size of the account, the asset class of the underlying securities and the sub-advisor selected. The overall fee (including the Walden's Investment Advisory Fee) will not exceed 3% annually.

Walden does not receive any compensation from these unaffiliated money managers or the Program Sponsor, other than its Investment Advisory Fee (described below in Item 5).

The Client, prior to entering into an agreement with a Program Sponsor, will be provided with the Program Sponsor's Form ADV Part 2 (or similar document that makes the appropriate disclosures). In addition, Walden and its Client will agree in writing that the selected Program Sponsor will manage the Client's account on a discretionary basis.

As of December 31, 2013, Walden had \$116,483,063 in discretionary assets under management.

Walden maintains a business continuity plan in the event of a disruption in business. Among other things, the plan details how Clients may access their accounts in the event of an emergency. A copy of the plan is available for review upon request.

As reflected in Walden's privacy policy, Walden prohibits the public disclosure of any Client related nonpublic, personally identifiable information, except as permitted by law. Such Client related information is maintained in a safe and secure manner. Questions regarding Walden's privacy policy should be directed to Jill Steinberg at (610) 664-6100.

## **Item 5. Fees and Compensation**

Walden charges Clients an investment advisory fee for its services. This fee is based on the Client's total assets under management with Walden. The fees are paid quarterly, in advance, based on the market value of the account as of the last business day of the previous quarter. Accounts that are not open for a full calendar quarter will be responsible for the pro-rata portion of the fee based on the number of days the account is open during the quarter. In the event a Client cancels the advisory agreement during any quarter, the Client is refunded any amounts collected that are not yet earned as of the date the relationship ends. Refunds are calculated by Walden and are deposited into the account

they were deducted from or Walden sends a check to the Client. Refunds are paid within thirty (30) days after the relationship ends.

The fees are deducted directly from the Client's account(s), by the account custodian, with Client authorization. Alternatively, the Client can choose to be billed directly by Walden. The fee schedule is as follows:

<b><u>Assets Under Management</u></b>	<b><u>Annual Fee</u></b>
First \$2,000,000	1.00%
Next \$3,000,000	0.80%
Next \$5,000,000	0.60%
Over \$10,000,000	0.40%

Walden charges a minimum quarterly fee of \$2,500 per account.

Depending on certain Client specific factors, Walden may reduce its minimum annual fee, account size, or fee schedule.

For self-directed retirement plans, Walden charges a fee of 0.50% of assets under management, subject to a minimum quarterly fee of \$1,250 per account.

Clients will incur other expenses in connection with obtaining advisory services from Walden, such as brokerage and transaction costs. Brokerage commission costs, transaction charges and other similar charges that are incurred in connection with transactions in a Client account as well as any fees charged by the account's custodian will be paid out of the assets in the account and are in addition to any fees paid to Walden. Specifically, funds from Vanguard and Dodge & Cox will charge a transaction fee; funds from Fidelity charge a transaction fee only upon sale; funds from Schwab charge a transaction fee, but Walden currently rebates Clients with accounts at Schwab for transaction fees in excess of twenty dollars (\$20). Please see Item 12 for more details.

There may be other fees and expenses as well depending upon the particular investments of each Client. These fees and expenses are not paid to Walden. Other fees and expenses such as transfer agency, custody, recordkeeping and administration and/or sub-administration fees and expenses as well as the expense ratio of any mutual funds will be incurred by investors in mutual funds. All such fees and expenses are described in the prospectus of the mutual funds. Clients and prospective clients should review these documents carefully before investing.

#### **Managed Accounts**

Clients participating in a managed accounts program, or referred to unaffiliated money managers or investment advisors, will be billed in accordance to the investment advisory agreement with the respective Program Sponsor or Walden. Program Sponsors will add Walden's Investment Advisory Fee and deduct the overall fee from the Client's account[s].

In situations where a Client is referred to an unaffiliated investment advisor, the investment advisor will collect its fee and compensate Walden out of its fee. Details are described in Item 14 below.

Walden does not charge commissions or markups in addition to the advisory fees. Walden is paid solely by its Clients and does not sell propriety products or accept any commissions.

Clients may terminate their relationship with Walden at any time by giving Walden thirty (30) days written notice. Walden will provide the Client with all written work completed as of the date of termination.

## **Item 6. Performance-Based Fees**

Walden does not charge performance-based fees on any of the accounts for which it provides advisory services.

## **Item 7. Types of Clients**

Walden provides Services to various types of clients, including high net worth individuals, trusts, retirement plans, foundations and charitable organizations. Walden has the discretionary authority to buy or sell, or determine the securities to buy or sell, without the Client's consent. The minimum account size for Walden to provide Services to a Client is generally \$1,000,000. Depending on certain Client specific factors, Walden may reduce its minimum account size.

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

Walden uses the principles of asset allocation and diversification when constructing Client portfolios. Walden agrees with academic research that shows that asset allocation accounts for the majority of a portfolio's return over time, while security selection and market timing are unreliable. With respect to the selection of mutual funds to implement the asset allocation plan, Walden looks for funds with a minimum three-year performance history, three-year manager tenure, good performance relative to benchmarks and peer groups, consistent investment style, lower volatility and lower expenses. Walden may make an exception to the three-year rule in certain circumstances such as when the manager has a proven prior track record.

Walden works closely with Clients to determine their investment goals, time horizons and levels of risk tolerance. Walden then constructs a portfolio of mutual funds diversified across a wide range of asset classes designed to meet that Client's objectives. Walden primarily uses long-term investments (typically held for at least a year) in mutual funds

when recommending portfolios to Clients. Walden offers a variety of investment strategies ranging from conservative to aggressive. When Clients have short-term goals, Walden will advise them on appropriate short-term investment vehicles. While mutual funds are Walden's primary investment vehicle, at a Client's request, Walden will provide advice with respect to equity securities (exchange listed securities, securities traded over-the-counter or foreign issued securities), corporate debt securities, certificates of deposit, municipal securities, investment company securities (variable annuities or mutual fund shares), US government securities, any securities held by the Client at the inception of the relationship between Walden and the Client or any other securities for which the Client requests advice. Walden may also offer advice on other types of investments if Walden deems such investment appropriate for the needs and objectives of the Client.

Investing in securities and other financial instruments involves risks, including the potential loss of the client's principal, which Clients should be prepared to bear. While certain strategies may offer the potential for greater growth, these same strategies may have greater potential volatility. While it is Walden's intent to reduce risk when possible, certain strategies may impose more risk than others.

Investment strategies recommended by Walden may invest in Non-U.S. foreign equity and fixed income investments ("Non-U.S. Investments"). Investing in Non-U.S. investments, in particular emerging markets, will subject a client to certain risks not typically associated with investing in securities in the United States. Non-U.S. investments may be affected by changes in currency rates. A decline in an exchange rate of the foreign currency in which a portfolio security is quoted or denominated relative to the U.S. dollar would reduce the value of the portfolio security in U.S. dollars proportionately. The costs and expenses associated with investing in Non-U.S. markets are generally higher than in U.S. markets. There generally may be less publicly available information regarding Non-U.S. Investments than U.S. companies. In addition, certain Non-U.S. economies are less stable than the U.S. economy due to, among other things, volatile political environments and less stable monetary systems.

Walden may recommend mutual funds that invest primarily in securities the mutual fund manager believes to be undervalued, but that may not realize their perceived value for extended periods of time or may never realize their perceived value. Walden may recommend mutual funds which invest primarily in securities the mutual fund manager believes have the potential for growth, but that may not realize such perceived potential for extended periods of time or may never realize such perceived growth potential. Such mutual funds may be more volatile than other mutual funds because the stocks they invest in can be more sensitive to investor perceptions of the issuing company's growth potential.

Small and mid capitalization stocks, or mutual funds which invest primarily in them, may be subject to higher degrees of risk, because stocks of this kind may have earnings which are less predictable, prices which are more volatile, and liquidity less than that of large capitalization securities.



An investment in debt securities carries risk. If interest rates rise, debt security prices usually decline. The longer a debt security's maturity, the greater the impact a change in interest rates can have on its price. Not holding a debt security until maturity may cause a gain or loss when the debt security is sold. Debt securities also carry the risk of default, which is the risk that the issuer is unable to make further income and principal payments. Other risks, including inflation risk, call risk, and pre-payment risk also apply.

Investments in high yield debt securities or "junk" bonds carry a degree of risk in addition to those of general debt securities. High yield debt securities are assigned a credit rating of "non-investment grade" by independent ratings agencies, which relates to their higher risk of default. In return for the higher yield these bonds typically offer, the investor is accepting the risk that they may receive neither payment of interest nor the repayment of the principal of their investment.

Performance is largely dependent on the talents and efforts of certain individuals. There can be no assurance that Walden's investment professionals will continue to be associated with Walden and the failure to retain such investment professionals could have an adverse effect on the value of an investment.

Certain mutual funds may employ strategies such as short selling that can, in some circumstances, substantially increase the impact of adverse price movements. Certain mutual funds may also specialize in certain industries or sectors of the market and are therefore less volatile. Such mutual funds may be at higher risk in the event the industry or sector invested in is subject to adverse market conditions.

Walden may recommend investments in exchange traded funds ("ETFs"). An investment in an ETF generally presents the same primary risks as an investment in a conventional mutual fund that has the same investment objectives, strategies, and policies. Additionally, the risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track although they may have different risks because of the pooled nature of the investment.

The investments recommended by Walden may generate taxable income and realized capital gains or losses, and Clients should consult with their tax advisors about the tax consequences of their investments.

## **Item 9. Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Walden or the integrity of Walden's management. There are no material legal or disciplinary events to disclose related to Walden's business or its management.

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

Walden is not affiliated with any particular broker-dealer, nor does Walden have personnel who are registered representatives of a broker-dealer. Neither Walden nor its representatives are registered as a Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Advisor.

Walden has a relationship with LAMCO Advisory Services, Inc. ("LAMCO"), where Walden pays LAMCO for certain information and analysis which Walden uses in constructing portfolios. LAMCO considers economic conditions, earnings, industry outlook, politics (as it relates to investments), historical data, price-earning ratios, dividends and general level of interest rates, and risk-premiums when developing investment strategies.

Walden does not recommend or select other investment advisors. It does not receive compensation from any advisors or third parties. Other than the relationship with LAMCO, Walden does not have any material relationships with other advisors.

### **Managed Accounts**

As noted in Item 4, Walden may select unaffiliated money managers to assist with the implementation of a Client's investment strategy. In such arrangements, Walden will receive a portion of the investment advisory fees collected by the unaffiliated money managers from the Client. Walden will not charge its own investment advisory fee for assets referred to an unaffiliated money manager.

## **Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Walden has adopted a Code of Ethics that complies with Rule 204A-1 under the Investment Advisors Act of 1940. The Code of Ethics applies to all of Walden's supervised persons. The term "supervised person" means any partner, officer, director (or other person occupying a similar status or performing similar functions) or employee of Walden, or other person who provides investment advice on behalf of Walden and is subject to Walden's supervision and control. Walden's supervised persons must certify on an annual basis that they have received, read and understood the Code of Ethics.

Walden's Code of Ethics addresses the following areas of Walden's business: procedures for personal securities transactions of directors, officers and employees; and initial public offerings and private offerings. Each officer, director and employee is required to certify annually that he or she has read and understands the Code of Ethics. Walden will provide a copy of its Code of Ethics to any Client or prospective Client upon request. Please contact Jill Steinberg for a copy.

Walden, its directors, officers and employees may from time to time purchase or sell securities that Walden recommends to Clients. These purchases or sales must be effected in accordance with Walden's Code of Ethics, which includes a personal trading policy. Transactions where Walden purchases the same mutual funds and investment vehicles that Walden recommends to a Client are typically not a violation of the Code of Ethics and do not present a conflict of interest because the trading of mutual funds is not likely to have an impact on fund shares and because the mutual funds are priced daily, at the end of the day and after the trades are placed. Personal securities transactions will generally not be allowed when the investment would be made at or near the same time as a trade in the same security on behalf of a Client account.

Walden's Chief Compliance Officer, Jill Steinberg, is responsible for ensuring that Walden receives duplicate confirmations and account statements for anyone associated with Walden who has a securities account with a broker-dealer. A review of the trading activity of Firm personnel with such securities accounts will be conducted quarterly to ensure that the personnel comply with the personal trading policy of Walden.

## **Item 12. Brokerage Practices**

Walden does not have discretionary authority to select the broker-dealer/custodian for custodial and execution services or the administrator for defined contribution accounts. The Client will select the broker-dealer or custodian to safeguard Client assets and authorize Walden to direct trades to this custodian as agreed in the Investment Advisory Agreement.

Walden has relationships with Fidelity Investments and Charles Schwab, who act as the brokers and custodians of the Client accounts. Walden has chosen to work with these custodians because they provide broad access to no-load mutual funds, mail monthly statements to Clients, provide advanced trading and operational software to Walden, and provide Clients with access to account information over the Internet. The custodians also effect the transactions in Client accounts. The custodians have set rates for the transactions they execute on behalf of the Clients, and such rates are payable to the custodians. Walden does not receive any of the brokerage fees charged by the custodians. Walden periodically reviews its relationships with the custodians in order to ensure that the services provided and the fees charged for custody and brokerage transactions are consistent with Walden's best execution obligations. However, the transaction fees charged by the Brokers may be higher or lower than those charged by other firms.

Many mutual funds are available for purchase and sale on a no transaction fee basis; however, Walden may recommend mutual funds that have transaction fees if the expense ratio and other features of the funds are, in Walden's opinion, in the best interest of the Client. Specifically, mutual funds managed by Vanguard and Dodge & Cox will charge a transaction fee. Walden's buy and hold strategy usually results in more purchase transactions within Client accounts. Clients with accounts held by Fidelity Investments are not charged a fee at the time of purchase of such mutual funds but are charged when and if

they sell shares. Clients with accounts held by Charles Schwab are charged a fee at the time of both the purchase and the sale of such mutual fund shares. Currently, Walden rebates Clients with accounts at Charles Schwab for any mutual fund trading fees in excess of twenty dollars (\$20). Such rebate is in the form of a credit against the investment advisory fee paid by the Client to Walden.

Where Walden does not exercise discretion over the selection of the custodian, it may recommend the custodian[s] to Clients for execution and/or custodial services. Clients are not obligated to use the recommended custodian and will not incur any extra fee or cost associated with using a broker not recommended by Walden.

Walden does not receive research, products or services other than execution from broker-dealers or third parties directly in connection with client securities transactions. Walden does, however, receive certain research, products or services other than execution from broker-dealers or third parties in connection with client assets held at such broker-dealers or third parties. The types of products received generally include access to conferences, seminars and conference calls, research available on brokers' websites, white papers and market and economic charts and statistics. Such products and services benefit Walden because it does not have to produce or pay for such products and services (except for certain travel expenses). The ability to obtain such research, products or services may create an incentive to recommend a broker-dealer based on Walden's interest in receiving such products. In order to mitigate any such conflict, Walden continually monitors the services offered by each broker-dealer and any benefit received by Walden from a broker-dealer is used to service the needs of all Clients.

Walden allows Clients to direct trades to either of the custodians with which Walden has an established relationship. Walden does not allow Clients to direct trades to other brokers or custodians. As a result, Walden may not be able to achieve the most favorable execution of Client transactions. This may cost Clients money because without the ability to direct brokerage, Clients may be charged higher brokerage commissions or transaction fees. Not all investment advisors allow their clients to direct brokerage.

Given the nature of Walden's business, where Clients primarily trade in mutual funds, Walden does not block trades. A block trade is where a purchase of securities is made at an average price and is later allocated to individual client accounts. Because mutual fund shares are priced at the end of the day, there is no need for Walden to block the trades to receive an average price for shares of the mutual fund. Instead, all Clients receive the mutual fund shares at the price set by the mutual fund at the end of the day.

### **Item 13. Review of Accounts**

Walden reviews Client accounts quarterly to ensure that the current asset allocation of each Client is consistent with the Investment Policy Statement. Investment models and capital markets are monitored on a continuous basis. Walden prepares Client reports and Jill Steinberg, the managing member of Walden, reviews each report before the reports are

presented to the Clients. Such quarterly reports are written and contain a detailed list of holdings, asset allocation summary, performance review, and general market information.

Reviews are also conducted in the event of a deposit or withdrawal, the rebalancing of a portfolio, a material change in the investment environment, a change in the Client's goals, time horizons or financial needs, changes in target allocations, or at the Client's request.

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

This Item requires an investment advisor to provide information relating to its arrangements with third-parties through which it receives compensation from a third-party for providing investment management services to its clients or through which it provides compensation to third-parties for client referrals. Walden does not receive any economic benefit, directly or indirectly, from any third party for advice rendered to Clients of Walden.

### **Managed Accounts**

Walden may refer Clients to unaffiliated money managers, as detailed in Item 4. In such arrangements, Walden has a potential conflict of interest in that it will receive a portion of the unaffiliated money manager's fee collected from the Client for the referral of the Client and the ongoing relationship management support provided by Walden. To mitigate this conflict of interest, Walden will not charge investment advisory fees on assets referred to an unaffiliated manager under such arrangements.

## **Item 15. Custody**

Other than the client authorized direct deductions of fees from accounts held by a qualified custodian, Walden does not have custody of any Client account, funds or securities. Walden uses a qualified custodian to maintain Client accounts, funds and securities. The custodian sends monthly reports to each Client and Walden urges each Client to carefully review those statements. Clients should compare the information in those reports to the information in the quarterly reports Walden provides to the Clients. Walden's statements may vary from custodial statements based on accounting procedures or reporting dates.

## **Item 16. Investment Discretion**

Walden usually receives discretionary authority from the Client at the outset of an investment advisory relationship to select the securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the Client before any advisory relationship begins in the investment advisory agreement the Client signs. The Client provides Walden with discretionary authority through a limited power of attorney in the investment advisory agreement and in any contract between the

Client and the qualified custodian. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Client account.

Investment guidelines and restrictions must be provided to Walden in writing. In most cases, a client's investment guidelines and restrictions will be set forth in the investment policy statement which is attached to the investment advisory agreement between Walden and the Client.

Certain Clients may hold individual securities within an account over which Walden has discretion. Walden will provide advice about such securities when requested. However, Walden does not conduct the same level of oversight on such securities as it conducts on the assets within the portfolios of mutual funds that Walden manages. Additionally, Walden does not exercise discretion over such securities and will obtain direction from Clients with respect to the purchase, sale, or holding of such securities prior to effecting any transaction related to such securities.

### **Item 17. Voting Client Securities**

Walden will not ask for, and it will not accept, authority to vote proxies on behalf of Clients. Clients will receive proxies directly from the issuer of the security or the qualified custodian. Clients may discuss proxies with Walden by calling Walden at (610) 664-6100.

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

This Item requires investment advisors to provide certain financial information or disclosures about their financial condition. While Walden charges Clients in advance, Walden does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance. Therefore it is not required to include a balance sheet with this Brochure. Walden has no financial hardships or other conditions that might impair its ability to meet its contractual obligations to Clients. Walden has not been the subject of a bankruptcy proceeding.