

Capital Wealth Advisors

Client Brochure

This brochure provides information about the qualifications and business practices of CWA Asset Management Group, LLC d/b/a Capital Wealth Advisors. If you have any questions about the contents of this brochure, please contact us at (239) 434-7434 or by email at: blaine@capitalwealthadvisors.com. 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 Capital Wealth Advisors is also available on the SEC's website at www.adviserinfo.sec.gov. Capital Wealth Advisors' CRD number is: 158940

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Registration does not imply a certain level of skill or training.

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Item 2: Material Changes

The material changes in this brochure from the last annual updating amendment of Capital Wealth Advisors on February 11, 2014 are described below. This list summarizes changes to policies, practices or conflicts of interests only.

- No representatives of Capital Wealth Advisors are registered to a broker-dealer (Items 5.E, 10.A, 10.C)
- Capital Wealth Advisors has transitioned from state to SEC level registration
- Capital Wealth Advisors offers third-party investment adviser services through FGI Investment Strategies, LLC (Items 4.B, 5.A, 5.B, 10.D, 14.A)
- Capital Wealth Advisers has disclosed private fund management (Item 4.B, 5.A, 5.B, 6, 8.C, 10.C, 11.B, 15)

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Item 4: Advisory Business

A. Description of the Advisory Firm

Capital Wealth Advisors is a Limited Liability Company organized in the state of Florida. This firm has been in business since August 2011, and the principal owners are Blaine Michael Ferguson, William Nick Beynon and Fundamental Global Investors.

B. Types of Advisory Services

Capital Wealth Advisors (hereinafter “CWA”) offers the following services to advisory clients:

Investment Supervisory Services

CWA offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. CWA creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client’s specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

CWA evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. CWA will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Hedge Fund Management

D. Kyle Cerminara and Lewis Johnson (owners of Fundamental Global Investors, which in turn is an owner of CWA) are (i) Members of Fundamental Global Partners LP LLC, the general partner of Fundamental Global Partners LP, a hedge fund, (ii) Directors of Fundamental Global partners Offshore Fund, LTD, a hedge fund, and (iii) Members of FG Partners GP LLC, the general partner of Fundamental Global Partners QP, LP, a hedge fund. CWA acts as investment manager to these hedge funds (the “Funds”).

Selection of Other Advisers

CWA may direct clients to third-party investment advisers. Before selecting other advisers for clients, CWA will always ensure those other advisers are properly licensed or registered as investment adviser.

Services Limited to Specific Types of Investments

CWA generally limits its money management services to mutual funds, equities, bonds, fixed income, debt securities, ETFs, real estate, REITs, insurance products including annuities, and government securities. CWA may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

CWA offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent CWA from properly servicing the client account, or if the restrictions would require CWA to deviate from its standard suite of services, CWA reserves the right to end the relationship.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. CWA DOES NOT participate in any wrap fee programs.

E. Amounts Under Management

CWA has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$125,674,262.00	\$64,098,409.00	6/27/2014

Item 5: Fees and Compensation

A. Fee Schedule

Investment Supervisory Services Fees

Total Assets Under Management	Annual Fee
First \$5,000,000	1.00%
Next \$5,000,000	0.75%
Next \$15,000,000	0.50%
Next \$25,000,000	0.40%
Above \$50,000,000	0.30%

These fees are negotiable depending upon the needs of the client and complexity of the situation, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in advance, and clients may terminate their contracts with thirty days' written notice. Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. Fees that are collected in advance will be refunded based on the prorated amount of work completed up to the day of termination within the quarter terminated. The fee refunded will be the balance of the fees collected in advance minus the daily rate* times the number of days in the quarter up to and including the day of termination. (*The daily rate is calculated by dividing the quarterly AUM fee by the number of days in the termination quarter). Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

Hedge Fund Management Fees

Management Fees

For its services to the Funds, CWA is entitled to a management fee (the "Management Fee") at an annual rate of (i) 1.0% of the capital account balance of each investor's Founder Series A limited partner interests ("Founder Series A Interests"); (ii) 1.5% of the capital account balance of each investor's Founder Series B limited partner interests ("Founder Series B Interests"); and (iii) 2.0% of the capital account balance of each investor's Series C limited partner interests ("Investor Series C Interests").

Performance Allocation

The Funds' general partner (the "General Partner"), which is an affiliate of CWA, is entitled to a performance-based profit allocation (the "Performance Allocation") at the end of each calendar year equal to (i) 10% of the net profits attributable to Founder Series A Interests; (ii) 15% of the net profits attributable to Founder Series B Interests; and (iii) 20% of the net profits attributable to Investor Series C Interests, but, in each case, the Performance Allocation is subject to a "rolling high water mark" limitation. Net profit includes unrealized appreciation or depreciation of both marketable and, unless the investment has been placed in a special sub-account, non-marketable investments.

Selection of Other Advisers Fees

CWA may direct clients to a third-party investment advisers. CWA will be compensated via a fee share from the advisers to which it directs those clients. This relationship will be memorialized in each contract between CWA and each third-party adviser. The fees shared will not exceed any limit imposed by any regulatory agency. The notice of termination requirement and payment of fees for third-party investment advisers will depend on the specific third-party adviser selected.

CWA may specifically direct clients to FGI Investment Strategies, LLC (FGI). The annual fee schedule is as follows:

Total Assets Under Advisement	CWA's Fee	FGI's Fee	Total Fee
First \$5,000,000	0.50%	0.50%	1.00%
Next \$5,000,000	0.375%	0.375%	0.75%
Next \$15,000,000	0.25%	0.25%	0.50%
Next \$25,000,000	0.20%	0.20%	0.40%
Above \$50,000,000	0.15%	0.15%	0.30%

B. Payment of Fees

Payment of Investment Supervisory Fees

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in advance. Clients may not select the method in which they are billed.

Payment of Hedge Fund Services Fees

Management Fees

Management Fees are withdrawn directly from the client's accounts with client written authorization. The management fee is calculated each calendar month and paid each calendar month in advance. Capital contributions accepted after the commencement of a calendar month will be subject to a pro-rated Management Fee.

Performance Allocation

Hedge fund Performance Allocation fees are withdrawn directly from the client's accounts with client written authorization. Allocation is withdrawn annually in arrears.

Payment of Selection of Other Advisers Fees

Fees for selection of FGI are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in advance.

C. Clients Are Responsible For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by CWA. Please see Item 12 of this brochure regarding broker/custodian.

D. Prepayment of Fees

CWA collects fees in advance. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be deposited back into client's account within fourteen days. The fee refunded will be the balance of the fees collected in advance minus the daily rate* times the number of days in the quarter up to and including the day of termination. (*The daily rate is calculated by dividing the quarterly AUM fee by the number of days in the termination quarter).

E. Outside Compensation For the Sale of Securities to Clients

Neither CWA nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

CWA manages accounts that are billed on performance-based fees (a share of capital gains on or capital appreciation of the assets of a client) as well as accounts that are NOT billed on performance-based fees. Managing both kinds of accounts at the same time presents a conflict of interest because CWA or its supervised persons have an incentive to favor accounts for which CWA and its supervised persons receive a performance-based fee. CWA addresses the conflicts by ensuring that clients are not systematically advantaged or disadvantaged due to the presence or absence of performance based fees. CWA seeks best execution and upholds its fiduciary duty for all clients.

Clients that are paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

Item 7: Types of Clients

CWA generally provides management supervisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pooled Investment Vehicles

Minimum Account Size

There is no account minimum for separately managed accounts. For private funds, the minimum investment is \$1,000,000.

Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss

A. Methods of Analysis and Investment Strategies

Methods of Analysis

CWA's methods of analysis include charting analysis, fundamental analysis, technical analysis, and cyclical analysis.

Charting analysis involves the use of patterns in performance charts. CWA uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical analysis involves the analysis of past market data; primarily price and volume.

Cyclical analysis involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

Investment Strategies

CWA uses long term trading strategies.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Charting analysis strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in solely using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

CWA generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. The private funds managed by CWA may also invest in private placements.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry market conditions and general economic environments.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary and include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general the fixed income market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest, and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

Real Estate funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

Hedge Funds often engage in leveraging and other speculative investment practices that may increase the risk of investment loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; May involve complex tax structures and delays in distributing important tax information; are not

subject to the same regulatory requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

Private placements carry a substantial risk as they are subject to less regulation than publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SR) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither CWA nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither CWA nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Blaine Michael Ferguson and William N. Beynon are licensed insurance agents with Capital Wealth Advisors, Inc. From time to time, they will offer clients advice or products from these activities. Clients should be aware that these services pay a commission and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. CWA always acts in the best

interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of CWA in their capacity as an insurance agent.

Mr. Ferguson and Mr. Beynon are part owners and investment adviser representatives of Capital Consulting Group, LLC (CCG). Representatives of CWA will not offer any advice, products or services to clients of CCG. Because CWA will not offer any product or service to CIA clients through CCG, there is no conflict of interest.

Certain representatives of CWA are investment adviser representatives of FGI Investment Strategies, LLC and TCG Naples, LLC. From time to time, they will offer clients advice or products from those activities and may involve a conflict of interest, CWA always acts in the best interest of the client. Clients are in no way required to implement the plan through any representative of CWA in their capacity as an investment adviser representative with another RIA.

D. Kyle Cerminara and Lewis Johnson (owners of Fundamental Global Investors, which in turn is an owner of CWA) are (i) Members of Fundamental Global Partners LP LLC, the general partner of Fundamental Global Partners LP, a hedge fund, (ii) Directors of Fundamental Global partners Offshore Fund, LTD, a hedge fund, and (iii) Members of FG Partners GP LLC, the general partner of Fundamental Global Partners QP, LP, a hedge fund. These hedge funds will be recommended to CWA clients for whom such investment would be suitable, appropriate, and in the client's best interest. No CWA client will be required to invest in these private funds and CWA will always act in their clients' best interests.

D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

CWA may direct clients to third-party investment advisers. CWA will be compensated via a fee share from the advisers to which it directs those clients. This relationship will be memorialized in each contract between CWA and each third-party advisor. The fees shared will not exceed any limit imposed by any regulatory agency. This creates a conflict of interest in that CWA has an incentive to direct clients to the third-party investment advisers that provide CWA with a larger fee split. CWA will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. CWA will ensure that all recommended advisers are licensed or notice filed in the states in which CWA is recommending them to clients.

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

A. Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

CWA does not typically recommend that clients buy or sell any security in which a related person to CWA or CWA has a material financial interest.

Fundamental Global Investors, an owner of CWA, sponsors several investments including hedge funds that may or may not be recommended to CWA clients. No Fundamental Global investments will be recommended to CWA clients which are not suitable, appropriate, and in the client's best interest. No CWA client will be required to invest in Fundamental Global investments. CWA will always act in their clients' best interests.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of CWA may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of CWA to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. CWA will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of CWA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of CWA to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. CWA will always transact client's transactions before its own when similar securities are being bought or sold.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

The custodians, TD Ameritrade Institutional, a Division of TD Ameritrade, Inc., member FINRA/SIPC/NFA ("TD Ameritrade") and Schwab Institutional, a division of Charles Schwab & Co., Inc. (CRD # 5393), were chosen based on their relatively low transaction fees and access to mutual funds and ETFs. CWA will never charge a premium or commission on transactions, beyond the actual cost imposed by the custodian.

1. Research and Other Soft-Dollar Benefits

CWA receives research, products, or other services from its broker-dealer or another third-party in connection with client securities transactions ("soft dollar benefits"). However, there is no minimum client number or dollar number that CWA must meet in order to receive free research from the custodian or broker/dealer. CWA receives a benefit because it does not have to pay for or produce the research, services, or products and therefore CWA might have an incentive to recommend a custodian based on its interest rather than their clients. Additionally, Joseph H. Moglia is an indirect owner of CWA and Chairman of TD Ameritrade. Therefore, CWA might have an incentive to recommend TD Ameritrade based on Mr. Moglia's relationship with and financial interest in the custodian. Despite these potential conflicts of interest, CWA always acts in the best interest of the client, including the recommendation of custodians/broker-dealers. The first consideration when recommending broker/dealers to clients is best execution and clients are in no way required to select the custodians/broker-dealers recommended by CWA.

2. Brokerage for Client Referrals

CWA receives research, products, or other services from its broker-dealer or another third-party in connection with client securities transactions ("soft dollar benefits"). There is no minimum client number or dollar number that CWA must meet in order to receive free research from the custodian or broker/dealer. There is no incentive for CWA to direct clients to this particular broker-dealer over other broker-dealers who offer the same services. The first consideration when recommending broker/dealers to clients is best execution.

3. Clients Directing Which Broker/Dealer/Custodian to Use

CWA allows clients to direct brokerage. CWA may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients' money because without the ability to direct brokerage CWA may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices. Not all investment advisers allow their clients to direct brokerage.

B. Aggregating (Block) Trading for Multiple Client Accounts

CWA maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing CWA the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed at least quarterly by Blaine Michael Ferguson, Managing Member or other assigned CWA principal. Blaine Michael Ferguson is the chief advisor and is instructed to review or oversee the review of all clients' accounts with regards to their investment policies and risk tolerance levels.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each client will receive at least quarterly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

CWA may receive compensation from third-party advisers to which it directs clients.

B. Compensation to Non – Advisory Personnel for Client Referrals

CWA will compensate third-party solicitors for client referrals.

Item 15: Custody

CWA, with client written authority, has limited custody of client's assets through direct fee deduction of CWA's Fees only. If the client chooses to be billed directly by TD Ameritrade Institutional, a Division of TD Ameritrade, Inc., member FINRA/SIPC/NFA or Schwab Institutional, a division of Charles Schwab & Co., Inc., CRD # 5393, then CWA would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive all required account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

CWA will also be deemed to have custody over pooled investment vehicles it manages and will ensure compliance with the requisite custody rules in connection with its clients' investment in the private fund.

Item 16: Investment Discretion

For those client accounts where CWA provides ongoing supervision, the client has given CWA written discretionary authority over the client's accounts with respect to 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 has commenced. The client provides CWA discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian.

Item 17: Voting Client Securities (Proxy Voting)

CWA will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

CWA does not require nor solicit prepayment of more than \$1200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither CWA nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

CWA has not been the subject of a bankruptcy petition in the last ten years.