



10200 Forest Green Blvd., Suite 311
Louisville, KY 40223

(502) 242-1401

www.centerlinewealth.com

This brochure provides information about the qualifications and business practices of Centerline Wealth Advisors, LLC (hereinafter "CWA" or the "Firm"). If you have any questions about the contents of this brochure, please contact the Firm at this telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC's website at www.adviserinfo.sec.gov. The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

In this Item, CWA is required to discuss any material changes that have been made to the brochure since the last annual amendment. As this brochure has been prepared in connection with the Firm's initial launch, there are no such material changes to disclose.

Item 3. Table of Contents

Item 2. Material Changes	2
Item 3. Table of Contents	3
Item 4. Advisory Business	4
Item 5. Fees and Compensation.....	6
Item 6. Performance-Based Fees and Side-by-Side Management	9
Item 7. Types of Clients	9
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss	9
Item 9. Disciplinary Information	11
Item 10. Other Financial Industry Activities and Affiliations	12
Item 11. Code of Ethics	13
Item 12. Brokerage Practices	14
Item 13. Review of Accounts	17
Item 14. Client Referrals and Other Compensation	17
Item 15. Custody	18
Item 16. Investment Discretion	18
Item 17. Voting Client Securities.....	19
Item 18. Financial Information	19

Item 4. Advisory Business

CWA offers a variety of advisory services, which include financial planning, investment management and wealth management services. In dealing with clients, the Firm seeks first to evaluate a client's current, holistic financial situation prior to managing their investments. CWA then designs and implements an investment plan aimed at achieving a client's financial objectives. Prior to CWA rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with the Firm setting forth the relevant terms and conditions of the advisory relationship (the "Advisory Agreement").

CWA has been conducting its advisory business since January 2015, and is owned by its Managing Member, Andrew W. Arnold. As this document has been prepared in connection with the Firm's initial launch, CWA does not have any assets under management to report as of the date of this filing.

While this brochure generally describes the business of CWA, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on CWA's behalf and is subject to the Firm's supervision or control.

Wealth Management Services

The Firm generally provides clients with wealth management services which include financial planning services, as well as the discretionary or non-discretionary management of investment portfolios.

Under a wealth management engagement, CWA primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs") and independent investment managers ("Independent Managers"). On a limited basis, the Firm may also utilize stocks, bonds, options and real estate investment trusts ("REITs") to accommodate the needs of the client. Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios to achieve their stated investment objectives.

Clients may also engage CWA to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, the Firm directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

CWA tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. The Firm consults with clients on an initial and ongoing basis to assess their specific risk

tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify CWA if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if CWA determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

Use of Independent Managers

As mentioned above, CWA may select certain Independent Managers to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an Independent Manager may be set forth in a separate written agreement with the designated Independent Manager. In addition to this brochure, clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

CWA evaluates a variety of information about Independent Managers, which may include the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. CWA also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers, and seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

Financial Planning and Consulting Services

CWA offers clients a broad range of financial planning and consulting services, which may include any or all of the following functions:

- | | |
|-----------------------------|-------------------------|
| • Business Planning | • Retirement Planning |
| • Cash Flow Forecasting | • Risk Management |
| • Trust and Estate Planning | • Charitable Giving |
| • Financial Reporting | • Distribution Planning |
| • Investment Consulting | • Tax Planning |
| • Insurance Planning | • Manager Due Diligence |

While these services are generally rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (as described above), clients can also engage the Firm to provide these services on a stand-alone basis.

In performing these services, CWA is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. The Firm may recommend clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents or registered representatives of a broker-dealer and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage CWA or its affiliates to provide additional services for compensation. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by CWA under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising CWA's recommendations and/or services.

Item 5. Fees and Compensation

CWA offers services on a fee basis, which may include fixed fees, as well as fees based upon assets under management or advisement. Additionally, certain of the Firm's Supervised Persons, in their individual capacities, may offer securities brokerage services and/or insurance products under a separate commission-based arrangement.

Wealth Management Fees

CWA generally offers wealth management services for an annual fee based on the amount of assets under the Firm's management. This management fee generally varies between 50 and 200 basis points (0.50 % – 2.00 %), depending upon the size of the assets being managed by the Firm as well as the complexity and scope of the engagement.

The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by the Firm on the last day of the previous billing period.

Financial Planning and Consulting Fees

CWA generally charges a fixed fee for providing financial planning and consulting services under a stand-alone engagement. These fees are negotiable, but can range up to \$25,000 on a fixed fee basis, depending upon the scope and complexity of the services and the professional rendering the financial planning and/or the consulting services. If the client engages the Firm for additional investment advisory

services, CWA 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.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement and CWA generally requires one-half of the fee (estimated fixed) payable upon execution of the Advisory Agreement. The outstanding balance is generally due upon delivery of the financial plan or completion of the agreed upon services. The Firm does not, however, take receipt of \$1,200 or more in prepaid fees in excess of six months in advance of services rendered.

Fee Discretion

CWA may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, account retention and pro bono activities. In addition, certain legacy clients may be subject to a different fee schedule than stated herein.

Moreover, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), CWA may negotiate a fee rate that differs from the range set forth above.

Additional Fees and Expenses

In addition to the advisory fees paid to CWA, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges may include securities brokerage commissions and transaction fees, custodial fees, fees attributable to alternative assets, reporting charges, fees charged by the Independent Managers, margin costs, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (e.g., 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. The Firm’s brokerage practices are described at length in Item 12, below.

Direct Fee Debit

Clients generally provide CWA and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions,

including any amounts paid to CWA. Alternatively, clients may elect to have CWA send a separate invoice for direct payment.

Account Additions and Withdrawals

Clients may make additions to and withdrawals from their account at any time, subject to CWA's right to terminate an account. If assets in excess of \$10,000 are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client's account. Clients may withdraw account assets on notice to CWA, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. CWA may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

Commissions and Sales Charges for Recommendations of Securities

Clients can engage certain persons associated with CWA (but not the Firm directly) to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with CWA.

Under this arrangement, the Firm's Supervised Persons, in their individual capacities as registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), may provide securities brokerage services and implement securities transactions under a separate commission based arrangement. Supervised Persons may be entitled to a portion of the brokerage commissions paid to PKS, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. CWA may also recommend no-load or load-waived funds, where no sales charges are assessed. Prior to effecting any transactions, clients are required to enter into a separate account agreement with PKS.

A conflict of interest exists to the extent that CWA recommends the purchase or sale of securities where its Supervised Persons receive commissions or other additional compensation as a result of the Firm's recommendation. The Firm has procedures in place to ensure that any recommendations made by such Supervised Persons are in the best interest of clients. For certain accounts covered by the Employee

Retirement Income Security Act of 1974 (“ERISA”) and such others that CWA, in its sole discretion, deems appropriate, the firm may provide its investment advisory services on a fee-offset basis. In this scenario, CWA may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by the Firm’s Supervised Persons in their individual capacities as registered representatives of PKS.

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

CWA does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client’s assets), and does not engage in side-by-side account management.

Item 7. Types of Clients

CWA generally offers services to individuals, trusts, estates, charitable organizations, corporations and business entities.

Minimum Account Requirements

CWA does not impose a stated minimum fee or minimum portfolio value for starting and maintaining an advisory relationship. Certain Independent Managers may, however, impose more restrictive account requirements and billing practices from the Firm. In these instances, CWA may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Managers.

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

Methods of Analysis and Investment Strategies

CWA generally employs an asset allocation strategy based on a derivative of Modern Portfolio Theory. Modern Portfolio Theory (“MPT”) is a mathematical based investment discipline that seeks to quantify expected portfolio returns in relation to corresponding portfolio risk. The basic premise of MPT is that the risk of a particular holding is to be assessed by comparing its price variations against those of the market portfolio. However, MPT disregards certain investment considerations and is based on a series of assumptions that may not necessarily reflect actual market conditions. As such, the factors for which MPT does not account (e.g., tax implications, regulatory constraints and brokerage costs) may negate the upside or add to the actual risk of a particular allocation. Nevertheless, CWA’s investment process is

structured in such a way to integrate those assumptions and real-life considerations for which MPT analytics do not account.

As discussed in Item 4, under a wealth management engagement, CWA primarily allocates client assets among various mutual funds, ETFs and Independent Managers in accordance with their stated investment objectives. The Firm consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios.

Risk of Loss

Market Risks

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of CWA's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that the Firm will be able to predict those price movements accurately or capitalize on any such assumptions.

Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily 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.

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 actual 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 potentially 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 20,000 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.

Use of Independent Managers

As stated above, the Firm may select certain Independent Managers to manage a portion of its clients' assets. In these situations, CWA continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, CWA generally may not have the ability to supervise the Independent Managers on a day-to-day basis.

Use of Private Collective Investment Vehicles

On a limited basis, CWA recommends that certain clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles 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. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

Management through Similarly Managed "Model" Accounts

The Firm manages certain accounts through the use of similarly managed "model" portfolios, whereby the Firm allocates all or a portion of its clients' assets among various mutual funds and/or securities on a discretionary basis using one or more of its proprietary investment strategies. In managing assets through the use of models, the Firm remains in compliance with the safe harbor provisions of Rule 3a-4 of the Investment Company Act of 1940.

The strategy used to manage a model portfolio may involve an above average portfolio turnover that could negatively impact clients' net after tax gains. While the Firm seeks to ensure that clients' assets are managed in a manner consistent with their individual financial situations and investment objectives, securities transactions effected pursuant to a model investment strategy may be done without regard to a client's individual tax ramifications. Clients should contact the Firm if they experience a change in their financial situation or if they want to impose reasonable restrictions on the management of their accounts.

Item 9. Disciplinary Information

CWA has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

Item 10. Other Financial Industry Activities and Affiliations

Registered Representatives of a Broker/Dealer

Certain of the Firm's Supervised Persons are registered representatives of PKS, and may provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length in Item 5.

Licensed Insurance Agents

A number of the Firm's Supervised Persons are licensed insurance agents and may offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that CWA recommends the purchase of insurance products where its Supervised Persons may be entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

Relationship with Dynasty Financial Partners, LLC

CWA maintains a business relationship with Dynasty Financial Partners, LLC ("Dynasty"), which provides the Firm with operational and back office support including access to a network of service providers. Through the Dynasty network of service providers, CWA has access to trading technology, transition support, reporting, custody, brokerage, investments, compliance and other related services. The Firm may also engage and/or recommend Dynasty's subsidiary, Dynasty Wealth Management LLC, a registered investment adviser, to clients for certain outsourced investment services, such as separate account management, asset allocation strategies and externally managed investment programs. While CWA believes this open architecture structure for both operational and investment services best serves the interests of its advisory clients, this relationship may potentially present certain conflicts of interest due to the fact that Dynasty retains a portion of the platform or other third party fees paid by the Firm or clients for the services referenced above. In light of the foregoing, CWA seeks at all times to ensure that any material conflicts are addressed on a fully-disclosed basis and handled in a manner that is aligned with its clients' best interests. CWA does not receive any portion of the fees paid directly to Dynasty, its affiliates or the service providers made available through Dynasty's platform. In addition, the Firm reviews all such relationships, including the service providers engaged through Dynasty, on an ongoing basis in an effort to ensure clients are receiving competitive rates in relation to the quality and scope of the services provided.

Item 11. Code of Ethics

CWA has adopted a code of ethics in compliance with applicable securities laws (“Code of Ethics”) that sets forth the standards of conduct expected of its Supervised Persons. CWA’s Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of CWA’s personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm’s Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm’s policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (*i.e.*, spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

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; (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 CWA to request a copy of its Code of Ethics.

Item 12. Brokerage Practices

Recommendation of Broker/Dealers for Client Transactions

CWA generally recommends that clients utilize the custody, brokerage and clearing services of Schwab Advisor ServicesTM (“Schwab”) for investment management accounts.

Factors which CWA considers in recommending Schwab or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Schwab may enable the Firm 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 Financial Institutions.

The commissions paid by CWA’s clients to Schwab comply with the Firm’s duty to obtain “best execution.” Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where CWA 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 Financial Institution’s services, including among others, the value of research provided, execution capability, commission rates and responsiveness. CWA seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research products and/or services which assist CWA in its investment decision-making process. Such research generally will be used to service all of the Firm’s clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client’s portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because CWA does not have to produce or pay for the products or services.

CWA periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

Software and Support Provided by Financial Institutions

CWA may receive without cost from Schwab computer software and related systems support, which allow the Firm to better monitor client accounts maintained at Schwab. CWA may receive the software and related support without cost because the Firm renders investment management services to clients that maintain assets at Schwab. The software and support is not provided in connection with securities

transactions of clients (i.e., not “soft dollars”). The software and related systems support may benefit the Firm, but not its clients directly. In fulfilling its duties to its clients, CWA endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the Firm’s receipt of economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the Firm’s choice of broker/dealer over another that does not furnish similar software, systems support or services.

Specifically, CWA may receive the following benefits from Schwab:

- A certain amount of funding in credits to be used toward qualifying third-party service providers used in connection with the initial set up of the Firm’s research, technology and software platforms;
- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

Brokerage for Client Referrals

CWA does not consider, in selecting or recommending broker/dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

Directed Brokerage

The client may direct CWA in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to “batch” client transactions for execution through other Financial Institutions with orders for other accounts managed by CWA (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, CWA may decline a client’s request to direct brokerage if, in the Firm’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

Commissions or Sales Charges for Recommendations of Securities

As discussed above, certain Supervised Persons in their respective individual capacities are registered representatives of PKS. These Supervised Persons are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless PKS provides written consent. Therefore, clients are advised that certain Supervised Persons may be restricted to conducting securities transactions through PKS if they have not secured written consent from PKS to execute securities transactions through a different broker-dealer. Absent such written consent or separation from PKS, these Supervised Persons are prohibited from executing securities transactions through any broker-dealer other than PKS under its internal supervisory policies. The Firm is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

Trade Aggregation

Transactions for each client generally will be effected independently, unless CWA decides to purchase or sell the same securities for several clients at approximately the same time. CWA may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm’s clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among the Firm’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which CWA’s Supervised Persons may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. CWA does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis

allocation in one or more accounts, the Firm may exclude the account(s) from the allocation and the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Item 13. Review of Accounts

Account Reviews

CWA monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by one of the Firm's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with CWA and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Account Statements and Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from CWA and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from CWA or an outside service provider.

Item 14. Client Referrals and Other Compensation

Client Referrals

The Firm does not currently provide compensation to any third-party solicitors for client referrals. In the event a client is in the future introduced to CWA by either an unaffiliated or an affiliated solicitor, the Firm may pay that solicitor a referral fee in accordance with applicable state securities laws. Unless otherwise disclosed, any such referral fee is paid solely from CWA's investment management fee and does not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated solicitor, the solicitor is required to provide the client with CWA's written brochure(s) and a copy of a solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement. Any affiliated solicitor of CWA is required to disclose the nature of his or her relationship

to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the Firm's written brochure(s) at the time of the solicitation.

Other Economic Benefits

The Firm may receive an economic benefit from a third party (non-client) for providing advisory services, such as those described in Item 12 (above).

Item 15. Custody

The Advisory Agreement and/or the separate agreement with any Financial Institution generally authorize CWA and/or the Independent Managers to debit client accounts for payment of the Firm's fees and to directly remit that those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to CWA.

In addition, as discussed in Item 13, CWA may also send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from CWA.

Item 16. Investment Discretion

CWA is given the authority to exercise discretion on behalf of clients. CWA is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. The Firm is given this authority through a power-of-attorney included in the agreement between CWA and the client. Clients may request a limitation on this authority (such as indicating that certain securities not be bought or sold). The Firm takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The Independent Managers to be hired or fired.

Item 17. Voting Client Securities

Declination of Proxy Voting Authority

CWA does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm by calling the phone number on the cover of this brochure with questions about any such issuer solicitations.

Item 18. Financial Information

CWA is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.