

# Form ADV Part 2A *Firm Brochure* *Investment Management Services*

2/28/2015



This brochure provides information about the qualifications and business practices of Wade Financial Group, Inc. ("WFG", "we", "us" or "our"). Under the service name Wade Investments (WI), WFG offers an asset management service ("WI - AMS") that provides advice to Clients regarding the investment of funds based on their individual needs.

If you have any questions about the contents of this brochure, please contact WFG at 763-797-9577 or [info@wadefinancialgroup.com](mailto:info@wadefinancialgroup.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. Registration does not imply a certain level of skill or training. Additional information about WFG is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. WFG's CRD number is 109667.

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#### Minimums

The following relationship minimums  
apply to become a Client of WFG:

**WI – AMS Level I: \$500,000**

**WI – AMS Level II: \$750,000**



## Item 2 Material Changes

This Firm Brochure, dated 2/28/2015, is our disclosure document prepared according to the SEC's requirements and rules.

This Brochure will be used to provide our Clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year.

The material change effective in 2014 is the closing of the Wade Tactical L/S Fund. Wade Financial Group served as the Investment Manager for this Fund. The Fund was administered by Northern Lights Trust.

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**Item 4    Advisory    Business – Investment Management – WI****The ConVal<sup>®</sup> Difference**

Wade Financial Group, Inc. (WFG) is a SEC-registered investment adviser with its principal place of business located in Minneapolis, Minnesota. WFG has been managing money for high net worth investors since 1994. As a fee-only investment advisor, WFG puts You First – our first duty is to our clients. WFG is owned by its founder and CEO, Jerry B. Wade, CFP<sup>®</sup>, CFS.

WFG and its Associated Persons (AP) offer a variety of financial planning and investment advisory services to its Clients. The specific types of financial planning and investment advice to be provided to any particular Client will be detailed in the Advisory Agreement with WFG. This will vary depending upon the Client's needs, the nature of the services being provided and the complexity of each Client's circumstances.

WFG's advisory services fall under two categories:

- (I) Wade Investments (WI)
- (II) Wade Wealth Management (WWM)

This document deals directly with WFG's *Wade Investments* (WI). For a full description of WWM and the additional service levels provided, you may request the WFG Form ADV Part 2A, WWM brochure.

**Choosing and maintaining a long-term investment strategy  
is far easier said than done.**

WFG model portfolio strategies offer the opportunity to help investors break out of the mindset of buying high and selling low that leads so many individuals to achieve unsatisfactory returns for the risks taken. Wall Street's marketing machine stacks the odds against the individual investor. "Too good to be true" guarantees and predictions rule the day. From unregulated hedge funds to poorly regulated annuity products to mutual fund ads touting past performance, investors are preyed upon relentlessly. Succumbing to the ongoing pressure from Wall Street and CNBC talking heads, investors end up becoming their own worst enemy. The startling fact is the typical investor does not achieve the actual returns that mutual funds offer. This is due to poor attempts at market timing. From 1987 to 2006, the S&P 500 index earned 11% per year, while the average investor earned a mere 4% per year! The performance gap was -7% annually.<sup>(1)</sup>

**ASSET MANAGEMENT FEES**

WFG Asset Management Fees range between 0.15% and 3.20% annually depending upon portfolio(s) chosen, service level and household investment level. Please see ITEM 5 for a full discussion of our asset management service fees.

<sup>(1)</sup> Source: Quantitative Analysis of Investor Behavior by Dalbar, Inc. (2007) and Lipper. Past performance is not a guarantee of future results.

**Minimums**

The following relationship minimums apply to become a Client of WFG:

**WI – AMS Level I: \$500,000**

**WI – AMS Level II: \$750,000**



## INVESTMENT MANAGEMENT SERVICES

## WI - Asset Management Service (WI-AMS)

Under the service name Wade Investments, WFG offers an Asset Management Service (WI - AMS) that provides advice to Clients regarding the investment of funds based on their individual needs.

WFG offers other services aside from investment management. WFG offers Wade Wealth Management (WWM) services: comprehensive financial planning that goes beyond investment management only (WI). This brochure only mentions WWM as it relates to the WI-AMS fees incorporated within the complete WWM service.

WI – AMS is offered to Clients on *two separate service levels*:

**WI – AMS Level I:** An “investment only” offering in which the Client has not hired WFG to provide comprehensive financial planning. This service level **does not** take into account the effects of their investments on other aspects of their financial situation such as accounts outside of WFG, taxes, estate planning, etc.

**WI – AMS Level II:** For Clients retaining WI – AMS as a part of Wade Wealth Management (WWM) services, which provides comprehensive financial planning. This service level **does** include the potential effects their investments will have on their entire financial situation. As part of this service level, we may also provide potential tax savings.

## WI - AMS General Information

The selection of an investment strategy is tailored to the Client. Securities utilized may include: individual securities, Exchange Traded Funds (ETFs), open-end and closed-end mutual funds, as well as other securities. Portfolios benefit from frequent monitoring and reallocation of assets as the portfolio manager deems appropriate.

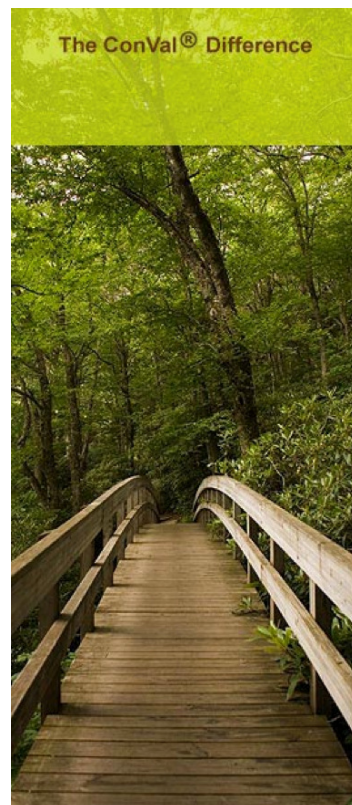
Each Client will complete an investor profile that helps determine the appropriate investment guidelines, goals, and individual risk tolerance. At the Client's request, or as part of other services retained, WFG may provide the Client with an Investment Policy Statement (IPS).

Accounts are managed on a discretionary basis unless a non-discretionary account selection is chosen. Account supervision is guided by the Client's financial plan, investor profile and/or IPS. We allocate the Client's assets among one or more investment strategies and/or asset classes based upon this information. Some types of investments involve certain additional degrees of risk and will only be recommended when consistent with the Client's stated investment objectives, tolerance for risk, liquidity and suitability.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. However, Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

## AMOUNT OF MANAGED ASSETS

As of 12/31/2014, WFG actively managed \$166,882,998.54 of Clients' assets on a discretionary basis and \$36,215,819.97 on a non-discretionary basis.







## Wade Investments –Portfolio Management

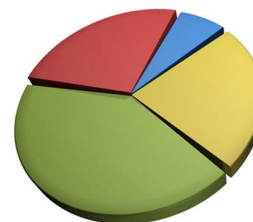
### Portfolio Choices – Model Portfolios – Not Globally Diversified

The models below are diversified within the account but are *not part of a fully diversified asset allocation portfolio strategy*:

1. **LIB** – Lifestyle Income Bond
2. **PTW** – Paid To Wait®
3. **PIA** – Paid In Advance®
4. **CG** – Concentrated Growth

### Portfolio Choices – Model Portfolios – Globally Diversified

1. **FG** - Flexible Global Strategies
2. **FD** – Foundation Strategies
3. **DFA** – Dimensional Fund Advisors



### Portfolio Choices – Combinations - Globally Diversified

Portfolio Combinations contain variations of the above single strategies:

1. **LSW - LifeStage Portfolios®** - Wealth Builder Series 1 through 2
2. **LSR - LifeStage Portfolios®** - Retirement Series 1 through 5

### QPAMS – Qualified Plan Asset Management Services

We assist Clients with the management of their employer- sponsored qualified plans, such as 401(k)s, profit sharing, etc. On a quarterly basis, via partnership with the Client, we assist with the selection of investment options, rebalancing and fund review.

### Other

1. **Exchange Funds** as a method of avoiding capital gains on concentrated stock positions.
2. **Variable** annuities and life insurance.



## WI - AMS Investment Strategies - Descriptions

WFG offers multiple strategies to suit the needs, investment objectives, and goals of our Clients. The following are the descriptions of the strategies available to our Clients. With each strategy we have provided the range of stock/equity exposure. The portfolio model stock/equity number can be matched with the risk/reward potential found on page 8.

Risk of loss applies to any WFG portfolio. As with any investment, there is an inherent risk of potentially losing principal. WFG portfolios are structured to potentially reduce risk through diversification. Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal.

### **Individual Securities – Bond:**

**0% Equity**

Diversified, yet focused portfolio using individual bonds, bond mutual funds and/or Exchange Traded Funds (ETFs).

STB – Short Term Bond

Strategy Minimum: \$100,000

LIB – Lifestyle Income Bond

Strategy Minimum: \$250,000

### **Individual Securities – Stock:**

**100% Equity Models**

Diversified, yet focused portfolios using individual stocks, stock mutual funds, and/or ETFs.

- **PTW – Paid To Wait®:** Strategy Minimum : \$150,000  
Features 50 high-quality individual stocks that paid a reliable dividend in the past and dividends are expected to increase each year. Turnover is approximately 20% annually. An effort is made to hold the majority of stocks at least 12 months for long-term capital gain purposes.
- **PIA – Paid In Advance®:** Strategy Minimum: \$250,000  
Features 15-30 individual stocks which include PTW stocks as the foundation to select from. We then write “covered calls” in an effort to increase net spendable income for our Clients.
- **CG – Concentrated Growth:** Strategy Minimum: \$100,000  
Features 25–50 individual stocks of which growth is the primary focus, with dividend income not taken into consideration. Turnover is approximately 60% annually. The portfolio will produce a higher amount of short-term capital gain income than other WFG portfolios.

### **FG - Flexible Global**

**0, 25, 75, & 100% Equity Models**

Global approach featuring low-cost institutional index funds. The portfolio offers a sliding scale of foreign vs domestic exposure depending on the current market environment. The portfolio is designed for smaller accounts and therefore will typically hold a smaller selection of funds.

Strategy Minimum: < \$100,000



## INVESTMENT MANAGEMENT SERVICES

**FD - Foundation Strategies****0, 25, 50, 75% Equity**

Global approach featuring low-cost institutional index funds, no-load funds and ETFs across a variety of asset classes: U.S. and foreign bonds; domestic and foreign large-cap, mid-cap, small-cap, growth and value stocks; REITs; commodities; and managed futures. Portfolios maintain a strategic equity/bond allocation but allow for tactical shifts within asset classes. (Actively Tax Managed (ATM) variations available.)

Strategy Minimum: \$100,000

**DFA – Dimensional Fund Advisors****0, 25, 50, 75, & 100% Equity**

Global approach featuring 100% low-cost institutional index funds across a variety of asset classes: U.S. and foreign bonds; domestic and foreign large-cap, mid-cap, small-cap, growth and value stocks; and REITs. Portfolios maintain a strategic equity/bond allocation but allow for tactical shifts within asset classes. (Actively Tax Managed (ATM) variations are available.)

Strategy Minimum: \$100,000

**LSW - LifeStage Portfolios® Wealth Builder****40, 55, 70, & 85% Equity**

These strategies are used to apply combinations of the above strategies to Clients with accounts that are greater than \$300,000 in size.

Strategy Minimum: \$300,000 - 1,000,000+

**LSR- LifeStage Portfolios® Retirement****25, 40, 55, & 70% Equity**

These strategies are used to apply combinations of the above strategies to Clients with accounts that are greater than \$500,000 in size.

Strategy Minimum: \$500,000 - 1,000,000+

**QPAMS - Qualified Plan Asset Management Service****0, 25, 50, 75 & 100% Equity**

Management of a participant sub-account within an employer-sponsored qualified plan, such as 401(k), profit-sharing, etc. through quarterly fund review and rebalancing.

Strategy Minimum: \$100,000 standard; \$250,000 SD brokerage

**Other WI – AMS**

Exchange Funds through Eaton Vance, which is a mechanism that allows holders of large amount of a single stock to diversify into a basket of other stocks without directly selling their stock. WFG will assist Clients with the planning and implementation of Exchange Funds, and the reinvestment options associated with the service.

Variable Annuities – WFG will assist Clients with their fund selection and rebalancing of their sub-account within a variable annuity policy.



## Risk/Reward Potential - WI-AMS Portfolios

With any investment you make, you should consider the investment's potential risk versus its potential reward. Take into account how that fits with your own comfort level and the time horizon you have for investing.

WFG model portfolios range from conservative to aggressive. Consider the levels of equity exposure in each model, and choose the level that best suits your situation.

### Conservative

#### Risk Level 1

#### 0% Equity Exposure



Portfolios classified as conservative are subject to account values that are expected to *fluctuate only slightly*. These portfolios are most appropriate for the short-term portion of a long-term investment portfolio, or for investors with short-term investment horizons (three years or less).

### Conservative to Moderate

#### Risk Level 2

#### 25-38% Equity Exposure



Portfolios classified as conservative to moderate are subject to *low-to-moderate fluctuations in account values*. In general, these portfolios may be appropriate for investors with medium-term investment horizons (four to six years).

### Moderate

#### Risk Level 3-B

#### 40-50% Equity Exposure



Portfolios classified as moderate are subject to a *moderate degree of fluctuation in account values*. In general, these portfolios may be appropriate for investors who have a relatively long investment horizon (six to nine years).

### Moderate to Aggressive

#### Risk Level 4

#### 55-75% Equity Exposure



Portfolios classified as moderate to aggressive are broadly diversified but are *subject to wide fluctuations in account values* because they hold virtually all of their assets in common stocks. These portfolios may be appropriate for investors who have a long-term investment horizon (at least ten years).

### Aggressive

#### Risk Level 5

#### 100% Equity Exposure



Portfolios classified as aggressive are *subject to extremely wide fluctuations in account values*. These portfolios may be appropriate for investors who have a very long-term investment horizon (ten to twenty years or longer).



**Item 5 Fees and Compensation****WI – AMS Level I: Investment Management Only (annual)***Strategies With Mutual Funds Only*

Household Amount	FG	DFA	FD QPAMS
\$500 - \$750K	1.10%	1.10%	1.30%
\$750K - \$1M	1.00%	1.00%	1.15%
\$1 - \$2M	0.80%	0.80%	0.95%
\$2 - \$3M	0.75%	0.75%	0.85%
\$3 - \$4M	0.70%	0.70%	0.75%
\$4 - \$5M	0.65%	0.65%	0.70%
\$5 - \$7M	0.60%	0.60%	0.65%
\$7 - \$10M	0.60%	0.60%	0.65%
\$10 - \$15M	0.55%	0.55%	0.60%
\$15 - \$20M	0.50%	0.50%	0.55%
\$20 - \$30M	0.45%	0.45%	0.50%
Above \$30,000,000	0.40%	0.40%	0.45%

*Strategies With Mutual Funds and Individual Securities*

Household Amount	LIB	STB	LIB / FD PTW / FD	PIA/LIB	LSR LSW
\$500 - \$750K	1.20%	1.15%	1.50%	2.00%	1.70%
\$750K - \$1M	1.15%	0.65%	1.45%	1.95%	1.60%
\$1 - \$2M	1.00%	0.60%	1.40%	1.80%	1.50%
\$2 - \$3M	0.95%	0.55%	1.30%	1.70%	1.40%
\$3 - \$4M	0.95%	0.55%	1.25%	1.70%	1.30%
\$4 - \$5M	0.95%	0.50%	1.20%	1.70%	1.20%
\$5 - \$7M	0.90%	0.45%	1.15%	1.65%	1.10%
\$7 - \$10M	0.85%	0.40%	1.15%	1.65%	1.00%
\$10 - \$15M	0.80%	0.35%	1.10%	1.60%	0.90%
\$15 - \$20M	0.75%	0.30%	1.05%	1.55%	0.85%
\$20 - \$30M	0.70%	0.25%	1.00%	1.50%	0.80%
Above \$30,000,000	0.65%	0.20%	0.95%	1.45%	0.75%

*Strategies With Individual Securities Only*

Household Amount	PIA CG	PTW	PARA
\$500 - \$750K	2.20%	2.05%	1.35%
\$750K - \$1M	2.15%	2.00%	1.30%
\$1 - \$2M	2.00%	1.85%	1.15%
\$2 - \$3M	1.90%	1.75%	1.05%
\$3 - \$4M	1.90%	1.75%	1.05%
\$4 - \$5M	1.90%	1.75%	1.05%
\$5 - \$7M	1.85%	1.70%	1.00%
\$7 - \$10M	1.85%	1.70%	1.00%
\$10 - \$15M	1.80%	1.65%	0.95%
\$15 - \$20M	1.75%	1.60%	0.90%
\$20 - \$30M	1.70%	1.55%	0.85%
Above \$30,000,000	1.65%	1.50%	0.80%

**WI – AMS Level II: Includes Comprehensive Financial Planning (annual)***Strategies With Mutual Funds Only*

Household Amount	FG	DFA	FD QPAMS
\$750K - \$1M	1.40%	1.40%	1.55%
\$1 - \$2M	1.10%	1.10%	1.25%
\$2 - \$3M	1.00%	1.00%	1.05%
\$3 - \$4M	0.90%	0.90%	0.95%
\$4 - \$5M	0.85%	0.85%	0.85%
\$5 - \$7M	0.75%	0.75%	0.75%
\$7 - \$10M	0.70%	0.70%	0.75%
\$10 - \$15M	0.70%	0.70%	0.70%
\$15 - \$20M	0.60%	0.60%	0.65%
\$20 - \$30M	0.55%	0.55%	0.60%
Above \$30,000,000	0.50%	0.50%	0.55%

*Strategies With Mutual Funds and Individual Securities*

Household Amount	LIB	STB	LIB / FD PTW / FD	PIA/LIB	LSR LSW
\$750K - \$1M	1.55%	0.75%	1.85%	2.35%	2.00%
\$1 - \$2M	1.30%	0.70%	1.70%	2.10%	1.80%
\$2 - \$3M	1.15%	0.65%	1.50%	1.90%	1.60%
\$3 - \$4M	1.15%	0.65%	1.45%	1.90%	1.50%
\$4 - \$5M	1.10%	0.60%	1.35%	1.85%	1.35%
\$5 - \$7M	1.00%	0.55%	1.25%	1.75%	1.20%
\$7 - \$10M	0.95%	0.50%	1.25%	1.75%	1.10%
\$10 - \$15M	0.90%	0.45%	1.20%	1.70%	1.00%
\$15 - \$20M	0.85%	0.40%	1.15%	1.65%	0.95%
\$20 - \$30M	0.80%	0.35%	1.10%	1.60%	0.90%
Above \$30,000,000	0.75%	0.30%	1.05%	1.55%	0.85%

*Strategies With Individual Securities Only*

Household Amount	PIA CG	PTW	PARA
\$750K - \$1M	2.55%	2.40%	1.70%
\$1 - \$2M	2.30%	2.15%	1.45%
\$2 - \$3M	2.10%	1.95%	1.25%
\$3 - \$4M	2.10%	1.95%	1.25%
\$4 - \$5M	2.05%	1.90%	1.20%
\$5 - \$7M	1.95%	1.80%	1.10%
\$7 - \$10M	1.95%	1.80%	1.10%
\$10 - \$15M	1.90%	1.75%	1.05%
\$15 - \$20M	1.85%	1.70%	1.00%
\$20 - \$30M	1.80%	1.65%	0.95%
Above \$30,000,000	1.75%	1.60%	0.90%

**Minimum Annual Fee**

WI – AMS Level I: \$6,500  
WI – AMS Level II: \$11,625



## INVESTMENT MANAGEMENT SERVICES

Account Setup/Transfers:

A setup fee applies per account, depending upon the aggregate amount of assets under management and portfolio strategy. This fee includes potential transfers from other custodians and is based upon the complexity of the transfer.

**Simple Transfer:** The preferred method to open an account with WFG is by check, wire transfer of cash, or custodial transfer of cash (such as IRAs). When transferring an account from another firm, it is recommended that holdings be liquidated so that cash can be transferred or wired.

**Complex:** WFG is able to process transfers of existing securities. The length and complexity of this process varies based upon the delivering firm and the nature of the assets being transferred. WFG reserves the right to assess a transfer fee at a rate of \$75 per hour in addition to the rates below if it is determined that the process will be complex and will require significant WFG resources to complete. Any such fees will be quoted and disclosed in advance and approved by the Client.

Household Amount:	Cash/ Holding	IRA	Taxable Account	QPAMS Annuity
All	\$100	\$150	\$250	\$500

Contribution Fees:

After the account is established, initial and future contributions in excess of \$10,000 have a contribution fee on the portfolio models listed below. The contribution fee rate depends upon the aggregate amount of assets under management and the portfolio strategy. The contribution fee covers investment strategy development/review, customization, and tax planning.

Household Amount:	LSW LSR LIB PTW CG	PIA	Exchange Fund
\$0-\$1,000,000	0.35%	0.50%	Minimum is \$1 million
\$1,000,001-\$2,000,000	0.30%	0.45%	1.00 %
\$2,000,001-\$3,000,000	0.25%	0.40%	0.75%
\$3,000,001-\$4,000,000	0.20%	0.35%	0.50%
\$4,000,001-\$5,000,000	0.15%	0.30%	0.25%
\$5,000,000-\$7,000,000	0.15%	0.25%	0.20%
\$7,000,000- \$10,000,000	0.15%	0.20%	0.15%
Above \$10,000,000	0.10%	0.15%	0.15%



## INVESTMENT MANAGEMENT SERVICES

**GENERAL DISCLOSURE FOR WI - AMS:** The Client will have a direct and beneficial interest in his/her securities, rather than an undivided interest in a pool of securities. As part of the quarterly reporting and/or meeting process, WFG will request from the Client an update regarding any changes that may have taken place in the Client's current financial situation. Clients may receive various reports from their custodian such as transaction statements, monthly statements, and quarterly statements.

Clients understand that WFG and its Associated Persons (AP) in connection with the services provided under WI - AMS, shall be entitled to annual management fees. These fees are payable to WFG and in most cases will be deducted from the Client's custodian account pursuant to the following criteria. WFG bills accounts on a calendar quarter in advance. For fees billed in advance, the first payment is due and payable upon execution of the agreement and will be assessed on a pro rata basis to reflect the number of managed days in the calendar quarter. Subsequent fees are due and will be assessed on the first day of each quarter based upon the portfolio value as of the close of the last business day preceding the quarter. If a Client terminates their relationship with WFG in the middle of a quarter, a prorated refund of the quarterly fee will be due the Client. WFG reserves the right to modify fees in situations that are more complex in nature.

**FEE DISCLOSURE:** Account fees vary based upon the investment strategy as defined in "Investment Strategies" section, size of the account per the previous charts. WFG consolidates all Client investment assets together to determine the household amount. This consolidation results in the lowest possible fee to be applied across all Clients' accounts. Lower or higher fees may be found for comparable services. We may request a retainer upon completion of our initial fact-finding session with the Client; however, advance payment will never exceed \$1,200 for work that will not be completed within six months. The balance is due upon completion of the plan. Any prepaid/unearned fees will be promptly refunded via a prorated reimbursement according to the number of days remaining in the billing period.

**TRADING AUTHORIZATION:** The Client will grant WFG discretionary trading authority to choose the securities to be bought and sold, the amount and the timing. WFG does not have a full power of attorney and will not have authority to withdraw funds or to take custody of Client funds or securities. The Client may make deposits or withdrawals from his/her account at any time. The Client should notify WFG of each withdrawal and deposit.

**CLIENT'S RESPONSIBILITIES:** The Client will recognize the value and usefulness of the advisory services of WFG will be dependent upon the information that he/she provides and upon his/her active participation in the formulation of investment objectives. The Client will complete one or more detailed questionnaires provided by WFG. The Client will also provide copies of documents as WFG may reasonably request in order to permit complete evaluation and implementation of the portfolio decisions. The Client will advise WFG if the Client's financial condition or objectives change at any time during the period under advisement.

**OTHER FEES:** Individual mutual funds, ETFs, separate accounts and/or variable annuities have their own expenses. A description of these fees can be found in each investment's prospectus or ADV. These fees are separate from WFG's advisory fees. A potential benefit of WFG's innovative approach is the significant reduction or elimination of many of these miscellaneous fees. Other potential fees include fees imposed by broker dealers and custodian transaction/brokerage fees, which typically range from 0.06% - 0.20% annually. The custodian at whom the Client's actual assets are held may charge transaction fees/commissions for certain trades. WFG uses Schwab Institutional as the primary custodian. WFG and its Associated Persons (AP) do not receive any compensation from outside firms.



## INVESTMENT MANAGEMENT SERVICES

**EMPLOYER SPONSORED RETIREMENT PLANS:** WFG may offer certain participant-directed, employer-sponsored retirement plans at a negotiated fee. An annual minimum fee of \$1,500 will apply until plan assets reach \$100,000. Fees are billed quarterly.

**CORPORATE RELATIONSHIPS:** WFG often works with multiple employees from the same employer and may offer a special negotiated rate. The corporate discounted rate table will be provided upon request. The minimum number of employees needed from the same company to receive the special rate is three.

**GRANDFATHERING OF MINIMUM ACCOUNT REQUIREMENTS:** Pre-existing Clients may, in certain circumstances, be subject to advisory fees in effect at the time the Client entered into the advisory relationship. Therefore, minimum account requirements and/or fees may differ among Clients.

**FEE AUTHORIZATION FOR WI - AMS:** The Client will authorize the custodian holding the Client's funds and securities to deduct WFG fees directly from the Client's account in accordance with the summary invoices and/or information prepared and submitted by WFG. The Client will receive a summary (either via mail or online access) showing the fee amount, the asset value upon which the fee was based, and the specific manner in which the fee was calculated. WFG uses the services of a "qualified custodian." Clients may pay fees directly, or the custodian holding the Client's assets may make payment of fees. The custodian will send a copy of the Client's statement directly to the Client.

- ***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.
- ***Limited Prepayment of Fees:*** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

**TERMINATION OF SERVICES:** A Client agreement may be canceled at any time, by either party, for any reason upon receipt of **30** days written notice. For accounts terminated by the Client or WFG during any quarter, a *pro rata* refund to the Client or payment from the Client to WFG may be due as discussed under "General Disclosure for WI – AMS" above (not including set up fees as applicable) based upon the number of days remaining in the quarter. Fees are not collected for services to be performed more than six months in advance.

**ERISA Accounts:** WFG is deemed to be a fiduciary to advisory Clients that have employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act (ERISA), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Code that include restrictions concerning certain forms of compensation to avoid engaging in prohibited transactions.

**CLIENT DEATH:** WFG may charge a minimum fee of \$750 to assist with estate settlement issues related to the segregation of account(s), creation of new accounts to allow for distribution to beneficiaries, etc. The exact fee will be determined based upon the level of complexity. If the assets will be remaining at WFG, this fee may be waived at WFG's discretion. If the deceased Client's executor/administrator would prefer that fees be avoided, account(s) will need to be transferred to another custodian prior to the implementation of the estate settlement issues.





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

- Wade Financial Group, Inc. does not charge performance-based fees.

## Item 7 Types of Clients

Wade Financial Group, Inc. provides advisory services to the following types of Clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Investment companies (including mutual funds)
- Pension and profit-sharing plans (other than plan participants)
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided for each applicable service.





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

### Importance of Risk Management

*"It's not what you make, it's what you keep that counts!"*

Risk management is of great interest to investors, particularly in light of the 2000-2002 and 2008 bear markets and year-by-year stock market gyrations. We employ an ongoing, multiple-element risk management process. We also rely on common sense and the judgment of professionals that is based on decades of market experience. We analyze the amount of risk we are taking on behalf of shareholders, both on an absolute basis and relative to benchmarks. We use this data to help us determine how best to position the portfolios, in light of current/ongoing market conditions and other variables.

WFG model portfolios are managed in such a way that Clients may be able to avoid the devastating impact that can occur with various money management strategies that fail to appreciate the role risk reduction plays in potentially achieving attractive long-term returns. By assessing where opportunities vs. risks are unusually compelling, via our **ConVal<sup>®</sup>** (Contrarian Value) investment approach, we can proactively adjust the funds asset allocation via both the stock/bond mix and individual holdings.



### Impact of Losses on Investor Returns

Numerous studies have demonstrated that:

***Superior long-term compound returns can potentially be achieved by lessening the extent to which an investment portfolio suffers significant negative returns over a given period of time.***

As an example, to make up for a negative return over the prior 12 months of 50%, the investment would need to rise 100% just to get back to break-even. This is not a very likely scenario.

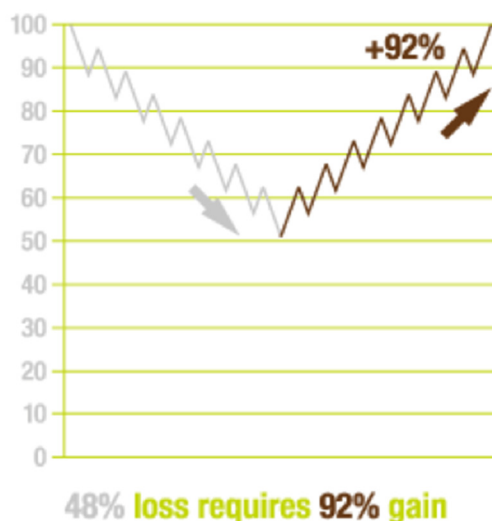
***The steeper the losses, the higher the degree of difficulty of ever catching up.***

During the bear markets of 2000-2002 and the fall of 2008, the S&P 500 index dropped a cumulative total of approximately 48%. In dollars, \$100,000 dropped to \$52,000. Many investors falsely believed that to get back to where they started, they needed to earn 48% to get back the lost \$48,000. While this may seem logical to some, the math doesn't work that way. In order to move from \$52,000 back to \$100,000, the investor would need a return of 92%. That's right 92%! They would need to average 6.76% per year, over ten years, to get back to where they started. The NASDAQ index suffered a devastating 72% loss during the tech bubble bursting between 2000-2002. Here, an investor's \$100,000 dropped to \$28,000. In this case, a 257% return is needed to get back to \$100,000. This investor would need to average 13.58% per year over ten years.

Steep losses in the stock market this decade have impacted millions of pre-retirees and retirees, with many having to delay retirement and/or go back to work. Some will not live long enough to see their wealth recover. Some can now be found in their retirement years as greeters at Wal-Mart or Home Depot, trying to stay afloat after their savings were swept away by the "poor decision making, poor advice" hurricane. Many of these investors' savings were devastated by either poor advice and/or attempting to "self direct" their wealth. Too many investors bought into the belief of the "new economy," and "this time it's a different story."

**The High Degree Of Difficulty Of Rebuilding Wealth After Steep Losses**

The chart below illustrates the concepts we are sharing in our commentary above.

**Hypothetical S&P 500  
Bear Market and Recovery****Hypothetical S&P 500  
Bear Market and Recovery****Severity of Negative Return Wreaks Havoc on True Performance**

Consider the examples in the following table:

Negative Return	Return Required To Make Up Prior Year's Negative Return	Comments
-1%	1.01%	No problem
-10%	11.1%	Still no problem
-25%	33.3%	This can be made up
-40%	66.6%	Holy C###
-50%	100%	Oh S###
-70%	233.3%	Where is Dr. Kerxxxxx?

**The “Volatility Penalty” Hurts Your Bottom Line**

Deep negative returns in any given year penalize the investor, to the point where the investor may not be able to catch up in subsequent years. Why? In these subsequent years, the investor is not starting with their original investment amount – they are starting with the newly shrunken account value. Therefore, positive returns of the subsequent years have to outweigh by far the negative return in order to erase its impact on your balance sheet.

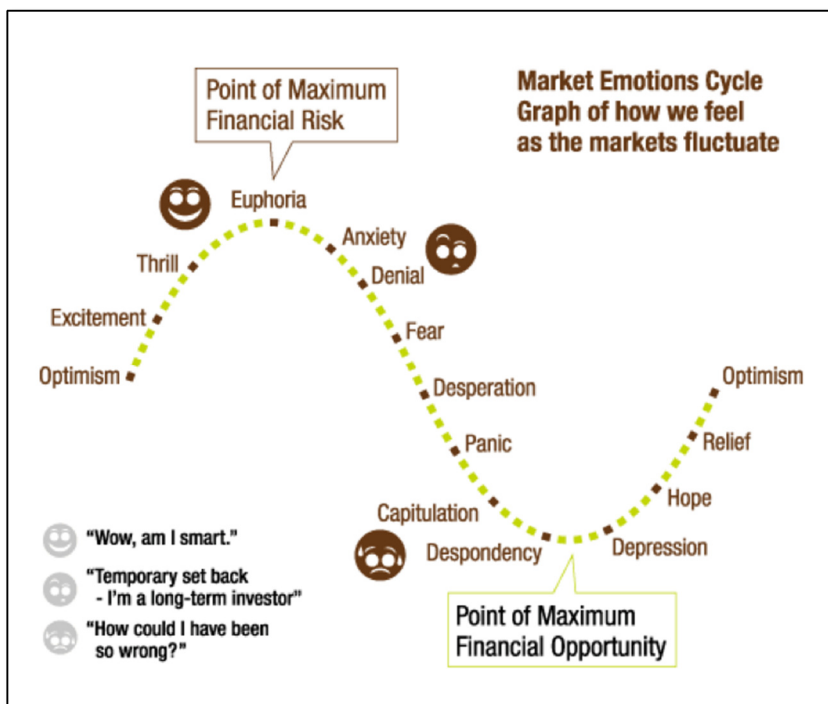
For this reason, considering the average return of the stock market over years can be red herring for investors – even in a decade-long view of your investments, the volatility of return for individual years can have real effects on your overall return on investment.

## Cycle of Investor Emotions

While it should be textbook strategy for investors to be willing to “buy low” and “sell high,” thousands of years of human behavior wiring make this impossible to implement for most investors. Numerous studies of investor behavior indicate that achieving solid long-term investment results are disabled by greed and fear for the majority of investors.

Too many investors prefer to buy when the news is good and sell when the news is bad. WFG Clients delegate the emotional aspect of achieving successful long-term investment results, allowing the Advisor to navigate the choppy waters of market psychology.

### Investor Emotion and the Stock Market



The stock market must work within equilibrium. *For every investment sold, there has to be a buyer.* At times of financial crisis when the stock market is way down, and the news media proclaims the second Great Depression is upon us, a redistribution of wealth takes place:

- 1) Scared, “media-informed,” confused, impatient and panicking sellers greatly outnumber the buyers. It is these limited number of shrewd buyers (like Warren Buffet, WFG) that do the noble thing. They buy, buy, and buy, allowing the sellers to feel better they are doing what their gut is telling them to do.
- 2) Panic-selling is not limited to individuals. Investment committees of pension plans, endowments, etc. are also notorious for “chasing” the stock market, both on the way up and on the way down.

We desire WFG Clients to be on the winning side of the wealth redistribution that often takes place when emotional investors are willing to practically give away investments worth much more than they perceive.



## Industry Studies of Investor Behavior

To further complicate the forces investors are up against, the field of behavioral finance has shown that regardless of how investors fill out various risk questionnaires (results often suggest allocating 75-100% to stocks, based upon a greater than 10-year time horizon), investors are in reality “risk averse” and do not react equally to gains and losses.

It is one thing for investors to attempt to forecast their emotional reaction in advance of a bear market. It is completely another to experience the negative returns and reduction of wealth based upon actually participating in a bear market. In fact, research by Kahneman and Tversk<sup>(1)</sup>, among others, has shown investors feel the pain of negative returns 2-3 times stronger than they feel the joy of positive returns.

- Regardless of the long-term return potential of an investment, many investors simply cannot emotionally tolerate the volatile price swings of portfolios with a high stock allocation (75% or greater).

WFG believes that investors should steer clear of trying to hit home runs with the high incidence of striking out and instead should focus on a more emotionally positive path of building wealth slowly and surely with an eye towards risk management as more important than focusing on “big returns.” Studies by the Bogle Financial Markets Research Center<sup>(2)</sup> on investor behavior also indicate that most investors (self-directed or professionally advised) capture less than 50% of the actual return of the stock mutual funds they are invested in. This is a result of a consistent cycle of buying high and selling low. We call this “shooting yourself in the foot with the same gun repeatedly” behavior. The table below provides a hypothetical example of the devastating results negative investor behavior can play on wealth accumulation:

Comparison	Starting Capital	Average Return	Ending Capital In 10 Years	Income From Ending Capital @5% Withdrawal Rate	Percentage of Potential Income Captured
The Hypothetical Return Offered By The Stock Market Via “XYZ” Equity Mutual Fund	\$100,000	10%	\$259,374	\$12,969	100%
Hypothetical Returns Experienced By Investors Who Buy High and Sell Low In The “XYZ” Equity Mutual Fund	\$100,000	4.5%	\$155,297	\$7,765	60%

WFG can assist investors in removing the emotions of investing typically experienced by investors via our **ConVal**<sup>®</sup> investment approach. WFG’s experienced fund management team “does the driving,” significantly improving the chances of an investor’s hard-earned dollars earning a reasonable, compound rate of return over time. Portfolios are driven by the **ConVal**<sup>®</sup> process that attempts to limit the severity of negative stock market returns when they occur, yet provides for the capture of an important portion of positive stock market returns.

- (1) Daniel Kahneman is a psychologist and Nobel laureate. He is notable for his work on the psychology of judgment and decision-making, behavioral economics and hedonic psychology.
- (2) Bogle Financial Markets Research Center was started by Jack Bogle, founder of Vanguard Mutual Funds, one of the two largest mutual fund groups in the world.





## Methods of Analysis

**ConVal® (Contrarian Value) investment process:** Results in a preference to invest in securities that are out of favor with and/or go unnoticed by most investors, and are therefore, potentially undervalued. The **ConVal® process** plays a major role in the selection of other investment companies and in the top-down approach regarding tactical decisions WFG can make in regards to over- or under-weighting a given asset class and the equity/fixed income mix as a whole. WFG looks to take advantage of investor dissatisfaction and resulting price devaluation to buy low, then wait for sentiment to change, and prices to rise, over time.

**Fundamental Analysis:** We measure the intrinsic value of a security to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). The price of a security can move up or down along with the overall market regardless of economic and financial factors.

**Technical Analysis:** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

**Asset Allocation:** Suitable to the Client's investment goals and risk tolerance we attempt to identify an appropriate ratio of securities across multiple asset classes, such as stocks, bonds, hybrids, managed futures, commodities, large companies, small companies, and cash. A risk of asset allocation is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the Client's goals.

**Risks for all forms of analysis:** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.



## Investment Strategies

We may use the following strategy(ies) in managing Client accounts, provided that such strategy(ies) are appropriate to the needs of the Client and consistent with the Client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We may purchase securities with the idea of holding them in the Client's account for a year or longer. Typically we employ this strategy when we believe the securities to be currently undervalued, and/or we desire exposure to a particular asset class over time.

The risk in holding the security for this length of time in a long-term purchase strategy is that we may not take advantage of short-term gains that could be profitable to a Client. Moreover, if predictions are incorrect, a security may decline sharply in value before sold.

**Short-term purchases.** When utilizing this strategy we may purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.



**Option writing.** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset. The two types of options are calls and puts:

A call provides us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.

A put provides us as the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We may use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We may use options to speculate on the possibility of a sharp price swing. We may also use options to "hedge" a purchase of the underlying security; in other words, we may use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We may use a "spreading strategy," in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively positions you on both sides of the market, but with the ability to vary price, time, and other factors.



## Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a Client's or prospective Client's evaluation of our advisory business or the integrity of our management. Our firm and our management personnel have no reportable disciplinary events to disclose.

## Item 10 Other Financial Industry Activities and Affiliations

Wade Financial Group does not have other financial industry activities and affiliations.

Wade Tactical L/S Fund was closed in 2014.

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

WFG has adopted a Code of Ethics ("CODE") which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. WFG and our personnel owe a duty of loyalty, fairness and good faith towards our Clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Our Code of Ethics requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering and oversight, enforcement and recordkeeping provisions. The Code prohibits the use of material non-public information. All employees are reminded that such information may not be used in a personal or professional capacity.

WFG or individuals associated with our firm may buy securities for the firm or for themselves from our advisory Clients; or sell securities owned by the firm or the individual(s) to our advisory Clients. We will ensure, however, that such transactions are conducted in compliance with all the provisions under Section 206(3) of the Advisers Act governing principal transactions to advisory Clients. WFG may, at times, effect an agency cross transaction for an advisory Client, provided that the transaction is consistent with our firm's fiduciary duty to the Client and that all requirements outlined in Sec. 206(3)-2 of the Investment Advisers Act of 1940 are met. An agency cross transaction is a transaction where our firm acts as an investment adviser in relation to a transaction in which WFG acts as broker for both the advisory Client and for another person on the other side of the transaction. As previously disclosed in this brochure, WFG is the investment adviser to an affiliated mutual fund. Please refer to "Advisory Business" (Item 4) and "Fees and Compensation" (Item 5) for a detailed explanation of this relationship and important conflict of interest disclosure. Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of WFG employees will not interfere with (i) making decisions in the best interest of advisory Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our Clients. In addition, any related person(s) may have an interest or position in a certain security (ies) which may also be recommended to a Client. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts. We may aggregate our employee trades with Client transactions where possible and when compliant with our duty to seek best execution for our Clients. In these instances, participating Clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will



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allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent potential conflicts of interest to our Clients, we have established the following policies and procedures for implementing our Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our Clients and potential Clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory Client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or designee.
6. We have established procedures for the maintenance of all required books and records.
7. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
11. Any individual who violates any of the above restrictions may be subject to termination.

## Item 12 Brokerage Practices

WFG requires that Clients provide us with written authority to determine the broker-dealer to use and the commission costs that will be charged to our Clients for these transactions.

Clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

WFG will block trades where possible and when advantageous to Clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple Client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. WFG will typically aggregate trades among Clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for Clients on any particular day. WFG's block trading policy and procedures are as follows:

- 1) Transactions for any Client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the Client's advisory agreement with Wade Financial Group, Inc., or our firm's order allocation policy.
- 2) The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the Client and consistent with the Client's investment objectives and with any investment guidelines or restrictions applicable to the Client's account.
- 3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable WFG to seek best execution for each Client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.



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- 4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each Client account participating in the order and the proposed allocation of the order, upon completion, to those Clients.
- 5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating Client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating Client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any Client account, or to avoid excessive ticket charges in smaller accounts.
- 6) Generally, each Client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the Client's participation. Under the Client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each Client.
- 7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
- 8) WFG's Client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
- 9) Funds and securities for aggregated orders are clearly identified on Wade Financial Group, Inc.'s records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating Client.
- 10) No Client or account will be favored over another.

WFG may recommend that Clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, to maintain custody of Clients' assets and to effect trades for their accounts. Although we recommend that Clients establish accounts at Schwab, it is the Client's decision to custody assets with Schwab. WFG is independently owned and operated and not affiliated with Schwab.

Schwab provides WFG with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's Clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our Client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our firm other products and services that benefit WFG but may not directly benefit our Clients' accounts. Many of these products and services may be used to service all or some substantial number of our Client accounts, including accounts not maintained at Schwab. Schwab's products and services that assist us in managing and administering our Clients' accounts include software and other technology that

1. provide access to Client account data (such as trade confirmations and account statements);
2. facilitate trade execution and allocate aggregated trade orders for multiple Client accounts;
3. provide research, pricing and other market data;
4. facilitate payment of our fees from Clients' accounts; and
5. assist with back-office functions, recordkeeping and Client reporting.





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- Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:
  6. compliance, legal and business consulting;
  7. publications and conferences on practice management and business succession; and
  8. access to employee benefits providers, human capital consultants and insurance providers.
- Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to WFG. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab Institutional may also
- provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that Clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

## Item 13 Review of Accounts

**REVIEWS:** The economy and world stock markets are reviewed continuously each business day by members of WFG's Investment Department. The reviews are performed by WFG's Investment Portfolio Managers Blaine Conklin and Nick Asmus along with Chief Investment Officer Jerry Wade.

The underlying securities within WFG Model Portfolio accounts are continually monitored. Since WFG utilizes a model approach and the majority of Clients have chosen model portfolios, the Client's account is indirectly reviewed daily via this process.

If circumstances suggest that a security in a model portfolio be purchased or sold, the model is reviewed at that time. The Client's specific account(s) are reviewed periodically.

Accounts are reviewed in the context of each Client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the Client's individual circumstances, or the market, political or economic environment.

Taxable accounts may receive additional review during the year in an effort to minimize potential income taxes in the future.

QPAMS accounts will be reviewed quarterly using the information available via the Client's employer website as it pertains to the specific mutual funds available through the company's Qualified Plan.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that Clients receive from their Custodian, WFG provides quarterly reports summarizing account performance, balances and holdings. Performance reporting is available on a daily basis via the website portal [www.wadefinancialgroup.com](http://www.wadefinancialgroup.com)





## Item 14 Client Referrals and Other Compensation

Our firm may pay referral fees to independent persons or firms (“Solicitors”) for introducing Clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective Client with a copy of this document (our Firm Brochure) and a separate disclosure statement that includes the following information:

- the Solicitor’s name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee; and
- the amount of the fee.

As a matter of firm practice, the advisory fees paid to us by Clients referred by Solicitors are not increased as a result of any referral.

It is WFG’s policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards, or other prizes, from a non-Client in conjunction with the advisory services we provide to our Clients.

## Item 15 Custody

As disclosed in the “Fees and Compensation” section (Item 5) of this Brochure our firm directly debits advisory fees from Client accounts. As part of this billing process, the Client’s custodian is advised of the amount of the fee to be deducted from that Client’s account. On a quarterly basis, the custodian is required to send to the Client a statement showing all transactions within the account during the reporting period. Because the custodian does not calculate the amount of the fee to be deducted, it is important for Clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients also receive account statements directly on a monthly basis. We urge our Clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current. WFG does not have actual or constructive custody of Client accounts.

## Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a Client’s account without contacting the Client prior to each trade to obtain the Client’s permission. Our discretionary authority includes the ability to do the following without contacting the Client: determine the security to buy or sell; the amount of the security to buy or sell; and/or the transaction timing. Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.



## Item 17 Voting Client Securities

We do not vote proxies for any WI – AMS accounts or in conjunction with any WWM services.

We will neither advise nor act on behalf of the Client in legal proceedings involving companies whose securities are held in the Client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, Clients may direct us to transmit copies of class action notices to the Client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

For accounts where we do not vote proxies, our firm may provide investment advisory services relative to Client investment assets. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the Client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the Client's investment assets. Clients are responsible for instructing each custodian of the assets to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. We do not offer any consulting assistance regarding proxy issues to Clients.

## Item 18 Financial Information

As an advisory firm, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Wade Financial Group, Inc. has no additional financial circumstances to report. Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per Client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement. Wade Financial Group, Inc. has not been the subject of a bankruptcy petition at any time since its founding in 1994.