

## **Porter White Investment Advisors,**

Form ADV Part 2A Brochure

March 2015

This brochure provides information about the qualifications and business practices of Porter White Investment Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at (205) 252-3681 or via e-mail at [jim@pwco.com](mailto:jim@pwco.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Porter White Investment Advisors, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Porter White Investment Advisors, Inc. is 110876.

Porter White Investment Advisors, Inc. is a Registered Investment Advisor . Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Summary of Material Changes

Form ADV Part 2 requires registered investment to amend their brochure when information becomes materially inaccurate. If there are any material changes to an advisor's disclosure brochure, the advisor is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment filed February 28, 2014, there are material changes to report regarding our fee schedule for new clients. Item 1 relating to Advisory Business, Description of Services and Fees has been amended to reflect the new fee schedule and provide further description of services provided. In addition, disclosure has been updated related to the firm's affiliate, Porter, White & Company, Inc. which de-registered as a broker-dealer and is now operating as a registered municipal advisor.

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## 1. Advisory Business

Form ADV Part 2A, Item 4

### 1.1. Description of Services and Fees

We are a registered investment advisor based in Birmingham, Alabama. We are organized as a corporation under the laws of the State of Delaware and we have been providing investment advisory services since 1995. We are a subsidiary of Porter White Companies, Inc. James H. White III is the majority owner of the Porter White Companies, Inc.

Our clients fall into three major categories,

- (i) individual wealth management
- (ii) institutional
- (iii) retirement plan.

Individual wealth management includes individuals, personal trusts, estates, individual retirement accounts and the like. The institutional category includes governments, endowments, and for profit, non-profit and government corporations. Retirement plans include both defined benefit and defined contribution plans and may either be pooled or participant-directed.

The following paragraphs describe our services and fees. The descriptions of services are intended to be a complete description of the services available from Advisor. The services applicable to each client are described in a written client agreement.

As used in this brochure, the words “we”, “our” and “us” refer to Porter White Investment Advisors, Inc. and the words “you”, “your” and “client” refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person or Investment Advisor Representative throughout this Brochure. As used in this Brochure, our Associated Persons or Investment Advisor Representatives are our firm’s officers, employees, and all individuals providing investment advice on behalf of our firm.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account, subject to an approved asset allocation policy. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms. Typically our discretionary authority is limited by an approved asset allocation policy and we secure approval for any trades outside of the approved asset allocation policy. Changes in the asset allocation policy are communicated to you in writing and are reflected in the written reports we send you, usually quarterly.

### *1.1.1 Individual Wealth Management*

We offer discretionary portfolio management services in which our investment advice is tailored to meet our clients' needs and investment objectives.

#### 1. Financial Planning and Consulting

- a. *Personal Financial Review.* Meet with you to gather "suitability information" and determine financial situation, investment goals, risk tolerance, tax position, and any special circumstances. Information will be used to create a personal balance sheet. We will meet annually or as circumstances require to review goals and update information.
- b. *Investment Policy Development.* Outline personal goals and constraints that will guide our investment plan. As your circumstances change, so will the policy.
- c. *Retirement Goal Analysis.* Prepare analyses to determine likelihood of reaching retirement goals and outline a plan to help you reach the goals.
- d. *Insurance, Tax, & Estate Planning.* Review other planning areas and make recommendations as necessary to protect your assets and maximize tax efficiency. We may also coordinate with other advisors and professionals.

#### 2. Investments

- a. *Asset Allocation.* Recommend an allocation of investments in line with your goals and risk tolerance.
- b. *Investment Selection and Monitoring.* Recommend diversified investment options and monitor the performance of these selections over time.
- c. *Trading and Rebalancing.* Execute trades in line with agreed upon asset allocation policy and rebalance the account no less frequently than annually. Trades will be made to maximize tax efficiency where necessary.
- d. *Cash Management.* If needed, match assets with disbursement liabilities to manage cash flow needs.
- e. *Reporting.* Report performance of account compared to a benchmark each quarter along with commentary on overall market conditions.
- f. *Account Servicing.* Facilitate initial account set up and transfers and serve as on-going liaison between you and the Custodian to handle account maintenance.

### *1.1.2 Institutional and Retirement Plan Accounts (Pooled)*

We act as fiduciary for your retirement or institutional investment account. We work with the investment committee to make recommendations consistent with the mission and circumstances of the institution and track adherence to the investment policy statement over time, updating the policy when situations change.

#### 1. Planning

- a. *Financial Statement Review.* Analyze current financial position, including assets, liabilities, and disbursement needs.

- b. *Risk Assessment.* Determine the institution's tolerance for taking risk based on factors like financial position and institutional constraints. We like to know a minimum value that the account cannot fall below.
- c. *Investment Policy Development.* Use information gathered to outline an investment plan, goals, and constraints. We prepare statistical analyses and project likelihood of meeting goals.
- d. *Annual Review.* At least annually, we will review the investment policy statement and our adherence to its guidelines. In the review, we examine planned performance versus actual performance, taking into account variance in disbursements, contributions, and investment performance.

2. Investments (same scope as individuals and trusts)

1.1.3 *Retirement Plans (Participant Directed)*

Our services for retirement plans as fiduciary are comprehensive and can begin by advising on the initial construction of the plan and continue through ongoing advisement of investment selections and employee education. We monitor performance of the plan and aim to achieve the same results as our other managed institutional accounts. The services described below are typically provided, but additional advisory or planning needs can be arranged and negotiated for an additional fee.

1. Plan Architect.

- a. *Plan Design Review.* If a plan already exists, we will provide analysis on the current plan design and how effectively it is meeting your needs. If no plan is in place, we will work with you to design a new plan.
- b. *Evaluate Record-Keeping & Custody Options.* We will examine different service providers and make a recommendation.
- c. *Coordinate Plan Administration.* Ensure that services are transitioned smoothly and that day-to-day administration needs are being met.
- d. *Employee Enrollment and Education.* Offer initial employee enrollment and education meetings and as needed thereafter. We aim to offer employee education that is understandable and emphasizes the importance of retirement saving.

2. Plan Fiduciary

- a. *Investment Policy Development.* We develop an investment policy statement outlining plan goals in the context of plan document stipulations and restrictions.
- b. *Annual Plan Review.* We examine plan performance, suitability of investments, and compliance with the investment policy statement. We also review plan expenses and employee activity, flagging activity that may need to be addressed.

3. Investments

- a. *Selection and Monitoring.* Recommend diversified investment options and monitor the performance of these selections over time.

- b. *Model Portfolio Development.* Recommend model portfolios that can be chosen by employees in which to invest their accounts. Several models will be developed to offer a variety of risk exposure.
- c. *Rebalancing Policy.* Model Portfolios will be rebalanced no less than annually or as model portfolios change.
- d. *Reporting.* Plan account performance will be reported quarterly compared to a benchmark along with commentary on overall market conditions.

#### 1.1.4 Fees

Typically we charge a global fee for all investment advisory services based on assets under management. Our minimum fee is \$7,500 per year. In some cases where we are providing investment advisory services other than asset management, we may charge a fixed or hourly based fee. Our fees are negotiable based on the complexity and scope of services provided. We will not require prepayment of a fee more than six months in advance or in excess of \$1,200.

Our fees for individual wealth management portfolio management services include the services described in subsection 1.1.1 above and are based on a percentage of your assets we manage and are set forth in the following fee schedule:

**Table 1: Individual Wealth Management Fee Schedule**

Assets Under Management	Annual Fee
First \$2 million	1.0%
Next \$3 million	0.7%
Next \$5 million	0.6%
Next \$5 million	0.5%
Assets in excess of \$15 million	0.4%
(Minimum fee \$7,500 per year)	

For example, for an account with \$2.5 million, 1% would apply to the first \$2 million and 0.7% to the next \$500,000.

Our fees for institutional and retirement plan portfolio management services include the services described in Section 1.1.2 and 1.1.3 above, are based on a percentage of your assets we manage and are set forth in the following fee schedule.

**Table 2: Institutional and Retirement Plan Fee Schedule**

Assets Under Management	Annual Fee
First \$1 million	0.95%
Next \$4 million	0.5%
Next \$5 million	0.4%



Next \$5 million	0.3%
Assets in excess of \$15 million	0.2%
(Minimum fee \$7,500 per year)	

Fee schedules differing from those stated above that are incorporated in existing investment advisory agreements shall remain unchanged until such time as those agreements are amended.

Our annual portfolio management fee is billed and payable quarterly in arrears based on the value of your account on the last day of the quarter. If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client.

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. This written authorization is typically provided in the written investment advisory agreement among us. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

You may terminate the portfolio management agreement upon 30 days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client.

We encourage you to reconcile our invoices with the statements you receive from the qualified custodian. If you find any inconsistent information between our invoice and the statements you receive from the qualified custodian please call our main office number located on the cover page of this brochure.

In cases where services required are atypical, fees and fee paying arrangements may differ, including cases where we may charge hourly or fixed fees. We may also provide additional types of retirement plan consulting services to plans on an individually negotiated basis. All such services will be based upon requirements of the plan fiduciaries (which may include additional plan-level or participant-level services), shall be detailed in a written agreement, and shall be consistent with the parameters set forth in the plan documents. Our advisory fees for these customized services will be negotiated with the plan sponsor or named fiduciary on a case-by-case basis. In no case will we require prepayment of a fee more than six months in advance or a payment in advance in excess of \$1,200. If an investment advisory agreement is terminated before the end of six months we will rebate any advance payments to the extent that such payments exceed at time of termination the value of our services calculated at our standard hourly rates during the period work was performed times the hours expended according to our time records.

## 1.2. Types of Investments

We primarily offer advice on mutual funds. When suitable, we generally recommend no load mutual funds investing in equity and fixed income securities. We may also recommend fixed income securities with maturities we deem appropriate to the circumstances of the client. We generally do not purchase other securities for clients but may do so if suitable for the client. On occasion, clients may direct us not to sell or delay the sale of low basis securities acquired prior to our firm assuming investment oversight over the account. In such cases, we will include the securities in our overall portfolio analysis and report but will provide only limited investment advice with regard to the merits of the individual security.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

## 1.3. Assets Under Management

As of December 31, 2014, we manage \$295,526,551 in client assets on a discretionary basis and \$32,201,483 in client assets on a non-discretionary basis.

## 2. Fees and Compensation

Form ADV Part 2A, Item 5

Please refer to the “Advisory Business” section in this Brochure for information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer.

### 2.1. Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund’s prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the “Brokerage Practices” section of this Disclosure Brochure.

## 2.2. Compensation for the Sale of Securities

Porter White Investment Advisors, Inc. does not provide advice or earn an investment advisory fee from any client on any security or transaction for which Porter, White & Company, Inc. receives compensation as a registered municipal advisor.

## 2.3. Insurance

Some persons associated with our firm may be licensed insurance producers. These people may share in commissions for referring clients to unaffiliated insurance agents or agencies for the purchase of insurance.

## 3. Performance-Based Fees & Side-By-Side Management

Form ADV Part 2A, Item 6

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## 4. Types of Clients

Form ADV Part 2A, Item 7

We offer investment advisory services to high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

In general, we require a minimum of \$1,000,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

## 5. Methods of Analysis, Investment Strategies, and Risk of Loss

Form ADV Part 2A, Item 8

### 5.1. Our Methods of Analysis and Investment Strategies

We hold the view that investment performance in terms of risk and return is largely attributable to the asset classes in which one invests, and the selection of individual securities and market timing are not effective investment strategies and do not reliably result in risk adjusted returns in excess of appropriate benchmarks when expenses are taken into account. We generally buy and hold assets in accounts with the expectation that the value of those assets will grow over a relatively long period of time, generally greater than one year. We use historical data on the risk and return of different asset classes to simulate expected risk and return of portfolios. The inputs and results of simulations are adjusted to take into account current and expected financial conditions (e.g. historic inflation in price earnings ratios which might result in unrealistic expected returns if assumed to continue in the future). We use simulation analysis to help clients understand that there is a range of possible outcomes for any investment plan.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and various other suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Custodians and broker-dealers report the cost basis of equities acquired in client accounts. Unless advised otherwise, the custodian will use the FIFO (First In First Out) accounting method for calculating the cost basis of your investments. We will help you determine the appropriateness of alternative accounting methods, but you should consult your own tax advisor in making a decision on this issue. You are responsible for contacting your tax advisor to determine if an accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

## 5.2. Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

## 5.3. Recommendation of Particular Types of Securities

As disclosed under the “Advisory Business” section in this Brochure, we primarily recommend mutual funds. However, we may recommend other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. Also, while some mutual funds are “no load” and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be “closed end” or “open end.” So-called “open end” mutual funds continue to allow in new investors indefinitely which can dilute other investors’ interests. When appropriate, we will generally recommend no-load mutual funds.

## 6. Disciplinary Information

Form ADV Part 2A, Item 9

Porter White Investment Advisors, Inc. has been registered and providing investment advisory services since 1995. Neither our firm nor any of our associated persons has any reportable disciplinary information.

## **7. Other Financial Industry Activities and Affiliations**

Form ADV Part 2A, Item 10

### **7.1. Arrangements with Affiliated Entities**

We are affiliated with Porter, White & Company, Inc. (Porter White) through common control and ownership. Porter White generally does not solicit investment advisory clients for municipal advisory services.

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

Form ADV Part 2A, Item 11

### **8.1. Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting James H White III at (205) 252-3681 or via e-mail at [jim@pwco.com](mailto:jim@pwco.com).

### **8.2. Participation or Interest in Client Transactions**

See "Fees and Compensation – Compensation for the Sale of Securities." We do not provide investment advice with regard to any transactions, or securities involved in any transactions, in which Porter White provides services.

### **8.3. Personal Trading Practices**

It is unlikely but possible that our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A

conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

## 9. Brokerage Practices

Form ADV Part 2A, Item 12

We recommend the brokerage and custodial services of Fidelity Brokerage Services LLC and its affiliate, National Financial Services LLC (together, “Fidelity”), securities broker-dealers and members of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation.

Fidelity provides us with Fidelity's platform services. The platform services include, among others, computer software, brokerage, custodial, administrative support, record keeping and related services that support us in conducting business with Fidelity and in serving clients. In addition, Fidelity has negotiated discounts on the prices of other software services purchased by us from third parties that permit us to better advise clients on their investments.

We believe that Fidelity provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by Fidelity, including Fidelity's reputation, financial standing, execution capabilities, commission rates, and responsiveness to our clients and our firm. Inasmuch as we do not employ security selection or market timing investment strategies, we do not rely on research supplied by Fidelity in managing portfolios.

### 9.1. Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### 9.2. Directed Brokerage

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent us from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.



### 9.3. Block Trades

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as “block trading”) because we generally invest only in mutual funds which do not trade in blocks.

## 10. Review of Accounts

Form ADV Part 2A, Item 13

A principal of our firm will review portfolio management accounts on a weekly basis and more frequently if required. The review consists of monitoring of cash positions and status of portfolio with respect to asset allocation policies as well as transactions in the accounts.

We provide quarterly reports to clients that identify portfolio returns by month, quarter, year to date, and since inception, and provide information on risk adjusted returns for the portfolios, comparisons to benchmarks, and comparisons of actual asset allocations to approved policy. In addition, you will receive statements from the account custodian on at least a quarterly basis.

We will review and, if appropriate, update financial plans and related documents on at least an annual basis.

## 11. Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Please refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with Fidelity.

## 12. Custody

Form ADV Part 2A, Item 15

We directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You



should carefully review account statements for accuracy. The periodic reports we provide to you also reflect the amount of advisory fee deducted from your account.

You should compare our reports with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact James H. White III at (205) 252-3681 or via e-mail at [jim@pwco.com](mailto:jim@pwco.com).

## 13. Investment Discretion

Form ADV Part 2A, Item 16

Before we can buy or sell securities on your behalf, you must first sign our investment management agreement, a power of attorney, or trading authorization forms. Together, these agreements may give us discretion in the purchase and sale of securities in your account, subject to compliance with certain conditions which may include compliance with a written asset allocation policy.

You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that equity investments should not exceed specified percentages of the value of the portfolio. Please refer to the “Advisory Business” section in this Brochure for more information on our management services and the extent to which we are typically given discretion in the purchase and sale of securities in your account.

## 14. Voting Client Securities

Form ADV Part 2A, Item 17

### 14.1. Proxy Voting

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## 15. Financial Information

Form ADV Part 2A, Item 18

Our firm does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

## 16. Additional Information

### 16.1. Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact James H. White III at (205) 252-3681 or via e-mail at [jim@pwco.com](mailto:jim@pwco.com), if you have any questions regarding this policy.

### 16.2. Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

### **16.3. Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, the trade error will be corrected in the trade error account of the executing broker-dealer and you will not keep the profit.