

**Wegener, LLC**

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[www.wegenerllc.net](http://www.wegenerllc.net)  
[www.wegenerfunds.com](http://www.wegenerfunds.com)

**Form ADV Part 2A**

4/16/2015

This brochure provides information about the qualifications and business practices of Wegener, LLC. If you have any questions about the contents of this brochure, please contact us at 703-282-9380 and/or [info@wegenerllc.com](mailto:info@wegenerllc.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.

Any reference to or use of the terms “registered investment advisor” or registered,” does not imply that Wegener, LLC or any person associated with Wegener, LLC has achieved a certain level of skill or training.

Additional information about Wegener, LLC also is available on the SEC’s website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

## **Item 2. Summary of Material Changes**

On July 28, 2010, the United State Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure is a new document prepared according to the SEC’s new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss specific material changes that are made to the Brochure and provide clients with a summary of such changes.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC 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. We may further provide other ongoing disclosure information about material changes as necessary.

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#### **Item 4. Advisory Business**

WEGENER, LLC is an investment advisory firm started in 2003 and registered with the SEC. We provide investment services in the form of fee based asset management. The core of our asset management service is our Adaptive Asset Management approach, which was created by President and CEO Steven Wegener out of research initiated while attending the University of Virginia. Steven Wegener is the sole owner of Wegener, LLC (100% owner). We managed the Wegener Adaptive Growth Fund from 2006-2013.

#### **Managed Account**

WEGENER, LLC provides an asset allocation service using what WEGENER, LLC calls Adaptive Asset Management. We believe the expected returns and risk profiles of every asset class can change dramatically over time as the market environment changes. Given this belief, we feel it is necessary to have a money management philosophy that adapts to the prevailing market environment.

Using conditioning information we are able to determine different market environments. The asset classes we consider show dramatic changes in the expected return and risk depending on which market environment is currently being experienced. If a particular market environment is one that produces above average returns with below average risk for a particular asset class, we would then be aggressive in that asset class. The reverse is also true.

The conditioning information is derived through rigorous historical testing based on sound economic principles. We would expect roughly two changes per year in the asset allocation. However, this is just an average. This may mean no changes will be required for prolonged periods of time. However, our discipline sometimes means making adjustments that will be quickly reversed. At the time of an asset allocation adjustment it is unknown how persistent the new environment will be.

The asset allocation service is geared for growth. However, it takes into consideration the two main practical impediments of doing so: 1) Maximal loss in the portfolio being too high and 2) time between new highs in the portfolio being too long. Both of these impediments can cause investors to abandon a high growth strategy.

We take these factors into consideration by adjusting our aggressiveness. In market environments where return is expected to be low we are intolerant of losing money because the recovery time would be quite long for even modest losses. In market environments where return is expected to be high we accept the possibility of greater losses because we feel the recovery time to recoup those losses will be small. However, in no circumstance do we want a large loss because it takes a long time to recover from such a loss even during the most favorable of market environments.

The result of using this approach is that it should be tolerable for most investors. However, there is no guarantee that the results will be as intended. In the instance that the potential volatility

and loss is too great, we would recommend allocating a percentage, less than 100%, of total assets to us which would be the equivalent of us taking less risk. Deviations from the approach will have to be discussed individually.

### **Assets Under Management**

As of 4/16/2015, Wegener, LLC managed on a discretionary basis total assets of \$0.

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

#### **Managed Account**

The accounts are charged an annual advisory fee, which is not negotiable, amounting to 1% of assets under management. With the exception of the initial payment, the advisory fees are payable in advance on a quarterly basis and are due within 15 days after receipt of a bill from WEGENER, LLC. Thus, the client will pay .25 percent of the value of the Portfolio each quarter. With the exception of the initial payment, the advisory fees are based on the market value of all assets in the Portfolio at the close of the last business day of the preceding calendar quarter as determined by the custodian(s). No fee adjustments will be made for deposits, withdrawals, appreciation or depreciation within any billing period. For a new account, the initial quarterly fee is based on the initial value of the Portfolio and is prorated based on the number of days left in the calendar quarter. The initial advisory fee is due within 15 days after receipt of the initial bill from WEGENER, LLC, except if the Client opens an advisory account with WEGENER, LLC within thirty days of the end of a calendar quarter, in which payment of

the initial advisory fee may be combined with payment of the advisory fee for the subsequent calendar quarter.

The advisory relationship may be terminated upon thirty days written notice by either WEGENER, LLC or client and the client shall be entitled to a prorated refund of fees charged based upon the amount of time the services were provided during the quarter in which the contract is terminated. The client will be responsible for all brokerage commissions and any other charges incurred in connection with the account maintained by the custodian(s) on behalf of the client.

WEGENER, LLC may, at its discretion, refuse to accept any potential client.

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

Wegener, LLC does not charge performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

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

Wegener, LLC generally provides advisory services to high net worth individuals.

Wegener, LLC requires new accounts to start with at least \$100,000. Subsequently the account is allowed to fall below \$100,000, but not through a withdrawal of funds. Wegener, LLC may reduce or waive the account minimum requirements at our discretion.

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

### **Managed Account**

#### ***Principal Investment Strategies***

WEGENER, LLC provides an asset allocation service using what WEGENER, LLC calls Adaptive Asset Management. We believe the expected returns and risk profiles of every asset class can change dramatically over time as the market environment changes. Given this belief, we feel it is necessary to have a money management philosophy that adapts to the prevailing market environment.

Using conditioning information we are able to determine different market environments. The asset classes we consider show dramatic changes in the expected return and risk depending on which market environment is currently being experienced. If a particular market environment is one that produces above average returns with below average risk for a particular asset class, we would then be aggressive in that asset class. The reverse is also true.

The conditioning information is derived through rigorous historical testing based on sound economic principles. We would expect roughly two changes per year in the asset allocation. However, this is just an average. This may mean no changes will be required for prolonged periods of time. However, our discipline sometimes means making adjustments that will be quickly reversed. At the time of an asset allocation adjustment it is unknown how persistent the new environment will be.

The asset allocation service is geared for growth. However, it takes into consideration the two main practical impediments of doing so: 1) Maximal loss in the portfolio being too high and 2) time between new highs in the portfolio being too long. Both of these impediments can cause investors to abandon a high growth strategy.

We take these factors into consideration by adjusting our aggressiveness. In market environments where return is expected to be low we are intolerant of losing money because the recovery time would be quite long for even modest losses. In market environments where return is expected to be high we accept the possibility of greater losses because we feel the recovery time to recoup those losses will be small. However, in no circumstance do we want a large loss because it takes a long time to recover from such a loss even during the most favorable of market environments.

WEGENER, LLC will require the ability to create positions in a wide array of asset classes. These positions may be made using a mutual fund, closed end fund, exchange traded fund, or a similar vehicle. The ability to buy or sell options on stock and bond market indices will also be necessary. Individual securities will not be bought and the only sales will be of previously established individual positions.

The percentage of assets in each asset class may change significantly over time. WEGENER, LLC will require the ability to change the percentage of assets allocated. Stock exposure can be up to 200% of assets through options. Up to a 25% net short position in stocks may be created. The cash position may be up to 100% of assets. The Bond duration of the portfolio could be up to 30 years, possibly with the use of options. WEGENER, LLC will never initiate positions that take the allocation outside the bounds given above, however, the account may fluctuate outside these bounds after positions are initiated.

The particular asset classes that are considered are based on the models WEGENER, LLC has available at a particular point in time. In the future WEGENER, LLC may add asset classes. However, this will always be done in a manner that adheres to the Adaptive Asset Management Approach.

### ***Principal Risks of Managed Accounts***

All investing carries a certain amount of risk. The Managed Account's returns will vary and you could lose money in your account. Below are some specific risks of investing with a Managed Account(Account).

**Management Risk.** The investment manager's judgments about the attractiveness, value and potential appreciation an asset class in which the Account invests may prove to be incorrect and there is no guarantee that the investment manager's judgment will produce the desired results. The investment manager may be unsuccessful in identifying the correct time to leverage or hedge the Account, in which case the Account's value may be adversely affected.

**Option Risks.** An option it has purchased may be terminated by selling it, allowing it to expire, or by exercising the option. If the option is allowed to expire, the Account will lose the entire premium it paid (plus related transaction costs). Wegener, LLC may also terminate a position in an option it has sold by buying it back in the open market prior to expiration. The Account will lose money if the cost to buy back the option position is higher than the premiums originally received, due to a rise in the price of the underlying security or index, in the case of calls, or a decline in the price of the underlying security or index, in the case of puts. Increases in the volatility of the underlying security can also cause the price of the options to increase, thus increasing the Account's cost to cover its obligation.

**Leverage Risk.** Trading in options can result in large amounts of leverage. The leverage offered by trading in options may magnify the gains and losses experienced by the Account and could cause the Account's net asset value to be subject to wider fluctuations than would be the case if the Account did not use the leverage feature in options.

**Market Risk.** Overall stock market risks may also affect the value of the Account. Factors such as domestic economic growth and market conditions, interest rate levels and political events affect the securities markets.

## **Item 9. Disciplinary Information**

Our firm has no reportable disciplinary events to disclose.



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

Steven Wegener is President of Wegener, LLC.

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

Wegener, LLC has adapted a Code of Ethics (“Code”) which is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (“Advisers Act”).

This Code establishes rules of conduct for all employees of Wegener, LLC and is designed to, among other things, govern personal securities trading activities in the accounts of employees. The Code is based upon the principle that Wegener, LLC and its employees owe a fiduciary duty to Wegener, LLC's clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The Code is designed to ensure that the high ethical standards long maintained by Wegener, LLC continue to be applied. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of our firm continues to be a direct reflection of the conduct of each employee.

Pursuant to Section 206 of the Advisers Act, both Wegener, LLC and its employees are prohibited from engaging in fraudulent, deceptive or manipulative conduct. Compliance with this section involves more than acting with honesty and good faith alone. It means that the Wegener, LLC has an affirmative duty of utmost good faith to act solely in the best interest of its clients

Wegener, LLC and its employees are subject to the following specific fiduciary obligations when dealing with clients:

- \* The duty to have a reasonable, independent basis for the investment advice provided;
- \* The duty to obtain best execution for a client's transactions where the Firm is in a position to direct brokerage transactions for the client;
- \* The duty to ensure that investment advice is suitable to meeting the client's individual objectives, needs and circumstances; and
- \* A duty to be loyal to clients.

In meeting its fiduciary responsibilities to its clients, Wegener, LLC expects every employee to demonstrate the highest standards of ethical conduct for continued employment with Wegener, LLC. Strict compliance with the provisions of the Code shall be considered a basic condition of employment with Wegener, LLC. Wegener, LLC's reputation for fair and honest dealing with its clients has taken considerable time to build. This standing could be seriously damaged as the result of even a single securities transaction being considered questionable in light of the fiduciary duty owed to our clients. Employees are urged to seek the advice of Steven Wegener, the Chief Compliance Officer, for any questions about the Code or the application of the Code to their individual circumstances. Employees should also understand that a material breach of the provisions of the Code may constitute grounds for disciplinary action, including termination of employment with Wegener, LLC.

The provisions of the Code are not all-inclusive. Rather, they are intended as a guide for employees of Wegener, LLC in their conduct. In those situations where an employee may be uncertain as to the intent or purpose of the Code, he/she is advised to consult with Steven Wegener. Steven Wegener may grant exceptions to certain provisions contained in the Code only in those situations when it is clear beyond dispute that the interests of our clients will not be adversely affected or compromised. All questions arising in connection with personal securities trading should be resolved in favor of the client even at the expense of the interests of employees.

## **Item 12. Broker Practices**

### **Managed Account**

Clients have the ability to pick the brokerage firm used. However, this may cause limitations to our investment approach and we may be unable to achieve most favorable execution of client transactions. This may cost clients more money. For example, this may prevent Wegener, LLC from aggregating orders to reduce transaction cost, or the client may receive less favorable prices.

Wegener, LLC does not receive soft dollar benefits from brokerage firms.

Where possible, transactions will be aggregated. The aggregated orders will be included in the above system by taking the client, in a particular aggregated transaction, that would have gone first when going from A-Z, or last from Z-A, and using that client to represent the position of the aggregated transaction.

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

We manage portfolios on a continuous basis. For our Managed Account the account is monitored at least quarterly. Each account is reviewed by Steven Wegener, President of Wegener, LLC.

We may conduct a special review of an account based on one or more of the following:

1. A change in the client's investment objectives, guidelines and/or financial situation;
2. Tax considerations;
3. Material cash deposits or withdrawals; and
4. Purchase or sale of a security in the account.

A client can ask for analysis regarding their account at any time.

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

It is Wegener, LLC's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Wegener, LLC'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**

Wegener, LLC does not have custody of client accounts. Accounts are held in the clients name at a qualified custodian of their choosing. Wegener, LLC does not deduct fees from its managed accounts.

#### **Item 16. Investment Discretion**

Wegener, LLC has full discretion to decide the specific security to trade, the quantity, and the timing of the transaction for client accounts. Wegener, LLC will not contact clients before placing trades in their account.

Clients grant us discretionary authority in the contracts they sign with us and may limit this authority by giving us written instructions.

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

### ***Managed Account***

Wegener, LLC does not vote proxies for our Managed Account. The client receives proxies directly from their custodian. However, the client can contact Steven Wegener at 703-282-9380 to discuss anything that they receive.

### **Conflicts of Interest**

Wegener, LLC will identify any conflicts that exist between the interests of the adviser and the client by reviewing the relationship of Wegener, LLC with the issuer of each security to determine if Wegener, LLC or any of its employees has any financial, business or personal relationship with the issuer.

If a material conflict of interest exists, Steven Wegener will determine whether it is appropriate to disclose the conflict to the affected clients, to give the clients an opportunity to vote the proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third party voting recommendation.

Wegener, LLC will maintain a record of the voting resolution of any conflict of interest.

### **Client Requests for Information**

All client requests for information regarding proxy votes, or policies and procedures, received by any employee should be forwarded to Steven Wegener.

In response to any request Steven Wegener will prepare a written response to the client with the information requested, and as applicable will include the name of the issuer, the proposal voted upon, and how Wegener, LLC voted the client's proxy with respect to each proposal about which client inquired.

**Item 18. Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per account and more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

**Part 2B of Form ADV: Brochure Supplement**

**Steven Wegener**

Wegener, LLC  
3350 Monarch Lane  
Annandale, VA 22003  
703-282-9380

April 16, 2015

This brochure supplement provides information about Steven Wegener that supplements Wegener, LLC brochure. You should have received a copy of that brochure. Please contact Steven Wegener if you did not receive our brochure or if you have questions about the contents of this supplement.

Additional information about Steven Wegener is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

## **Item 2. Educational Background and Business Experience**

### **Steven Wegener, President**

Year of Birth: 1977

#### **Education:**

New York University, New York, NY  
BS Finance and Economics, 1999

University of Virginia, Charlottesville, VA  
MA Economics, 2003

#### **Business Background:**

Wegener, LLC, President 2003 – Present

## **Item 3. Disciplinary Information**

Steven Wegener has no disciplinary history to disclose.

## **Item 4. Other Business Activities**

Steven Wegener does not engage in any other investment-related business or occupation

## **Item 5. Additional Compensation**

Steven Wegener does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

## **Item 6. Supervision**

Steven Wegener, President, is responsible for all supervision of investment advice offered to clients. He can be reached at 703-282-9380.