



THE WEALTH  
CONSERVANCY, INC.

Part 2A of Form ADV: *Firm Brochure*

The Wealth Conservancy, Inc.

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March 2016

This brochure provides information about the qualifications and business practices of The Wealth Conservancy, Inc. If you have any questions about the contents of this brochure, please contact us at 303-444-1919 or [twc@twcinc.org](mailto:twc@twcinc.org). 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 with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about The Wealth Conservancy, Inc. also is 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. Our firm's CRD number is 112024.

## Item 2            Material Changes

This Firm Brochure, dated March 2016, provides you with a summary of The Wealth Conservancy, Inc.'s advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows.

1. Annual Update: We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.
2. Material Changes: Since our last annual amendment dated March 31, 2015, we have made changes pertaining to the delivery of account statements to clients from The Wealth Conservancy. Full details are provided at Item 5 and Item 15 of this brochure.
3. Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates - any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

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#### Item 4            Advisory Business

The Wealth Conservancy, Inc. (TWC) is an SEC-registered investment advisor with its principal place of business located in Colorado. The Wealth Conservancy, Inc. began conducting business in 1983.

Myra Salzer, President, is the firm's principal shareholder.

The Wealth Conservancy, Inc. offers the following advisory services to our clients:

##### INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides continuous advice to clients regarding the investment of their funds based on their individual needs. Our firm has a standard portfolio model that is used as the foundation for all client portfolios. Our firm screens potential clients to ensure that they are comfortable with the investment philosophy at TWC and that there is a fit between their needs and our services. We often develop a personal investment policy and can customize the investment policy and portfolio for individual client circumstances. We determine the client's individual goals and objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage advisory accounts both on a discretionary basis, and in a non-discretionary manner. Account supervision is guided by the client's stated objectives (i.e., liquidity needs, tax considerations, etc.) and circumstances. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and we can provide advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Options contracts on commodities
- Futures contracts on tangibles
- Futures contracts on intangibles
- Interests in partnerships investing in real estate

- Interests in partnerships investing in oil and gas interests
- Interests in partnerships investing in other types of assets: Depending on the needs, interests and net worth of the client, we may advise on and recommend the purchase of partnerships that invest in a wide variety of assets.
- Other: We may advise on other types of investments if the client requests us to do so or if we think it is appropriate for their circumstances.

Because some types of investments involve certain additional degrees of risk, they will primarily be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

#### *Recommendation of First Affirmative Financial Network LLC*

Depending on a client's financial situation and individual needs, TWC associated persons may refer clients to First Affirmative Financial Network LLC, an unaffiliated SEC registered investment adviser firm to serve as a third party investment adviser or money manager to the client. First Affirmative Financial Network LLC will then provide asset management services to the client. First Affirmative Financial Network LLC is responsible for continuously monitoring client accounts and making trades in client accounts when necessary. When the associated persons of TWC solicit for First Affirmative Financial Network LLC, TWC does not receive any portion of the fee charged by First Affirmative Financial Network LLC. TWC does not receive any form of a solicitor or referral fee under this arrangement.

When utilizing First Affirmative Financial Network LLC, we assist you with identifying your risk tolerance and investment objectives. The recommendation is made in relation to your stated investment objectives and risk tolerance, and you may select a portfolio or strategy based upon your needs. You must enter into an agreement directly with First Affirmative Financial Network LLC.

We are available to answer questions that you may have regarding your account and act as the communication conduit between you and First Affirmative Financial Network LLC. First Affirmative Financial Network LLC will take discretionary authority to determine the securities to be purchased and sold for your account. We do not have any trading authority with respect to your designated account managed by First Affirmative Financial Network LLC.

Although we review the performance of numerous third-party investment adviser firms, currently we exclusively use First Affirmative Financial Network LLC as a third-party investment adviser firm. Clients are advised that there may be other third-party managed programs not recommended by our firm, that are suitable for the client and that may be more or less costly than arrangements recommended by our firm. No guarantees can be made that a client's financial goals or objectives will be achieved by a third-party investment adviser recommended by our firm. Further, no guarantees of performance can ever be offered by our firm.

### FINANCIAL PLANNING

We provide financial planning services for clients who elect for us to do so. Financial planning is an evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, questions, information and analyses are considered as they impact and are impacted by the financial and life situation of the client. Clients purchasing this service may receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and anticipated future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **CAPITAL NEEDS/RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her capital needs/retirement goals.

- DEATH & DISABILITY: When appropriate, we review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- ESTATE: We assist the client in assessing and developing long-term strategies, including as appropriate, trusts, wills, estate tax reviews, powers of attorney, asset protection plans and nursing homes.

We gather required information through in-depth personal interviews. Information gathered may include the client's current financial status, tax status, future goals and attitudes towards risk. We carefully review documents supplied by the client, which may include a questionnaire completed by the client. We may provide a written report. Should the client choose to implement our recommendations, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or other advisors. Implementation of financial plan recommendations is entirely at the client's discretion, although we reserve the right to terminate our relationship or reduce the level of service (and fees) to clients whom we feel are not making progress and therefore not fully utilizing the services we provide.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning, philanthropic, and occasionally, business planning.

Typically the financial plan we do with clients is ongoing and not limited to one report. We present reports and planning ideas on an ad-hoc, as-needed basis and update them as client circumstances change. When we do agree to provide a comprehensive, written report, it is usually presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company.

#### WEALTH COACHING AND FINANCIAL PLANNING SERVICES

Many of our clients choose to work with us on a retainer fee basis, which includes not only investment management and financial planning, but also wealth coaching and other consulting as needed. Clients are encouraged to utilize our services as much as possible.

Clients can also receive investment advice on a more focused basis. This may include advice on only an isolated area(s) of concern such as wealth coaching, estate planning, retirement planning, or any other specific topic. We also provide specific consultation and administrative services regarding investment and financial concerns of the client.

Consulting recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company.

#### AMOUNT OF MANAGED ASSETS

As of 12/31/2015, we were actively managing \$83,479,711 of clients' assets on a discretionary basis plus \$24,290,124 of clients' assets on a non-discretionary basis. Discretionary assets are those in which we may place trades in a client's account without contacting them for approval prior to placing a trade. Non-discretionary assets are those in which we are required to contact the client prior to placing a trade.

The Wealth Conservancy, Inc. also provides wealth coaching and financial planning to clients in regards to assets that are not considered to be either discretionary or non-discretionary assets. These assets may be held in trust, at a family office, in a business, in a closely held entity, etc.

#### Item 5 Fees and Compensation

##### WEALTH COACHING/FINANCIAL PLANNING/INVESTMENT MANAGEMENT

New clients of The Wealth Conservancy, Inc. may enter into an agreement for Wealth Coaching/Financial Planning, Investment Management or a combination of both Wealth Coaching/Financial Planning and Investment Management. The agreement specifies which services will be provided to the client (Investment Management, Financial Planning and/or Wealth Coaching) and the fee schedule. Clients may be offered to pay either a flat-rate fee schedule or an asset based fee:

<u>Amount</u>	<u>Annual Fee</u>
First \$2,000,000	1.00%
\$2,000,000 - \$3,000,000	0.75%
Over \$3,000,000	0.50%

Minimum quarterly fee.....\$10,000.00

OR

Flat-rate fee schedule: available at agreed-upon rates based on the complexity of the client situation, the services being provided, the number of accounts and value of assets under advisement, among other factors.

Amendment and Termination of Wealth Coaching/Financial Planning Agreement:

The agreement may be amended or modified by mutual agreement, in writing, signed or initialed by all parties, and may be terminated by either party at any time. Client may terminate the agreement by sending written notice to The Wealth Conservancy, Inc. Upon receipt of written instructions to terminate this agreement, The Wealth Conservancy, Inc. will stop supervising Client's fund; a refund will be made on a pro rata basis, based on the number of days remaining in the quarter for the unearned portion of any fees paid, if the refund is greater than \$500.

ASSET MANAGEMENT ACCOUNTS  
(INVESTMENT MANAGEMENT ONLY, FOR EXISTING CLIENTS WHO ENGAGED TWC PRIOR TO 1995)

Asset based fee schedule:

<u>Amount</u>	Annual Fee	Quarterly Fee
First \$250,000	2%	0.5%
Next 250,000	1.5%	0.375%
Over 500,000	0.50%	0.125%

Minimum quarterly fee.....\$1,350.00

OR

Flat-rate fee schedule: available at agreed-upon rates based on the complexity of the client situation, the services being provided, the number of accounts and value of assets under advisement, among other factors.

Termination of Asset Management Agreement:

Client may terminate the Asset Management Agreement at any time by sending written notice to The Wealth Conservancy, Inc.; a refund will be made on a pro rata basis based on the number of days remaining in the quarter for the unearned portion of any fees paid, if the refund is greater than \$500.

**ALL WEALTH COACHING/FINANCIAL PLANNING AND ASSET BASED CLIENTS:**

Our fees are billed quarterly, in advance, at the beginning of each calendar quarter. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement, unless other arrangements have been made. From time to time, due to changing goals and financial needs, adjustments to fees may be made upon written agreement between Client and The Wealth Conservancy, Inc; however, if the adjustment does not exceed 5% per year, no amendment is necessary for Clients on a flat-rate fee schedule.

*Limited Negotiability of Advisory Fees:* Although The Wealth Conservancy, Inc. has established the aforementioned fee schedule(s); we may negotiate alternative fees on a client-by-client basis. Client facts, circumstances, and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for accounting purposes to achieve the minimum fee requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

**WEALTH COACHING/FINANCIAL PLANNING CONSULTING FEES**

The Wealth Conservancy, Inc. may also agree to provide Wealth Coaching and Financial Planning on a consulting, or project, basis. In doing so, the fees are determined based on client preference, the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

On rare occasion, our Wealth Coaching and Financial Planning fees may be calculated and charged on an hourly, daily or project basis. Hourly fees range from \$60 to \$275 per hour and daily rates range from \$2,000 to \$4,500 per day. Project fees are determined on a case by case basis, subject to the specific arrangement reached with the client. An estimate for the total fee is determined at the start of the advisory relationship.



Hourly rate clients typically pay a retainer fee against which hourly fees are charged. Daily charges are billed upon the completion of travel and payment is due upon receipt of the bill. If the client is an Asset Management client who is paying TWC for project work, the fees may be added to the client's quarterly billing, in which case they would be billed for hours and fees already accrued. Advance payment will never exceed \$500 for work that will not be completed within six months.

## GENERAL INFORMATION

**Mutual Fund Fees:** All fees paid to The Wealth Conservancy, Inc. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Wrap Fee Programs and Separately Managed Account Fees:** Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

**Additional Fees and Expenses:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

**Grandfathering of Minimum Account Requirements:** Pre-existing advisory clients are subject to The Wealth Conservancy, Inc.'s minimum fee requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum fee requirements will differ among clients.

**ERISA Accounts:** The Wealth Conservancy, Inc. is deemed to be a fiduciary to advisory clients that are 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 Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, The Wealth Conservancy, Inc. may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees.

**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 \$1200 more than six months in advance of services rendered.

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

The Wealth Conservancy, Inc. does not charge performance-based fees.

### Item 7 Types of Clients

The Wealth Conservancy, Inc. provides advisory services to primarily high net worth individuals. We also provide services to business entities and some individuals who are not considered to be high net worth individuals.

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

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

### METHODS OF ANALYSIS

We may use any or all of the following methods of analysis in formulating our investment advice and/or managing client assets:

*Charting.* In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

*Fundamental Analysis.* We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) 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).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

*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.

*Cyclical Analysis.* In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

*Quantitative Analysis.* We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

*Qualitative Analysis.* We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk is using qualitative analysis is that our subjective judgment may prove incorrect.

*Asset Allocation.* Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk 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.

*Mutual Fund and/or ETF Analysis.* We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee

future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

*Third-Party Money Manager Analysis.* We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

*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 any or all of the following strategy(ies) in managing client accounts, depending on current economic and market conditions and 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 usually 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 want exposure to a particular asset class over time, regardless of the current projection for this class.

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

*Short-term purchases.* When utilizing this strategy, we 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.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

*Trading.* We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

*Short sales.* We borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the

profit.

*Risk of Loss.* Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for losses.

#### 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

Myra Salzer, President of The Wealth Conservancy, Inc., has authored or co-authored four books. Myra spends less than ten hours per month on activities related to the books, and while some of the advice given in the books is similar to that given to clients of TWC, individuals who purchase the book are under no obligation, and may not qualify, to be clients of TWC. Also, clients of The Wealth Conservancy, Inc. may be provided with complimentary copies of the book but are under no obligation to purchase them.

#### Selection of other Advisors

Depending on each client's individual financial needs and circumstances, TWC may refer clients to First Affirmative Financial Network LLC, a third-party investment advisory firm. When we refer clients to First Affirmative Financial Network LLC, we will not receive a referral or solicitor fee from First Affirmative Financial Network LLC. Nor will we receive any portion of the fee charged by First Affirmative Financial Network LLC to the client. Therefore, our recommendation of First Affirmative Financial Network LLC is based solely on our evaluation criteria and each client's individual needs and not based on compensation we could receive.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

The Wealth Conservancy, Inc. and our advisors 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. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

The Wealth Conservancy, Inc.'s Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [twc@twcinc.org](mailto:twc@twcinc.org), or by calling us at 303-444-1919.

The Wealth Conservancy, Inc. and individuals associated with our firm are prohibited from engaging in principal transactions.

The Wealth Conservancy, Inc. and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our 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 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 actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's 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 his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
8. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
9. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
10. Any individual who violates any of the above restrictions may be subject to termination.

## Item 12 Brokerage Practices

We do not request or accept the discretionary authority to determine the broker dealer to be used for client accounts. Clients must direct us as to the broker dealer to be used for all client securities transactions. In directing the use of a particular broker or dealer, it should be understood that we will not have authority to negotiate commissions among various brokers, and best execution may not be achieved, resulting in higher transaction costs for clients.

The Wealth Conservancy, Inc. 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. The Wealth Conservancy, Inc. is independently owned and operated and not affiliated with Schwab.

Schwab provides The Wealth Conservancy, Inc. 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 The Wealth Conservancy, Inc. 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

- i. provide access to client account data (such as trade confirmations and account statements);
- ii. facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- iii. provide research, pricing and other market data;
- iv. facilitate payment of our fees from clients' accounts; and
- v. assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and iii. 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 The Wealth Conservancy, Inc.. 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.

The Wealth Conservancy, Inc. 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. The Wealth Conservancy, Inc. 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. The Wealth Conservancy, Inc.'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 The Wealth Conservancy, 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 The Wealth Conservancy, Inc. 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.

- 4) Upon 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) The Wealth Conservancy, Inc.'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 The Wealth Conservancy, 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.

The Wealth Conservancy, Inc. believes in and practices its own investment advice. We oversee several accounts for employees and their families in the same way we do for our clients.

#### Item 13      Review of Accounts

All clients may receive the following supervisory services depending on the services specified in their individual agreement.

##### INVESTMENT SUPERVISORY SERVICES ("ISS")

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. 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.

These accounts are reviewed by Steven Henningsen. Myra Salzer, Dianna Chiow, Brandon Mendez, and Katie Wolf may assist with the reviews.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly reports summarizing account balances and holdings.

##### WEALTH COACHING/FINANCIAL PLANNING SERVICES FOR RETAINER CLIENTS

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, our wealth coaching and financial planning services are typically performed on an ongoing and ad-hoc basis. No formal reviews will be conducted for clients unless otherwise contracted for.

##### WEALTH COACHING/FINANCIAL PLANNING SERVICES FOR HOURLY, DAILY AND PROJECT FEE CLIENTS

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted unless otherwise contracted for. Such reviews, as appropriate, will be conducted by the client's assigned advisor.

**REPORTS:** These client accounts will receive reports as contracted for at the inception of the advisory engagement.

#### Item 14 Client Referrals and Other Compensation

It is The Wealth Conservancy, Inc.'s policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is The Wealth Conservancy, Inc.'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

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that 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 at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. We urge our clients to carefully review the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

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 should contact us directly if they believe that there may be an error in their statement.

In addition to debiting fees, we maintain logins and passwords for some client accounts held outside our primary custodian, Charles Schwab (at their request and with their permission). We may do this for reporting purposes and/or to enable us to better advise and assist clients in the management of their investments.

Finally, we maintain standing letters of authorization for certain clients for the purpose of assisting with making payments to third parties (for example, to their CPA or to the Internal Revenue Service).

As a result, we are considered to have custody of client assets and have retained an outside accounting firm to provide an annual surprise audit of client accounts for which we are considered to maintain custody.

#### 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; and/or
- determine the amount of the security to buy or sell

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. The Wealth Conservancy, Inc. may terminate a client relationship if we determine the restrictions interfere with the investment objectives.

#### Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although 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**

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts and is deemed to have custody we are required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. The Wealth Conservancy, Inc. has no additional financial circumstances to report.

The Wealth Conservancy, Inc. has not been the subject of a bankruptcy petition at any time during the past ten years.

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