

# CASTLE WEALTH MANAGEMENT

## INFORMATIONAL BROCHURE

*FORTIFY YOUR FAMILY'S FUTURE*



### **Contact Information**

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**Date: 3/28/2016**

**This brochure provides information about the qualifications and business practices of Castle Wealth Management. If you have any questions about the contents of this brochure, please contact us at (561) 686-9604. 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 Castle Wealth Management is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)**

### **Material Changes**

There were no material changes from our last filing made April 2015. Our Regulatory Assets Under Management at the date of change 12/31/2015 are approximately \$174,200,377 , with \$165,468,375 in Discretionary Accounts, and \$8,723,002 in non-discretionary.

Currently, our Brochure may be requested by contacting Christina Worley, CPA/PFS, CFP, CFA - Managing Member at (561) 686-9604 or by email at [cworley@castlewm.com](mailto:cworley@castlewm.com).

Additional information about Castle Wealth Management is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Castle Wealth Management who are registered, or are required to be registered, as investment adviser representatives of Castle Wealth Management.

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## **Item 4 — Advisory Business**

### **Background Information**

Castle Wealth Management provides customized wealth management and financial planning services to high net worth families, individuals, businesses, trusts, and charitable entities. Our firm was incorporated on October 9, 1997 as P.F.S. Advisors, L.C. D/B/A Castle Wealth Management (hereinafter CWM) and is overseen by its Founder and Managing Member, Christina Worley CPA/PFS, CFP ; John Manuel, CFA and Sr. Portfolio Manager, and Joshua Davis, CFP, Financial Planner, Principal.

### **How We Earn Your Trust**

Our continued success is a direct result of the relationships we build with our clients. We are devoted to helping our clients achieve financial success. We reinforce our commitment by providing personalized service, coupled with current financial knowledge to address your individual needs and circumstances. Furthermore, it is our policy to respond to all client correspondence in a prompt manner. Our team places a premium on client interaction. Our clients know they can rely on us for all of their investment needs, large or small, business or personal.

### **Our Process**

CWM provides Investment Supervisory Services, defined as giving continuous advice to a client or making investments on behalf of individual needs. Through careful discussion of goals and objectives based on client's needs, CWM develops a financial plan unique to each individual. Once a specialized Investment Policy Statement (IPS) is established, a portfolio is then generated to reflect the mutually agreed upon asset allocation contained in the IPS.

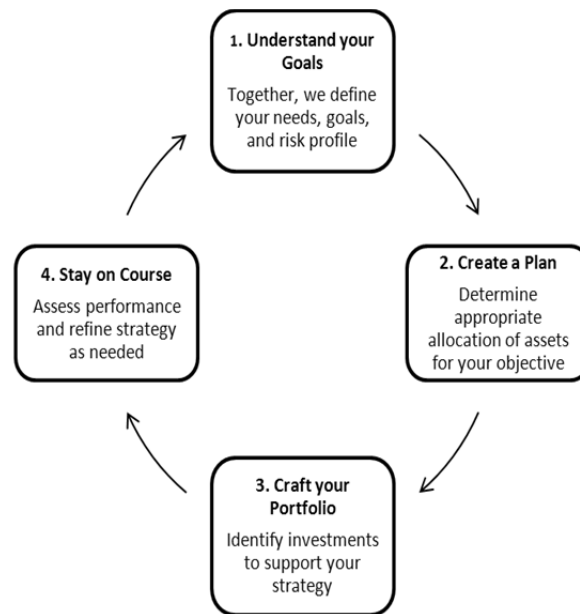
Each account managed by CWM is on a discretionary and/or non-discretionary basis as outlined in the each households IPS. Account supervision and monitoring is guided by the stated objectives contained in the IPS.

Portfolios managed by CWM may consist of one or all of the following: individual equities, bonds, variable annuities, mutual funds, exchange-traded funds, CDs, alternative investments and REITs and separately managed accounts. Variable annuities and mutual funds will be selected on the basis of any or all of the following: the fund's performance history; the industry sector; the track record of the fund manager; investment objectives; and the overall management philosophy and fee structure.

Portfolio weighting between funds and market sectors will be determined by each client's IPS. Depending upon the risk tolerance and needs of the client, CWM may recommend the use of options (i.e. covered calls or protective puts). Clients will have the opportunity to place reasonable investment restrictions at any time based on risk tolerance. Individual ownership of assets remains with the client at all times, with brokerage accounts normally custodied at Charles Schwab & Co., TD Ameritrade, I-Shares(529-plans). We also currently have two retirement plans custodied at Nationwide and Ascensus, at the clients request.

Castle Wealth Management is a Registered Investment Advisor which holds us to a Fiduciary Standard of care, meaning we place our clients' interests before our own, in contrast to general brokers' standards of only requiring investments must be "suitable".

In the below process, each client is led on a path toward long-term financial success:



The personalized attention each client receives combined with a strong client-advisor relationship is what helps build the foundation to our success. Our goal with each client is to meet their long-term financial objectives through a multi-disciplinary approach. With principles of safety and soundness at the heart of every client relationship, Castle Wealth Management is able to continue leading its clients to a path of long term financial success.

#### What's Right for You?

Once the financial review is complete and a financial plan agreed upon, we will work diligently to design an individualized asset allocation.

Our planning considers all client holdings, even those we may not manage directly. Our assets under management on a discretionary basis as of 12/31/2015 were \$165,468,375, and \$8,732,002 on a non-discretionary basis. Our transactional flexibility provides product diversity, as well as offering Separate Account Managers (SMAs) that we monitor before approving. Here's what you can expect from us:

- Financial Planning, for as many specific goals as the client has, i.e. retirement, education, etc.
- Disciplined Portfolio Management
- Multigenerational Wealth Transfers
- Retirement & Estate Planning
- Insurance Reviews
- Asset Protection Planning
- Education Planning

## Your Personalized Plan

For each client, Castle Wealth Management will produce a written individual Investment Policy Statement (IPS) reflecting an agreed upon asset allocation. Once the agreement is signed, we start investing on your behalf. We meet with you to provide a forum to discuss life changes that may have an effect on your financial plan, and to determine if any financial changes or adjustments are necessary. We also touch base with you to discuss the impact of current economic conditions on your portfolio. Ongoing portfolio reviews are conducted by our Investment Committee (IC). Adjustments may be made quarterly to ensure adherence to your asset allocation. We do not charge any additional fees for providing a financial plan to clients with over \$500,000 in assets under management that are investment advisory clients.

## Our Mission

We strive to help you achieve success by providing personalized attention and a commitment to service that addresses not only today's needs but tomorrow's plans. Our dedication to helping you achieve your financial goals means we place a premium on timeliness, thoroughness and accuracy.

## Our Goal

We provide personalized service, coupled with current financial knowledge to address your individual needs and circumstances. We guide you on a successful path toward meeting your financial goals by utilizing our well documented plans, which are designed to focus on the big picture, not short-term market variations.

## Why Clients Choose Us

- Objective Advice
- Investment Diversity
- Transparent Reporting (performance, fees)
- Tax Efficient Portfolio Management
- Multi-disciplined Team

## **Item 5 - Fees and Compensation**

As a result of a fee-based cost structure, CWM is able to provide objective advice and personalized recommendations unique to each individual. The annual fee for portfolio management will be charged as a percentage of assets under management, according to the sliding marginal rate schedule below:

<u>Assets under management</u>	<u>Annual Fee (%)</u>
\$0 - \$1,500,000	1.0%
\$1,500,001-\$3,000,000	.75%
\$3,000,001-\$5,000,000	.50%
Over \$5,000,001	.35%

A minimum annual fee of \$2,000 for assets under management is required for this service. CWM may aggregate related accounts (households) in order to meet this minimum annual fee requirement.

For 529 Accounts custodied at I-shares we charge a flat .40% (unless above sliding fee is less). The I-shares platform itself charges around .60%, and the ETF's selected expenses can be looked up online. When we set our rate we were trying to set our fee so that on average the total of all the expenses to an I-Share 529 would be approximately, on average, 1%.

The fee we charge for selecting and managing separate account managers is a flat .25%, which is in addition to what the separate accounts managers charge the client directly.

Accounts that are custodied at Schwab or TD Ameritrade that are only cash or money market fund are charged a flat .25% by CWM. Since money market interest rates are so low currently, our fees could be more than the interest earned. We suggest clients do not keep cash only accounts for us to manage because of this, or to only keep minimum balances, if they wish them for convenience.

The fee charged is calculated as described above and not charged on the basis of a share of capital gains or capital appreciation on any portion of the client's funds (SEC Rule 205(a)(1)).

Clients will be billed in arrears at the end of each month based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), respectively. Fees are directly debited on a monthly basis from client accounts, 1/12 of the annual fee.

#### Negotiability of Fees

In certain circumstances, all fees and account minimums may be negotiable.

A client agreement may be canceled at any time, by either party, for any reason. It is CWM policy to give 30 days written notice when terminating a client. Upon termination of any account, prepaid and/or unearned fees will be promptly refunded while any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

All investment advisory fees paid to CWM are separate and distinct from costs incurred by mutual funds and exchange-traded funds to their shareholders. These expenses are described in each fund's prospectus and will usually consist of a management fee, other fund expenses, and possibly a distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge.

Clients have the option of investing in a mutual fund directly, without the services of CWM. In that case, CWM would not facilitate the transaction and assist the client in determining the most appropriate mutual fund(s) based upon the unique financial situation of the individual. Accordingly, the client should review both the fees charged by the mutual funds and those of CWM to fully understand the total cost to be paid and the advisory services being provided.

#### Portfolio Management

CWM does not have the discretion to choose a particular broker/dealer. Rather, the client must direct CWM as to the broker/dealer to be used in servicing that client account.

Any broker/dealer relationship which would adversely affect the servicing of the client may be denied by CWM.

CWM participates in the Schwab Institutional (SI) services program offered to independent investment advisors by Charles Schwab & Company, Inc. (hereinafter "Schwab"), an unaffiliated NASD registered broker dealer. As part of

Schwab, CWM receives benefits it would not otherwise if investment advice was not offered. (See “Other Financial Industry Activities and Affiliations” for further information).

CWM participates in the TD Ameritrade Institutional program offered to independent investment advisors by TD Ameritrade, an unaffiliated NASD registered broker dealer. As part of this program, CWM receives benefits it would not otherwise if investment advice was not offered.

Clients in need of brokerage and custodial services will have Schwab, TD Ameritrade, or I-shares recommended to them, for the client to choose from.

#### Money Manager Search and Monitoring

CWM may perform management searches of various independent registered Investment advisers on behalf of a client only when CWM’s clients so request. There is no obligation on behalf of the client to use any product or service offered by any independent registered investment adviser recommended by CWM. If CWM believes a particular independent adviser is performing inadequately, CWM may suggest the client contract with a different adviser (separate account manager). Under this scenario, CWM will assist the client in selecting a new adviser and then monitor that adviser’s performance. The move to any new manager is solely at the discretion of the client. CWM charges 25 basis points on top of the fee the selected money manager charges for its selection and monitoring service. This fee is in place of our graduated portfolio fee, not in addition to it.

#### Consulting Service

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

We will provide Portfolio and or Administrative Services at a monthly fee. The fee for this type service is \$750-\$1500 per month depending on complexity. This service is designed for High Net Worth clients who desire our reporting on their asset aggregation and allocation, as well as tracking cost basis and liquidity, and may include manual input of non-publicly traded investments. These are services for clients for which we do not provide discretionary management of accounts. Services can also include administrative support services as requested.

All consulting recommendations made are not of a particular product or service offered by a broker dealer or insurance company; rather, they are generic in nature. If a client wants us to help them execute a need for an insurance product, we utilize their preferred insurance agent. When the clients have none, we usually quote more than one, and include an online no load or low load provider.

We have turned down consulting engagements that are too small, and we prefer to give these services to only our existing clients, for which we charge no additional fees. We may stop providing these services on an hourly basis at any time.

Consulting fees will be charged in one or both of two ways:

1. As a fixed fee, typically ranging from \$2,500 and up, depending upon the nature and complexity of each client’s circumstances along with the mutual agreement of the client. Half of this fee may be due upon the inception of the advisory relationship, with the balance remaining due upon completion of the consulting service. Portfolio Accounting fee are due and payable on a monthly basis. We charge a fixed monthly fee for our portfolio accounting services.



2. On an hourly basis, ranging from \$100 to \$250 per hour, depending on the nature and complexity of each client's circumstances as well as mutual agreement of the client. An estimate for total hours will be determined upon the start of the advisory relationship, with 50% of the related fee due upon inception of services. Any remaining balance (based on actual hours) would be paid upon completion of the consulting service.

CWM will not hold client funds greater than \$500 for more than six months in advance of completing the consulting service.

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

Castle Wealth Management does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

#### **Item 7 - Types of Clients**

CWM provides financial planning services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations.

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

Our success is a direct result of the relationships we build with our clients. Our goal is to provide personalized service with current financial knowledge to address clients' individual overall needs and financial goals.

Once an in-depth financial review of the client is completed, CWM develops individualized asset allocation. We use a software application that utilizes modern portfolio theory to assist us. Often times, any account holdings not managed directly by the firm will be taken into consideration in order to maximize returns and minimize potential tax implications.

##### *Modern Portfolio Theory*

CWM employs a wide range of methods to manage portfolios and evaluate investments. CWM uses academic research when making investment decisions. As stated above, CWM primarily utilizes an investment approach based on Modern Portfolio Theory. Modern Portfolio Theory refers to the process of reducing risk in a portfolio through systematic diversification across asset classes and within those particular asset classes. CWM adheres to the passive style of investing and, thus, generally recommends indexed and passive mutual funds. CWM generally does not recommend individual stocks or bonds in its asset allocation strategies and portfolio recommendations to clients. Keeping client's investment fees, expenses and taxes under control are a top priority in CWM's investment strategy.

CWM analyzes mutual funds recommended to clients based on a fund's total operating expense ratio, portfolio turnover, investment objective and investment restrictions and limitations.

We believe in diversified asset class exposure obtained primarily through a diversified mix of low cost mutual funds that represent desired asset classes.

### *Sources of Information*

The main sources of information utilized by CWM in making its investment decisions are financial newspapers and magazines, research materials, corporate rating services and annual reports, prospectuses and other SEC filings. Through these sources and the Client's goals and objectives, CWM will determine what type of investments and investment strategies to recommend to clients.

### *Principal Investment Strategies*

Asset allocation models and specific funds recommended to clients typically are set forth in the client's Investment Policy Statement. CWM primarily recommends low cost mutual funds for the reason that mutual funds can provide a diversified portfolio that is designed to limit the impact of large fluctuations in values of individual stocks and bonds. Mutual funds do not offer protection from market volatility. At times, different funds may be recommended to improve client portfolios. CWM generally invests for the long-term and does not engage in short-term market timing.

CWM typically recommends mutual funds and ETFs to implement its recommended investment strategies. However, CWM also may recommend exchange-listed stocks; investment grade corporate bonds and other debt securities, municipal securities and U.S. Government Securities, depending upon the particular Client's existing portfolio and investment objectives. CWM generally does not recommend individual stocks or bonds, but certain exceptions may be made in cases where the stocks were obtained before becoming a client or are requested by the client. CWM will monitor individual stock exposure in the overall portfolio only upon written agreement with the client.

CWM may give advice and take action with respect to other clients that is different from the advice, timing, and nature of action taken with respect to your account. Timing, allocation, and types of investments are determined as part of each client's overall financial plan.

### *Principal Risks*

CWM's primary goal for investing is to help the client maintain purchasing power over the long term. This may result in short term variability and loss of principal. Time horizon and risk tolerance are key determinates of the proper asset allocation. Our approach focuses on taking appropriate risks for which clients are compensated (i.e. market risk) and seeking to limit or eliminate risks that do not provide compensation over the long term (i.e. individual stock risk).

Below are some more specific risks of investing:

**Market Risk.** The prices of securities in which clients invest may decline in response to certain events taking place around the world, including those directly involving the companies whose securities are owned by the client or an underlying fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest rate and commodity price fluctuations. Investors should have a long-term perspective and be able to tolerate potentially sharp declines in market value.

**Management Risk.** CWM's investment approach may fail to produce the intended results. If our perception of the performance of a specific asset class or underlying fund is not realized in the expected time frame, the overall performance of client's portfolio may suffer.

*Equity Risk.* Equity securities tend to be more volatile than other investment choices. The value of an individual mutual fund or ETF can be more volatile than the market as a whole. This volatility affects the value of the client's overall portfolio. Small- and mid-cap companies are subject to additional risks. Smaller companies may experience greater volatility, higher failure rates, more limited markets, product lines, financial resources, and less management experience than larger companies. Smaller companies may also have a lower trading volume, which may disproportionately affect their market price, tending to make them fall more in response to selling pressure than is the case with larger companies.

*Fixed Income Risk.* The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return. As nominal interest rates rise, the value of fixed income securities is likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate.

*Municipal Securities Risk.* The value of municipal obligations can fluctuate over time, and may be affected by adverse political, legislative and tax changes, as well as by financial developments that affect the municipal issuers. Because many municipal obligations are issued to finance similar projects by municipalities (e.g., housing, healthcare, water and sewer projects, etc.), conditions in the sector related to the project can affect the overall municipal market. Payment of municipal obligations may depend on an issuer's general unrestricted revenues, revenue generated by a specific project, the operator of the project, or government appropriation or aid. There is a greater risk if investors can look only to the revenue generated by the project. In addition, municipal bonds generally are traded in the "over-the-counter" market among dealers and other large institutional investors. From time to time, liquidity in the municipal bond market (the ability to buy and sell bonds readily) may be reduced in response to overall economic conditions and credit tightening.

*Investment Companies Risk.* When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. CWM has no control over the risks taken by the underlying funds in which client's invest.

*REIT Risk.* To the extent that a client invests in REITs, it is subject to risks generally associated with investing in real estate, such as (i) possible declines in the value of real estate, (ii) adverse general and local economic conditions, (iii) possible lack of availability of mortgage funds, (iv) changes in interest rates, and (v) environmental problems. In addition, REITs are subject to certain other risks related specifically to their structure and focus such as: dependency upon management skills; limited diversification; the risks of locating and managing financing for projects; heavy cash flow dependency; possible default by borrowers; the costs and potential losses of self-liquidation of one or more holdings; the possibility of failing to maintain exemptions from securities registration; and, in many cases, relatively small market capitalization, which may result in less market liquidity and greater price volatility.

*Derivatives Risk.* Funds in a client's portfolio may use derivative instruments. The value of these derivative instruments derives from the value of an underlying asset, currency or index. Derivative investments by mutual funds or ETFs in which the client invests involve the risk that the value of the underlying fund's derivatives may rise or fall more rapidly than other investments, and the risk that it may lose more than the amount that it invested in the derivative instrument in the first place. Derivative instruments also involve the risk that other parties to the derivative contract may fail to meet their obligations, which could cause losses.

*Foreign Securities Risk.* Funds in which clients invest may invest in foreign securities. Foreign securities are subject to additional risks not typically associated with investments in domestic securities. These risks may include, among others, currency risk, country risks (political, diplomatic, regional conflicts, terrorism, war, social and economic instability, currency devaluations and policies that have the effect of limiting or restricting foreign investment or the movement of assets), different trading practices, less government supervision, less publicly available information, limited trading markets and greater volatility. To the extent that underlying funds invest in issuers located in emerging markets, the risk may be heightened by political changes, changes in taxation, or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.

All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends, and other distributions), and the loss of future earnings. These risks are described above. Regardless of the methods of analysis or strategies suggested for your particular investment goals, you should carefully consider these risks, as they all bear risks.

### **Item 9 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Castle Wealth Management or the integrity of the firm. Castle Wealth Management has no information to report applicable to this Item.

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

#### **The custodians and Brokers we use:**

We utilize Charles Schwab & Company, TD Ameritrade and Ishares (for 529 plans) as custodians. Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), TD Ameritrade or Ishares, as the qualified Custodian. All three are FINRA-registered broker-dealers. We are independently owned and operated and not affiliated with any of these three custodians. The custodians will hold your assets in a brokerage account and buy and sell securities when [we/you] instruct them to. While we recommend that you use one of these three custodians, you will decide whether to do so and open your account with the custodian by entering into an account agreement directly with them. We do not open the account for you.

CWM is a participant of Schwab Advisor Services programs and TD Ameritrade Institutional programs. While there is no direct linkage between investment advice given and participation in these programs, economic benefits are received which would otherwise not be extended if our services were not rendered. Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. TD Ameritrade Institutional provides similar services to independent financial advisors. They both provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to retail customers. Both also makes available various support services. Some of

those services help us manage or administer our clients' accounts while others help us manage and grow our business.

Divine Blalock Martin and Sellari, LLC, Public Accounting Firm

CWM's has received a significant number of referrals from the Public Accounting Firm "Divine Blalock Martin and Sellari, LLC" (DBMS). Our Investment Committee Member, Gary Sellari, CPA is the Tax matters Partner of DBMS, and Mr. Sellari is a minority equity member of CWM and a majority equity member of DBMS. Mr. Sellari is a full time employee of DBMS, but does join us weekly for our 2 hour investment committee meeting. The DBMS website is DBMSCPA.COM.

Each company is owned and operated independently from the other. As a result, there is never any obligation on behalf of the client to use one or both companies at the same time. Castle can be paid for referring new clients to DBMS, which fee does not increase the accounting fees paid by the client to the accounting firm. Castle Wealth Management is aware of the special considerations promulgated under Section 206(4)-3 of the Investment Advisers Act of 1940. As such, all applicable Federal and/or State laws will be observed and appropriate disclosures made.

Other Professional Section 206(4)-3 referral sources.

CWM's highly customized, integrated approach to wealth management includes working closely with the Accounting, Legal, and Insurance firms. We have made arrangements with these and other professional referral sources to pay them up to a 10% referral fee. This in no way increases the fees the client is charged. All applicable Federal and or State laws are observed, and appropriate disclosures are made.

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

Castle Wealth Management has adopted a Code of Ethics and Professional Responsibility for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics and Professional Responsibility includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Castle Wealth Management must acknowledge the terms of the Code of Ethics and Professional Responsibility. Our code is the CFP Boards Code of Ethics and Professional Responsibility.

Castle Wealth Management anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which CWM has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which CWM, its affiliates and/or clients, directly or indirectly, have a position of interest. Castle Wealth Management's employees and persons associated with Castle Wealth Management are required to follow Castle Wealth Management's Code of Ethics.

Subject to satisfying this policy and applicable laws, officers, directors and employees of Castle Wealth Management and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Castle Wealth Management clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Castle Wealth Management 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. Under the Code, CWM or individuals associated with CWM may buy or sell securities identical to those recommended to customers for their personal accounts. 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 CWM that no person employed by CWM may purchase or sell any equity security (excluding open-ended mutual funds) for a period of 24 hours prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefitting from transactions placed on behalf of advisory accounts. It is a general firm policy that equity trades by firm employees should be prescreened by the compliance officer.

As these situations present a conflict of interest, CWM has established the following restrictions in order to ensure its fiduciary responsibilities:

1. A member, manager, or employee of CWM shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of CWM shall prefer his or her own interest to that of the advisory client. CWM employees may take participation in block trades of large bond positions, normally as an aid to the firm in reaching a round lot for these purchases.
2. CWM maintains a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed and approved on a quarterly basis by the Investment Committee (IC).
3. CWM emphasizes the unrestricted right of the client to decline to implement any advice rendered, except in situations where CWM is granted discretionary authority of the client's account. Usually clients' written wishes are honored.
4. CWM requires all individuals act in accordance with all applicable Federal and State regulations governing registered investment advisory Practices.
5. Any individual not in observance of the above may be subject to termination.

Castle Wealth Management's clients or prospective clients may request a copy of the firm's Code of Ethics and Professional Responsibility by contacting Christina Worley, CPA/PFS, CFP - Managing Member. Starting in 2013, we utilize Schwab Compliance Technologies services to document our internal trading policies and procedures compliance.

## **Item 12 - Brokerage Practices**

### **The Custodian and Brokers We Use**

Castle Wealth Management does not maintain custody of your assets, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see "Custody" on Pg. 15). Your assets must be maintained in an account at a "qualified custodian", generally a broker-dealer or bank. We recommend our clients use Charles Schwab & Co., Inc. (Schwab), TD Ameritrade, both are registered broker-dealers, members SIPC, as the qualified custodian. We generally recommend Ishares for 529 Plans. We are independently owned and operated and are not affiliated with any of these institutions. These custodians will hold your assets in a brokerage account and buy and sell securities when (we/you) instruct them to. While we

recommend that you use any of these three firms as custodian/broker, you will decide whether to do so and will open your account with them by entering into an account agreement directly with them. CWM will assist in the new account opening process. We do not require clients to use a particular broker-dealer or other custodian selected by Castle Wealth Management. Even though your account is maintained at these 3 firms, we can still use other brokers to execute trades for your account as described below (see “Your Brokerage and Custody Costs” on Pg. 17).

#### How We Select Brokers/Custodians

While CWM does not have the express authority to choose a particular broker/dealer on behalf of the client, our firm recommends using a custodian/broker who will hold your assets and execute transactions on terms that are, overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see “Products and Services Available to Us From Schwab”)

#### Your Brokerage and Custody Costs

For our clients’ accounts that Schwab or TD Ameritrade maintains, they generally do not charge you separately for custody services but are compensated by charging you commissions or other fees on trades that it executes or that settle into your account. For some accounts, they may charge you a percentage of the dollar amount of assets in the account in lieu of commissions.

The commission rates and asset-based fees applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab or TD Ameritrade. This commitment benefits you because the overall commission rates and asset-based fees you pay are lower than they would be otherwise. In addition to commissions and asset-based fees, our custodians charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have your custodian execute most trades for your account. We have determined that having the custodian execute most trades is consistent

with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How We Select Brokers/Custodians”).

#### Products and Services Available to Us

Schwab Advisor Services and TD Ameritrade Institutional provide us and our clients with access to its institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to retail customers. Both custodians provide us some support services which help us manage or administer our clients’ accounts, while others help us manage and grow our business. The custodians support services generally are available on an unsolicited basis (we don’t have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at the custodian.

#### Services That Benefit You

Our custodians institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through them include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s and TD Ameritrade’s services described in this paragraph generally benefit you and your account.

#### Services That May Not Directly Benefit You

Schwab and TD Ameritrade also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts. They include investment research, both their own and that of third parties. We may use this research to service all or a substantial number of our clients’ accounts, including accounts not maintained their. In addition to investment research, the custodians also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients’ accounts
- Assist with back-office functions, recordkeeping, and client reporting

#### Services That Generally Benefit Only Us

The custodians also offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab and TD Ameritrade may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. They may also discount or waive its fees for some of these services or pay all



or a part of a third party's fees. They may also provide us with other benefits, such as occasional business entertainment of our personnel, or discounts on the costs of some of our application programs, like the Portfolio Center Program.

#### Our Interest in our Custodians Services

The availability of these services from Schwab and TD Ameritrade benefits us because we do not have to produce or purchase them. We don't have to pay for their services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts with them. Beyond that, these services are not contingent upon us committing any specific amount of business to them in trading commissions or assets in custody. The \$10 million minimum may give us an incentive to recommend you maintain your account with Schwab or TD Ameritrade, based on our interest in receiving their services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of custodians and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's and TD Ameritrade's services (see *"How We Select Brokers/Custodians"*) and not their services that benefit only us. We have over \$175 million in client assets under management, and we do not believe that recommending our clients to collectively maintain at least \$10 million of those assets at each Custodian order to avoid paying quarterly service fees presents a material conflict of interest.

#### Additional Compensation

CWM is aware of the special considerations promulgated under Section 206(4)-3 of the Investment Advisers Act of 1940. As such, appropriate disclosures shall be made and all applicable Federal and State laws will be observed.

In addition, Schwab Institutional makes available to CWM many products and services that may not directly benefit clients' accounts. This includes software and technology enhancements, as well as facilitation in the servicing of affiliated accounts.

While CWM endeavors to always act in the best interest of the client, the firm's participation in SI programs is not solely based on cost or quality of custody which may inadvertently create a potential source of conflict.

#### Directed Brokerage

Due to the benefits received through participation in the SI programs, it is favorable for the client to execute transactions through their CWM Portfolio Manager. Participation in Schwab programs affords clients the opportunity to receive benefits which would not otherwise be received if CWM did not offer investment advice.

Mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors are made available to the client. In addition, clients may pay higher brokerage commissions since orders are not able to be aggregated to reduce transaction costs. Finally, although benefits received through participation in the SI programs may depend upon the amount of transactions directed to, or amount of assets custodied by Charles Schwab & Co, the client still receives advantageous trading execution tools it normally would not have access to if acting independently of CWM.

While the purchase and/or sale of securities for client accounts is not aggregated, there may be times CWM deems it necessary to enter into "block trades." When placing orders of more than 100,000 shares per equity, it is in the best interest of CWM to sell and/or buy equities in large quantities at a set rate. This promotes stable pricing of assets being traded in large quantities in order to continue providing sound management of all portfolios.

Each client account is still managed separately in order to maintain the overall financial objective of each individual IPS. CWM always acts in the best interest of the client; aggregating client orders may pose adverse effects in daily management of client accounts.

### **Item 13 - Review of Accounts**

While the underlying securities within CWM's Portfolio Management client accounts are monitored, these accounts will be formally reviewed at least quarterly by Christina Worley, Managing Member of CWM. 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. Client portfolios and rebalancing's are reviewed by the investment committee annually for the smallest accounts, to quarterly for our largest accounts.

The purpose of the Investment Committee is to review client accounts and approve the Recommended Funds list.

Clients are currently reviewed based on the following schedule:

<b>Annualized Fees</b>	<b>Reviewed</b>
>\$20,000	4 times annually (Platinum)
\$12,500><\$20,000	3 times annually (Gold)
\$5,000><\$12,500	2 times annually (Silver)
<\$5,000	1 time annually (Bronze)

#### **Regular Reports Provided to Clients**

##### **❖ Portfolio Management**

In addition to the monthly statements and confirmations of transactions Portfolio Management clients receive from their broker dealer, CWM will provide quarterly reports to clients consisting of internal rates of return (time-weighted from inception, year to date, and previous quarter), positions, balances, additions/withdrawals, real and unrealized gains and losses, cost-basis information, and interest/dividend information.

##### **❖ Money Manager Search and Monitoring**

These client accounts will receive reports by CWM, as contracted for upon inception of the client relationship.

##### **❖ Consulting Service**

Consulting clients receive reports as agreed upon at the inception of the advisory relationship.

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

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent Investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 - Brokerage Practices). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Castle Wealth Management works closely with accounting, legal and insurance professionals in a fully integrated management approach to all portfolios. As such, in the event a professional fully trained in Section 206(4)-3 refers a client to CWM, 5-10% of the fee CWM receives is paid to the professional. Castle Wealth Management is aware of the promulgations set forth under Section 206(4)-3 of the Investment Advisers Act of 1940. All applicable Federal and/or State laws will be closely observed and appropriate disclosures made.

### **Item 15 - Custody**

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct Schwab or TD Ameritrade to deduct our advisory fees directly from your account (or if you grant us authority to move your money to another person's account). We use various qualified custodians, Charles Schwab & Co, TD Ameritrade, iShares 529 Plans, Nationwide Ascensus and Equity Institutional to maintain actual custody of client assets. Client funds and/or securities are held by "qualified custodians" as defined in the amended Rule 206(4)-2 of the Investment Advisers Act of 1940. As such, CWM does not provide clients with an audited balance sheet as a supplement to this disclosure brochure.

For client accounts that our employees or associated persons are Trustees of, we do have custody. We are required to have an annual surprise audit by an unaffiliated CPA of these accounts. Our 2015 surprise audit results are on file with the SEC. The accounts we, or our related parties are Trustee of, are charged no additional Trustee fees, but they do share pro-rata in the cost of the Custody audit, required for SEC compliance. Last year this fee was less than \$250 per Trust account that our employees or related parties were Trustee for.

Clients will receive account statements directly from their custodian at least quarterly. They will be sent to the email or postal mailing address provided to the custodian. Clients should carefully review those statements promptly when they receive them. We also urge clients to compare their custodians account statements to the periodic portfolio reports they receive from us.

CWM will take steps to ensure advisory clients received account reports and/or statements directly from the qualified custodians holding client funds and/or securities.

### **Item 16 – Investment Discretion**

Castle Wealth Management usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

Investment guidelines and restrictions must be provided to Castle Wealth Management in writing.

### **Item 17 - Voting Client Securities**

Castle Wealth Management recognizes and adheres to the principle that one of the privileges of owning stock in a company is the right to vote on issues submitted to shareholder voting—such as election of directors and important matters affecting a company's structure and operations. Where the power to vote in person or by proxy has been delegated, directly or indirectly, to the investment advisor, the investment advisor has the fiduciary responsibility for (a) voting in a manner that is in the best interests of the client, and (b) properly dealing with potential conflicts of interest arising from proxy proposals being voted upon.

The policies and procedures of Castle Wealth Management (“the Advisor”) for voting proxies received for accounts managed by the Advisor are set forth below and are applicable if:

- The underlying advisory agreement entered into with the client expressly provides that the Advisor shall be responsible to vote proxies received in connection with the client’s account; or
- The underlying advisory agreement entered into with the client is silent as to whether or not the Advisor shall be responsible to vote proxies received in connection with the client’s account and the Advisor has discretionary authority over investment decisions for the client’s account (except in the case of Separate Account Managers); or
- In case of an employee benefit plan, the client (or any plan trustee or other fiduciary) has not reserved the power to vote proxies in either the underlying advisory agreement entered into with the client or in the client’s plan documents.

These Proxy Voting Policies and Procedures are designed to ensure that proxies are voted in an appropriate manner and should complement the Advisor’s investment policies and procedures regarding its general responsibility to monitor the performance and/or corporate events of companies which are issuers of securities held in managed accounts. Any questions about these policies and procedures should be directed to Christina Worley.

Consistent with SEC Rule 206(4)-6, as amended, the Adviser shall take reasonable measures to inform its clients of (1) its proxy voting policies and procedures, and (2) the process or procedures clients must follow to obtain information regarding how the Adviser voted with respect to assets held in their accounts. This information may be provided to clients through the Adviser’s Form ADV (Part II or Schedule H) disclosure or by separate notice to the client (or in the case of an employee benefit plan, the plan’s trustee or other fiduciaries)

Christina Worley (the “Responsible Party”) shall be designated by the Advisor to make discretionary investment decisions on behalf of the client and will be responsible for approving the voted proxies related to that client’s account. The Responsible Party shall assume power to vote all proxies related to a client’s account if any one of the three circumstances set forth earlier regarding proxy voting powers is applicable. The Responsible Party may utilize an outside Proxy voting service to assist and support this service. Currently we utilize Broadridge Proxy voting service to assist us in this work.

Prior to approving a vote, the Responsible Party will verify whether voting power is subject to any limitations or guidelines issued by the client (or in the case of an employee benefit plan, the plan’s trustee or other fiduciaries).

If an actual or potential conflict is found to exist, written notification of the conflict (the “Conflict Notice”) shall be given to the client or the client’s designee (or in the case of an employee benefit plan, the plan’s trustee or other fiduciary) in sufficient detail and with sufficient time to reasonably inform the client (or in the case of an employee benefit plan, the plan’s trustee or other fiduciary) of the actual or potential conflict involved.

The Conflict Notice will either request the client’s consent to the Advisor’s vote recommendation or may request the client to vote the proxy directly or through another designee of the client. The Conflict Notice and consent thereto may be sent or received, as the case may be, by mail, fax, electronic transmission or any other reliable form of communication that may be recalled, retrieved, produced, or printed in accordance with the recordkeeping policies and procedures of the Advisor. If the client (or in the case of an employee benefit plan, the plan’s trustee or other fiduciary) is unreachable or has not affirmatively responded before the response deadline for the matter being voted upon, the Advisor may:

- Engage a Non-Interested Party to independently review the Advisor's vote recommendation if the vote recommendation would fall in favor of the Advisor's interest (or any affiliate of the Advisor) to confirm that the Advisor's vote recommendation is in the best interest of the client under the circumstances;
- Cast its vote as recommended if the vote recommendation would fall against the Advisor's interest (or that of any affiliate of the Advisor) and such vote recommendation is in the best interest of the client under the circumstances; or
- Abstain from voting if such action is determined by the Advisor to be in the best interest of the client under the circumstances

The Responsible Party will promptly vote proxies received in a manner consistent with the Proxy Voting Policies and Procedures stated above and guidelines (if any) issued by client (or in the case of an employee benefit plan, the plan's trustee or other fiduciaries if such guidelines are consistent with ERISA).

The Advisor shall keep certain records required by applicable law in connection with its proxy voting activities for clients and shall provide proxy-voting information to clients upon their written or oral request.

Clients may obtain a copy of Castle Wealth Management's complete proxy voting policies and procedures upon request. Clients may also obtain information from Castle Wealth Management about how CWM voted any proxies on behalf of their account(s).

### **Item 18 - Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Castle Wealth Management's financial condition. CWM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. Since CWM does not collect fees in advance of 6 months or \$1,200, audited financial statements are not required at this time.

### **Brochure Supplements**

#### **The Team**

#### ***Christina Worley, CPA/PFS, CFP, CFA, Managing Member***

Christina Worley is the Managing Member of Castle Wealth Management, a Registered Investment Advisory firm, she founded in 1997. Under Mrs. Worley's guidance, Castle Wealth Management has grown to become an established provider of wealth management services. Mrs. Worley holds a Bachelors of Economics from the Wharton School of the University of Pennsylvania. She graduated in 1982, at the age of 19.

Her affiliations include the Chartered Financial Analyst Society of South Florida, American Institute of Certified Public Accountants, Florida Institute of Certified Public Accountants, FPA, Forum Club, Toastmasters, Executive Women of Palm Beaches, and the Palm Beach Investment Research Group. She serves her community as a Gubernatorial Appointee and former Chair to the Board of the Palm Beach County Early Learning Coalition, and also serves on the PBC Early Childhood Cabinet as Vice Chair. She provides pro-bono Financial Planning Services to returning veterans through an FPA program. She has been married over 30 years, and has three sons.

*Accreditations CFA, CPA/PFS, CFP, Certified Public Accountant, Personal Financial Specialist, Certified Financial Planner, Chartered Financial Analyst - see descriptions below*

***John J. Manuel, CFA, Principal, Sr. Portfolio Manager, Principal of the firm***

John Manuel joined Castle Wealth Management as a Senior Portfolio Manager in 2008 and has since moved into the position of Principal. Mr. Manuel comes to us from UBS Financial Services where he worked as a Financial Advisor. Previously, John worked at Wachovia/Evergreen Investments in Philadelphia, Pennsylvania as a Portfolio Manager for five years. In that position, he managed approximately \$250 million in investments for high net worth individuals and trusts.

John has an MBA in finance from the Alfred Lerner College of Business and Economics at the University of Delaware. John is a member of the CFA Institute and the CFA Society of South Florida. He moved to Florida in 2004 and lives in Palm Beach Gardens. John currently serves on the Palm Beach Gardens Police Pension Board. He is married with two daughters, and enjoys golf.

*Accreditations CFA—Chartered Financial Analyst- see description below*

***Joshua S. Davis, CFP, Financial Planner, Principal of the firm***

Joshua Davis joined Castle Wealth Management in 2011. Mr. Davis has a B.S. in Finance from Azusa Pacific University and an MBA from the Hough Graduate School of Business at the University of Florida. He earned his Certified Financial Planner designation through the CFP board. Some of his current job responsibilities include preparing financial plans for clients, conducting investment research for the firm's investment committee, managing client accounts, and providing client account maintenance. Josh's prior experience includes Wells Fargo Advisors and Scottrade Financial Services. Josh enjoys spending his free time with his family. He moved to Florida in 2010 and lives in Wellington with his wife and daughter.

*CFP—Certified Financial Planner- see description below.*

*Accreditations Descriptions:*

***CPA—Certified Public Accountant***

CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensures as a CPA generally include a minimum of a college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the CPA examination.

In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two year period or 120 hours over a three year period). Additionally, CPAs are required to follow a rigorous Code of Conduct which requires they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the American Institute of Certified Public Accountants (AICPA) Code of Professional Conduct within their state accountancy laws or have created their own.

***PFS—Personal Financial Specialist***

The PFS credential demonstrates an individual has met the minimum education, experience, and testing required of a CPA in addition to a minimum level of expertise in personal financial planning. To attain the PFS credential, a candidate must hold an unrevoked CPA license, fulfill 3,000 hours of personal financial planning business experience, complete 80 hours of personal financial planning CPE credits, pass a comprehensive financial planning exam and be an active member of the AICPA. A PFS credential holder is required to adhere to AICPA's Code of Professional Conduct, and is encouraged to follow AICPA's Statement on Responsibilities in Financial Planning Practice.

#### *CFP—Certified Financial Planner*

The CFP designation is administered and regulated by the Certified Financial Planner Board of Standards, Inc. Financial planners who wish to obtain a CFP designation must meet several requirements mandated by the CFP board, including minimum education and experience requirements in the areas of financial planning, insurance and investment planning, and retirement and estate planning, which could take up to three years. CFP candidates must also pass a written examination and background check.

Once a planner has obtained the CFP designation, they must complete continuing education requirements so long as they wish to continue to be a CFP. A CFP designation is not required by law for an individual who wants to practice financial planning, but rather is intended to identify for consumers experienced and knowledgeable professionals.

#### *Chartered Financial Analyst*

The CFA accreditation is a professional designation administered through the CFA Institute to investment professionals. This designation is geared toward asset valuation and portfolio management, but the range of topics covered in the self-study curriculum also includes ethical and professional standards, financial theory, probability and statistics, microeconomics and macroeconomics, accounting and financial statement analysis, corporate finance, debt valuation, derivative analysis, and alternative investments. The CFA candidate must pass three exams, most commonly by taking one per year for three years. In addition to setting the CFA curriculum and administering the CFA exam, the CFA Institute also publishes voluntary performance reporting standards for the investment industry. The CFA Institute standards have practical importance because many institutional investors, such as corporate pension funds, require their asset managers to report performance in compliance with the standards. Until 2004, the CFA Institute was known as the Association for Investment Management and Research, or AIMR.