

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

# **L.D. Lowe Wealth Advisory, Inc.**

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**Dallas, TX 75243**  
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**[www.idloweplan.com](http://www.idloweplan.com)**

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This brochure provides information about the qualifications and business practices of L.D. Lowe Wealth Advisory, Inc. It is prepared pursuant to regulatory requirements. If client have any questions about the contents of this brochure, please contact us at the phone number or website listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. L.D. Lowe Wealth Advisory, Inc. is a Registered Investment Advisor with the SEC under the Investment Advisors Act of 1940 (the "Advisors Act"). However, such registration does not imply a certain level of skill or training. Additional information about L.D. Lowe Wealth Advisory, Inc. is also available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

Dated: March 16, 2017

## Item 2 Material Changes

The information contained in this section relates only to material changes that have occurred since the last update. Our brochure has been substantially modified from its prior version and contains new information clients should be aware of. We define a material change as any change that an average client would consider important to know prior to making an investment decision. Clients are encouraged to review any Item numbers referenced in this summary against the previously submitted Disclosure Brochure for additional information regarding how this change may impact the client's decision to do business with our firm.

**This Item provides a short summary of material updates since our last annual update: March 21, 2016**

Item 4 Business Activities – LD Lowe has revised this section to describe business lines which we no longer offer. In addition, we have enhanced this section to reflect new business lines and more fully explain our current services.

Item 5 Fees and Compensation – Our firm has revised this Item to reflect fees for new services outlined in Item 4 and fee changes for investment management of accounts.

Item 6 Performance Based Fees – LD Lowe does not receive performance based compensation.

Item 7 – We have updated this section to outline our current client base and remove prior required minimums.

Item 10 Other Financial Industry Activities and Affiliations – This section has been enhanced to better outline our outside business activities.

Item 12 Brokerage – LD Lowe no longer recommends TD Ameritrade as a custodian broker/dealer and is now recommending custodial and brokerage services provided by the Equity Advisor Solutions platform. In addition, LD Lowe no longer receives soft dollar compensation from any broker/dealer.

Items 4, 5, 10 and 15 – Custody. Previously we reported that the firm maintained custody as a general partner or managing member of various private pooled investments. LD Lowe and its control persons have terminated these relationships and are no longer deemed to have custody or authority with the various pooled investments.

Consistent with the rules, we will ensure that clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide clients with other interim disclosures about material changes as necessary.

To obtain our firm brochure and brochure supplements (information regarding each of our financial advisors), our Code of Ethics, or our Privacy Policy, please visit our website or e-mail us at [lauren@ldloweplan.com](mailto:lauren@ldloweplan.com) or mail request to the address below.

**L.D. Lowe Wealth Advisory, Inc.**

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## Item 4 Advisory Business

### INTRODUCTION

L.D. Lowe Wealth Advisory, Inc. dba LD Lowe Wealth Advisory ("LD Lowe") is a Registered Investment Advisory firm registered with the U.S. Securities and Exchange Commission (SEC) since 2005. We are located and noticed filed in our home state of Texas.

### OWNERSHIP

L.D. Lowe Wealth Advisory, Inc. is a corporation headquartered in Dallas, Texas, which was founded in 1999. Lloyd D. Lowe Sr., President and 100% owner.

### ADVISORY SERVICES OFFERED

We provide Wealth Management Services to our clients on a discretionary basis. These services include a combination of investment management and financial planning services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and corporations and other business entities. We may also provide separate consulting services on interests in partnerships, real estate, and REITs.

*The following is a detailed description of the programs offered.*

### WEALTH MANAGEMENT SERVICES:

Our portfolio management service consists of asset allocation and portfolio management tailored to meet client's investment goals and are exclusively offered inside a wrap fee structure. LD Lowe's portfolios are typically composed of stocks, REITs, ETFs, Private Placements and LPs. Although we formerly included fixed income annuities (aka Equity Index Annuities), we are no longer building portfolios that contain such products.

Wealth Management Services are solely offered as a discretionary investment management service, which includes the creation and monitoring of a financial plan. This service is an ongoing comprehensive evaluation of a client's current and future financial state by using currently known facts and certain variables to predict future cash flows and asset values that are used to create wealth management and maximization plans.

Through the financial planning process, we endeavor to gather in-depth information about a client and perform an analysis as to how the client's current circumstance is impacted by their entire financial and life situation. LD Lowe provides financial planning services to substantially all of its discretionary investment advisory clients as part of the investment management service. The fee schedule listed under Item 5 is for combined investment advisory and financial planning services. LD Lowe will typically not offer management outside of a wrap fee arrangement, but any accounts that we may accept outside of the wrap fee arrangement, will not be managed differently than our wrap fee accounts.

The wrap fee covers comprehensive financial planning services which include, but are not limited to, the cost of:

- Trading, including transactional costs and custodial fees;
- Research and investment management;
- Financial plans and ongoing tracking of financial plans;
- Client meetings and all administrative work;
- Tax Planning and Preparation of client's personal tax return;  
(LD Lowe will pay the full cost of the personal tax return for clients that use an LD Lowe recommended CPA. For clients that want to continue to use their current CPA we will cover the cost of the personal tax return up to \$350).
- Preparation of client's basic estate documents; and  
(LD Lowe will pay the full cost for basic estate documents for clients that use an LD

- Lowe recommended attorney).
- Philanthropic Planning

Not all investment advisors pay for these services. Annual updates will be provided upon client request. Client is responsible for reporting to LD Lowe any life changing events.

For the services outlined above, any restrictions or limitations for advisory services will be documented by the client in the Partner Questionnaire clients complete as part of the investment management onboarding and on-going services.

### **SUB-ADVISORY ADVISORY SERVICES**

LD Lowe Wealth Advisory will contract with other, unaffiliated, independent registered investment advisors (“IRIA”) to provide sub-advisory services to the respective IRIA. As contract by the IRIA, our firm makes recommendations to the IRIA as to the composition and allocation of model portfolios or client specific portfolios, the nature and timing of the changes therein and the manner of implementing such changes. This advice also includes recommendations as to the specific securities and other assets to be purchased, retained, or sold by the IRIA. LD Lowe may give advice and take action with respect to any of its other clients or accounts which may differ from advice given or the timing or nature of action taken with respect to any client or account so long as it is the Sub-Adviser’s policy, to the extent practicable, to recommend for allocation and/or allocate investment opportunities to the client or account on a fair and equitable basis relative to its other clients and accounts.

### **CONSULTING SERVICES**

Clients can also receive investment advice on a more limited basis. This may include advice only on isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. We provide specific consultation services regarding client’s current or projected financial position or other investment and financial concerns that client may have. Advice offered by LD Lowe Wealth Advisory may involve investments in mutual funds.

### **PHILANTHROPIC COUNSELING & MANAGEMENT**

We can assist clients in defining goals when pledging money or assets to a charitable cause. We also assist in investing and managing the pledged money or assets. Asset management fees will be charged for managing the pledged money or assets.

### **PENSION CONSULTING SERVICES:**

We will provide pension consulting services to employee benefit plans, which include 401(k) plans and their fiduciaries based upon an analysis of the needs of the plan. In general, these services may include existing plan review, asset allocation advice, money management services, communication and education services where we will assist the plan sponsor in providing meaningful information regarding the retirement plan to its participants, investment performance monitoring, and/or ongoing consulting. We may have agreements with Third Party Administrators (TPA) to provide these services as part of the TPA's agreement with the plan. In these instances, the Third Party Administrator may pay a portion of the fee charged to the plan to us for their services. In other instances, we may be introduced to a plan through a TPA and will provide service directly to the plan.

### **OTHER PRODUCTS:**

In addition to traditional products, we may utilize the following products in client’s investment strategies:

### **Alternative Investments:**

For clients meeting the requirements for accredited investors and for which we believe are suitable, we may

recommend investment in alternative investments that may be suitable for client's stated investment goals, risk temperament and investment objectives. The alternative investments can range from short term to long term investment vehicles that have various investment objectives including real estate interests offered through a private REIT or limited partnership interests, specifically; 1) LDL Wealth Advisory Oil & Gas LP, 2) LDL Wealth Advisory 2013-1 Oil & Gas LP, 3) LDL Wealth Advisory 2014-1 Oil & Gas LP, 4) LDL Wealth Advisory 2015-1 Oil & Gas LP, 5) LDL Dignity Hospice LP, structured notes etc. Additional information for suggested alternative investment, including a discussion of certain significant risks of investing and additional fees involved, will be disclosed in the related Private Placement Memorandum. Qualified persons should read the Memorandum carefully before investing. In 2016, control persons stepped down from participation as a general partner or managing member relationship with the above noted LP structures. Previous to this time, certain control persons of LD Lowe were entitled to initial and/or ongoing management fees as well as reimbursement for expenses paid to the affiliated company. Although LD Lowe and its associates no longer receive these types of fees, clients should be aware that these payments were in addition to any management fees charged to clients for LD Lowe portfolio management.

#### **CPA and Estate Attorney Referral Services:**

We refer clients requesting tax preparation services to CPAs. Clients will pay directly to the CPA any costs relating to the tax preparation service that is not included in client's management fee. The CPA reimburses us for the cost of mailing and labor for scanning documents.

We may also refer clients to attorneys for estate planning purposes. It is client's responsibility to research and understand any legal or tax ramifications of any distributions client make from client's accounts. We do not provide legal or tax advice.

#### **ASSETS UNDER MANAGEMENT:**

As of February 20, 2017, LD Lowe Wealth Advisory has approximately \$ 116,630,059 in discretionary assets under management and \$0 in non-discretionary assets under management.

## **Item 5 Fees and Compensation**

#### **INVESTMENT MANAGEMENT FEE SCHEDULE:**

As discussed in Item 4, LD Lowe's Wealth Management Services are typically a combination of our Financial Planning and Portfolio Management Services and are primarily offered through a wrap fee program. The management fee is based on all "assets under management" that have been recommended and invested by us. This includes all cash and cash equivalents held in client's accounts.

Wrap pricing allows clients to pay an all-inclusive fee for our investment management, brokerage transaction costs, clearance, custody and administrative services. LD Lowe will pay to EAS the transaction/execution costs associated with the equity transactions. As such, LD Lowe has a potential disincentive to trade securities under this arrangement.

#### **WEALTH MANAGEMENT FEE SCHEDULE**

##### **Assets Under Management Annual Fee**

Up to and including \$1,000,000.99	1.95%
\$1,000,001 up to and including \$2,000,000.99	1.75%
\$2,000,001 up to and including \$4,000,000.99	1.30%
\$4,000,001 up to and including \$6,000,000.99	0.95%
\$6,000,001 up to and including \$8,000,000.99	0.85%

\$8,000,001 up to and including \$10,000,000.99 0.70%  
\$ 10,000,001 and above are negotiable for fees.

Accounts may be “householded” for billing purposes. House holding includes all accounts for a client and the client’s family members. Exceptions may occur at our sole discretion. The management fee is an annual fee billed on a quarterly basis. The total fee is calculated as a flat fee using “assets under management” that have been recommended and invested by you (example: an account with \$2,500,000 in assets under management will be charged an annual flat rate of 1.30%). Assets under management include all cash and cash equivalents held in your account.

Clients should be aware that the advisory fee does not include transfer fees, or margin interest and for any commissions and any mark-ups/mark-downs on transactions directed to other broker/dealers as well as any specialized custodial account charges such as IRA account fees. This amount may vary in special situations and will be disclosed to client. The fees charged are negotiable in situations where client’s portfolio size begins outside our published fee brackets or in other situations deemed appropriate by us in our sole discretion.

#### **General Information for Management Fees:**

Our fees are based on the percentages listed in the Fee Schedule on account market values based on the last business day of each calendar quarter. Fees are calculated by multiplying the assets under management market value by the relevant percent and dividing such product by four (4). Fees for the initial quarter will be adjusted pro-rata based upon the number of calendar days in the calendar quarter that the Agreement goes into effect. Clients provide written permission for the direct deduction of fees in the Investment Management Agreement signed by the client, when opening an account with our firm. Portfolio Management fees will be directly deducted from client’s account by the custodian quarterly, in advance, from clients’ accounts within thirty (30) days following the end of the quarter. The Custodian will send to client a quarterly account statement that shows the amount of our advisory fee, the value of client’s assets upon which the fee was based.

#### **Additional Types of Fees or Expenses:**

Clients are hereby advised that all fees paid to us for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. Further, for those accounts not participating in our wrap fee program, there may be transaction charges involved with purchasing or selling of securities. We do not share in any portion of the brokerage fees/transaction charges imposed by the custodian holding the client funds or securities. Client should review all fees charged by mutual funds, us, and others to fully understand the total amount of fees to be paid by client.

#### **Termination:**

Investment Management Agreements may be terminated by either party immediately upon receiving a written notice to the other party. Fees paid in advance will be prorated to the date of termination specified in the notice and any unearned portion thereof will be refunded.

For certain ERISA type accounts, clients may be required to sign an agreement directly with the TPA(s) selected. Clients may terminate the management agreement according to the terms disclosed in the management agreement. If fees are paid prior to service being rendered, and client terminates services, the prorated fees for the portion not used will be returned.

#### **SUB-ADVISORY ADVISORY FEE**

Sub-Advisory fees are charged as a percentage of assets under advisement and billed directly to the Advisor for which sub-advisory consulting services were provided, in arrears. The Advisor will calculate the amount of assets under advisement in each quarter and payments are provided as contracted by the Advisor. In this instance, LD

Lowe does not bill clients' account directly and the sub-advisory fee is a portion of the overall fee clients are charged by their separate IRIA. Fees for sub-advisory services are separately negotiated with each IRIA and set forth in the agreement between LD Lowe and the IRIA receiving advice. Termination of the agreement is upon written request and accumulated fees will be billed to the date the termination is received.

#### **PENSION CONSULTING SERVICES FEE SCHEDULE:**

The compensation arrangement for these services will be based on the same provisions as disclosed above in the portfolio management section. The type and amount of the fees charged to client is subject to negotiation and will be based on the scope and complexity of the qualified plan and the requested services. An estimate of the total cost will be determined at the start of the advisory relationship. We require the payment of fees for pension consulting services quarterly in advance.

#### **ERISA / PENSION PROTECTION ACT OF 2006 (PPA):**

We may also have IRA accounts or other retirement accounts that are subject to the Pension Protection Act of 2006 (PPA). In all cases, an "eligible investment advice arrangement" or advisory agreement will be executed with the Client. We will be considered a "fiduciary advisor" and will charge fees to the retirement account based on a level fees basis which means the fees will not vary depending on the basis of the investment option selected.

The amount of compensation and other consideration reasonably anticipated to be paid, directly or indirectly, to us, our Affiliates or Related Entities for their services in connection with the Recommendation(s) is not in excess of reasonable compensation within the meaning of § 4975(d)(2) of the Code and ERISA Section 408(b)(2).

#### **CONSULTING FEE SCHEDULE:**

For consulting services, we will charge \$500.00 per hour. Depending upon a number of factors including, but not limited to, the complexity of the issues involved, the amount of time and resources that must be committed to the project, and the level of expertise and experience of the consultants involved in the project a flat fee may apply. Client will be quoted the total charge for the services to be rendered and must agree prior to entering into an engagement agreement with us.

#### **PHILANTHROPIC COUNSELING & MANAGEMENT:**

We will charge \$500.00 per hour for philanthropic counseling & management services. In addition, asset management fees, as negotiated separately with the client, will be charged for managing the pledged money or assets.

#### **OTHER PRODUCTS AND SERVICES FEE SCHEDULE:**

##### **Fixed Index Annuities aka Equity Index Annuities:**

As licensed insurance agents, advisory agents of our firm may receive a commission for the purchase of a Fixed Index Annuities by client. Effective 1/1/2017 Fixed Index Annuities will no longer be placed under management. Any fixed indexed annuities written after this date will be commissioned products.

##### **Alternative Investments:**

Alternative investments are included in the assets under management and are subject to applicable asset management fees. Alternative investments include revenue from the production of natural gas and/or oil, oil & gas royalty interests acquired, real estate interests including private REITs and limited partnership interests, structured notes etc.

In late 2016, control persons of LD Lowe disengaged as General Partner or Managing Member of an affiliated company to the partnerships. Prior to disengaging as the General Partner or Managing Member, the individual



was entitled to initial and/or ongoing management fees as well as re-imbursement for expenses paid to the affiliated company. LD Lowe and its control persons no longer receive these fees, but clients should be aware that these payments were in addition to any management fees charged to clients for LD Lowe portfolio management. For complete disclosure information, please see the private placement memorandum for the respective investment.

**Other Compensation Received by our firm or its advisory agents:**

Advisory Agents of LD Lowe Wealth Advisory are also licensed insurance agents for various companies. If a client elects to implement a plan through our advisory agents, they may receive a commission from insurance sales, which includes life, accident, disability, long term care, Medicare supplemental and fixed index annuities and fixed annuities. This presents a conflict of interest to the extent that the advisory agent recommends the purchase of an insurance product that results in a commission being paid to the advisory agent as an insurance agent. LD Lowe mitigates this conflict by excluding these products when billing for management fees. Therefore, advisory clients purchasing such assets will not be billed additional advisory fees for management of these products. We have no single agreement with any agency or company, but will seek out the products of any company, agency or brokerage that may have products fitting client's needs. Clients are not required to utilize our services and have the option to purchase insurance and other investment products we recommend through other brokers or agents that are not affiliated with our firm.

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

Performance based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance based fees.

As stated in Items 4 and 5 above, LD Lowe does not manage any pooled investment vehicles and does not charge performance based fees.

## **Item 7 Types of Clients**

**CLIENT BASE:**

Our customer base consists of individuals, high net-worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. These are the types of clients that we service, but we may not have all these types as current clients.

LD Lowe no longer requires client accounts maintain account minimums for the provision of investment management services. Although clients should be aware that LD Lowe recommends that clients who seek our services have investable assets of at least \$500,000.

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

### **METHODS OF ANALYSIS & INVESTMENT STRATEGIES:**

We work with clients to devise an investment strategy to meet client's financial objectives. This includes:

- discussion regarding client's objectives
- review of existing holdings
- ongoing analysis of funds
- advice on best direction for new investments
- updates of specific changes within the market or to particular funds
- periodic monitoring of recommended investments and yearly review

We use model portfolios of mutual funds, Exchange Traded Funds(ETFs) and Variable Annuity sub-accounts provided by a number of institutional investment strategists and based on the information, research, asset allocation methodology and investment strategies of these institutional strategists.

We use technical and fundamental compiled by data services. We may use other sources of information that may include, but are not limited to, other professionals in the area of financial planning as well as information obtained through presentations given by professional associations and other sources.

Fundamental Analysis involves using real data to evaluate a security's value. We perform fundamental analysis on a securities value by looking at economic factors, such as interest rates and the overall state of the economy, information about issuers, potential changes in credit ratings, revenues, earnings, future growth, return on equity, profit margins and other data to determine underlying value and potential for future growth.

Technical Analysis involves studying supply and demand in the market to determine what direction, or trend will continue in the future by understanding the emotions in the market as opposed to its components. Understanding the benefits and limitations of technical analysis can give a new set of tools or skills that will enable us to be a better trader or investor.

Our security analysis information is based on a number of sources including financial newspapers, periodicals, commercially available investment services, issuer prepared information, security rating services, general market and financial information, due diligence reviews and specific investment analysis that our clients may request.

### **RISK OF LOSS:**

The advice offered by our Firm to clients is determined by the areas of expertise of the agent providing the service and the client's stated objective. Our clients are advised to notify our Firm promptly if there are ever any changes in client's financial situation or investment objective or if clients wish to impose any reasonable restrictions upon our management services. If clients wish to impose any reasonable restrictions upon our management services, client will need to advise us in writing of any restrictions.

We do not represent, warrant, or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. All securities trading, whether in stocks, options, or other investment vehicles, is speculative in nature and involves substantial risk of loss that clients should be prepared to bear. Past performance is not necessarily indicative of future results. Clients should make every effort to understand the risks involved.

## **The Principle Risks of Investing include, but are not limited to:**

### **General Risks:**

Client's investments with us are not a deposit of a bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Accordingly, client may lose money by investing with us. When client sells client's investments, they may be worth less than what client paid for them because the value of investments will fluctuate reflecting day-to-day changes in market conditions, interest rates and a number of other factors.

### **Allocation Risk:**

Our allocation of investments among different asset classes, such as equity or fixed-income asset classes, may have a more significant effect on client's returns when one of these classes is performing more poorly than others.

### **Market Risk:**

Stock and bond markets often trade in random price patterns, and prices can fall over sustained periods of time. The value of the investments we make for client will fluctuate as the financial markets fluctuate. This could result in client's account value(s) declining over short or long term periods of time.

### **Focused and Concentrated Portfolio Risks:**

We will often invest client's assets in a smaller number of securities than other broadly diversified investment strategies. Our approach is often referred to as "focused, concentrated, or non-diversified". Accordingly, the money we manage for clients may have more volatility and is often considered to have more risk than a strategy that invests in a greater number of securities because changes in the value of a single security may have a more significant effect, either negative or positive, on client's overall portfolio value. To the extent we invest client's assets in fewer securities, or we invest in non-diversified funds that take a focused or concentrated approach, client's assets are subject to greater risk of loss if any of those securities become permanently impaired.

### **Equity Risk:**

Client's investments will be subjected to the risk that stock prices may fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of equity securities in client's portfolio may fluctuate drastically from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. These factors will contribute to the volatility and risk of client's assets.

### **Special Situation Risk:**

We may invest client's assets in special situations. Investments in special situations may involve greater risks when compared to other strategies due to a variety of factors.

Expected changes may not occur, or transactions may take longer than originally anticipated, resulting in lower returns than contemplated at the time of investment. Additionally, failure to anticipate changes in the circumstances affecting these types of investments may result in permanent loss of capital, where we may be unable to recoup some or all of its investment.

### **Foreign Securities Risk:**

We have the ability to invest in foreign securities, and, from time to time, a significant percentage of client's assets may be composed of foreign investments. Foreign investments involve greater risk in comparison to domestic investments because foreign companies/securities: may have different auditing, accounting, and financial reporting standards; may not be subject to the same degree of regulation as U.S. companies, and may have less publicly available information than U.S. companies; and are often denominated in a currency other

than the U.S. dollar.

**Currency Risk:**

Client's investments may be subject to currency risk. Currency fluctuations and changes in the exchange rates between foreign currencies and the U.S. dollar could negatively affect the value of client's investments in foreign securities.

**Interest Rate Risk:**

Client's investments are subject to interest rate risk. Interest rate risk is the risk that the value of a security will decline because of a change in general interest rates. Investments subject to interest rate risk will usually decrease in value when interest rates rise. For example, fixed-income securities with long maturities typically experience a more pronounced change in value when interest rates change.

**Credit Risk:**

Client's investments are subject to credit risk. An investment's credit quality depends on its ability to pay interest on and repay its debt and other obligations.

**Small- to Medium-Capitalization Risk:**

We may invest client's assets in small to medium sized companies. Shares of small to medium sized companies may have more volatile share prices. Furthermore, the securities of small to medium companies often have less market liquidity and their share prices can react with more volatility to changes in the general marketplace.

**Junk Bond/High-Yield Security Risk:**

We may invest client's assets in Junk Bonds or High-Yield, lower rated securities. Investments in fixed-income securities that are rated below Investment grade can be subject to greater risk of loss of principal and interest than investments in higher-rated fixed-income securities. The market for high yield securities may be less liquid than the market for higher-rated securities. High yield securities are also generally considered to be subject to greater market risk than higher-rated securities. The capacity of issuers of high yield securities to pay interest and repay principal is more likely to weaken than is that of issuers of higher-rated securities in times of deteriorating economic conditions or rising interest rates.

**Prepayment Risk:**

Client's investments may be subject to prepayment risk. Prepayment risk occurs when the issuer of a security can repay principal prior to the security's maturity. Securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. In addition, the potential impact of prepayment features on the price of a security can be difficult to predict and result in greater volatility.

**Inflation Risk:**

This is the risk that the value of client's assets or income investments will be less in the future as inflation decreases the value of client's money. As inflation increases, the value (purchasing power) of client's assets can decline. This risk increases as we invest a greater portion of client's assets in fixed-income securities with longer maturities.

**Liquidity Risk:**

Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing us from selling out of these illiquid securities at an advantageous price.

## **Item 9 Disciplinary Information**

We do not have any material facts about legal or disciplinary events that are material to client's evaluation of the integrity of our firm or its advisory agents to disclose. Client's confidence and trust placed in our Firm and its advisory agents is something we value and endeavor to protect.

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

### **Other Financial Industry Relationships:**

As previously discussed in Items 4 and 5, Advisory Agents of LD Lowe Wealth Advisory are also licensed insurance agents for various companies. If a client elects to implement a plan through our advisory agents, they may receive a commission from insurance sales, which includes life, accident, disability, long term care, Medicare supplemental. This presents a conflict of interest to the extent that the advisory agent recommends the purchase of an insurance product that results in a commission being paid to the advisory agent as an insurance agent. LD Lowe mitigates this conflict by excluding these products when billing for management fees. Therefore, advisory clients purchasing such assets will not be billed additional advisory fees for management of these products. We have no single agreement with any agency or company, but will seek out the products of any company, agency or brokerage that may have products fitting client's needs. Clients are not required to utilize our services and have the option to purchase insurance and other investment products we recommend through other brokers or agents that are not affiliated with our firm.

In August 2016, LD Lowe relinquished its ownership and management of LD Lowe's affiliated entities. Previous to this date, senior management of LD Lowe acted as the separate General Partners or Managing Members (Inclusive of LDL GP, LLC and LDL Hospice GP, LLC) for all the LPs listed below. We may continue to recommend clients invest in alternative investments that may be suitable for the client's stated investment goals, risk temperament and investment objectives. Specifically: 1) LDL Wealth Advisory Oil & Gas LP; 2) LDL Wealth Advisory 2013-1 Oil & Gas LP; 3) LDL Wealth Advisory 2014-1 Oil & Gas LP, 4) LDL Wealth Advisory 2015-1 Oil & Gas LP; 5) LDL Dignity Hospice LP. Clients are under no obligation to purchase these investments. We mitigate these conflicts by disclosing them to you.

Additional information for suggested alternative investments, including a discussion of certain significant risks of investing will be disclosed in the related Private Placement Memorandum. Qualified persons should read the Memorandum carefully before investing.

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

### **CODE OF ETHICS:**

We have adopted a Code of Ethics Policy to prohibit conflicts of interest from personal trading by our advisory personnel and have established standards of conduct expected of our advisory personnel. We have set forth in the Code of Ethics Policy statements of general principles, required course of conduct, reporting obligations, and review and enforcement of the Code of Ethics Policy. We will provide a copy of the Code of Ethics Policy to our clients or prospective clients upon written request.

### **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS / PERSONAL TRADING:**

Our Advisory Agents will buy or sell for themselves securities that they also recommend to client. These

investment products will be bought and sold on the same basis as clients buy them. We will transact client's transactions and business before their own when similar securities are being bought or sold. In all instances, the positions would be so small as to have no impact on the pricing or performance of the security. We will do everything possible to mitigate these conflicts. Records of all advisory associate's proprietary trading activities are reviewed and kept by us. We and our advisory agents will act in a fiduciary manner, understand the prohibitions against the use of any insider information and will always act in client's best interest.

LD Lowe does not participate in agency cross and principal transactions.

**Fiduciary Status.** LD Lowe acknowledges that it may act as a "fiduciary" under § 4975 of the Code when we provide recommendations. We act as a fiduciary and provide recommendations only with respect to services outlined in Item 4 of this disclosure. We do not undertake, as part of the fiduciary acknowledgement to provide any legal, tax, or accounting advice in connection with your IRA or other ERISA types of accounts. It is your responsibility to obtain legal, tax, and accounting guidance from independent professional sources prior to making any investment decision.

**Best Interest Standard of Care.** In providing recommendations with respect to ~~providing~~ investment advisory services, we will act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on your objectives, risk tolerance, financial circumstances, and needs, and our recommendations will not be based on the financial or other interests of LD Lowe or your specific financial consultant affiliated with our firm.

**Reasonable Compensation.** The amount of compensation and other consideration reasonably anticipated to be paid, directly or indirectly, to us, our Affiliates or Related Entities for their services in connection with the Recommendation(s) is not in excess of reasonable compensation within the meaning of § 4975(d)(2) of the Code and ERISA Section 408(b)(2).

## Item 12 Brokerage Practices

### **BROKERAGE SELECTION:**

LD Lowe has negotiated an arrangement with Equity Advisors Solutions ("EAS") which is an Advisor platform service provided by the Equity Trust Company (ETC), a South Dakota chartered Trust Company, with brokerage services provided by ETC's affiliated broker/dealer, ETC Brokerage Services, LLC (Member FINRA/SIPC CRD #145276) and our firm will generally recommend the EAS wrap fee platform and its affiliated custodial and brokerage services. LD Lowe believes that this negotiated wrap fee program will provide clients with a blend of execution services, commission costs and professionalism that will assist us in meeting our fiduciary obligations to our clients.

Although we utilize EAS, clients are not obligated to transact business through this platform and may direct our firm to utilize another custodian or broker/dealer. Clients who choose to utilize the services of other broker/dealers or custodians or who do not participate in our wrap fee program should recognize that brokerage commissions for the execution of transactions in the clients' accounts are not negotiated by LD Lowe and are executed on a trade-by-trade basis. These clients will pay a commission and other brokerage/custodial fees that clients who participate in the wrap program are not charged. In non-wrap program account best execution may not be achieved. The client should consider, therefore, that depending upon the level of the wrap fee charged, the amount of portfolio activity in the client's account, the value of the custodial and other services which are provided under the arrangement and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately and if LD Lowe were to negotiate commissions and seek best price or execution. Not all advisers recommend that clients use a

particular broker/dealer, but advisors utilizing wrap fee programs typically do.

**BEST EXECUTION:**

It is our policy to select brokers on the basis of the best combination of cost and execution capability. Subject to its best execution obligations, we intend to use the EAS Platform to effect all or substantially all client securities transactions. We may develop other broker-dealer arrangements with other unaffiliated broker-dealer firms at our discretion. Factors that we consider when recommending EAS include execution, pricing, research and service provided. We understand and acknowledge that at all times we owe a fiduciary duty to the client to obtain best execution for client transactions. We believe that our relationship with EAS helps us to execute securities transactions for clients in such a manner that client's total cost in each transaction is as favorable as possible under prevailing market conditions. However, accounts executed through ETC Brokerage Services, LLC and held with ETC, may not obtain best execution at all times. As LD Lowe pays the brokerage transaction fees for clients in the wrap fee accounts, we do not believe this a material conflict for client's transactions.

EAS services provide LD Lowe with institutional trading and custody services not typically provided to retail clients. In addition, EAS will provide services related to brokerage executions, such as trade reporting, monitoring and research (in the form of analysis and reports). The EAS platform does not charge custodial fees, but does charge LD Lowe with applicable transaction, internal management, termination and administrative costs.

**ADDITIONAL SERVICES RECEIVED BY OUR FIRM:**

Trades may be done with brokers who are selected on the basis of research products or services. These may be used for the benefit of all clients and are not necessarily used exclusively by the account for which the transaction was made. The types of products and services include written and oral reports concerning current or prospective portfolio holdings, economic interpretations, and portfolio strategy. Clients are not charged for these services and the information received may be used to benefit all clients of our Firm.

**BROKERAGE FOR CLIENT REFERRALS:**

Neither our Firm nor our Advisory Agents receive client referrals from a broker-dealer or other third party when recommending to client a broker-dealer for the execution of securities transactions.

**DIRECTED BROKERAGE:**

If a client wants to direct us to use a particular broker dealer to handle security transactions then the client, and not our firm, is responsible for the custodian fee arrangement. As stated above, clients should understand that this might prevent us from effectively negotiating brokerage compensation or obtaining the most favorable net price and execution. When directing brokerage business, client should consider whether the commission expenses, execution, clearance and settlement capabilities that client will obtain through another broker-dealer are adequately favorable in comparison to those that our Firm would otherwise obtain for client using EAS. LD Lowe encourages clients to discuss available alternatives with our advisory agents.

Neither this Firm nor our advisory agents receive any products, research or services other than those disclosed.

**AGGREGATION OF TRADES:**

We aggregate orders with respect to a security if such aggregation is consistent with the belief and goals of achieving best execution for the various client accounts. Hindsight is 20/20 and although we may aggregate client transactions, we are not required to aggregate trades and may execute trades separately. When orders are aggregated, each participating account receives the weighted average share price for all transactions in a particular security effected to fill such orders on a given business day and transaction costs are shared pro rata based upon each accounts participation in the transaction. Allocations of orders among client accounts must be made in a fair and equitable manner.

## Item 13 Review of Accounts

Managed accounts are will be reviewed on a weekly basis, but at a minimum, shall be reviewed annually or by client's request. Reviews may be warranted more frequently due to tax law changes, market changes, market conditions or changes in personal circumstances. Reviews initiated by client may be for personal objectives or for any reason client so desire. The accounts are reviewed for including, but not limited to, c o n t i n u e d suitability, comfort level, risk tolerance relative to returns, and appropriateness. These reviews will be conducted by Taylor Brewer, Account Services; Lloyd Lowe, President; or Molly McCarthy, Lead Planner.

LD Lowe does not provide additional reporting, unless separately contracted by the client. Statements, confirmations and/or performance reports are furnished monthly or quarterly from various qualified custodians or financial institutions/firms with which client transacts business. These firms may include, and are not limited to, brokerages, investment companies, insurance companies or trust companies. Clients receive account statements from these entities and not our Firm. The quarterly account statements from the qualified custodian indicate activity (including fees), previous portfolio balances, current portfolio balances, and account summary. We may also assist client in interpreting and/or compiling statements or reports and transferring relevant information onto the appropriate place on client's financial statements as part of our review process. Clients holding Fixed Index Annuities aka Equity Index Annuities and Life Settlement clients will receive statements directly from the applicable insurance company or provider.

If we provide client only financial planning, separate consulting or analysis services, clients will only receive reports or reviews as separately contracted with the client.

Pension consulting reviews and reports are separately contracted with each plan and outlined in the consulting agreement.

## Item 14 Client Referrals and Other Compensation

As referenced in Items 4 & 5 of this brochure, we may refer clients to CPA's for tax preparation and Attorneys for Estate Planning purposes. Although we do not receive referral fees for these services, we are reimbursed by the CPA for the cost of labor, scanning and mailing documents. As a matter of firm practice, the advisory fees paid to us by clients referred to CPA's and Attorneys are not increased as a result of any referral.

### **Other Compensation:**

As previously disclosed, Investment Advisor Representatives affiliated with insurance companies are provided opportunities to receive bonuses, prizes or awards for these separate sales activities. As such, this presents a conflict of interest that clients should be aware of. We mitigate this conflict by disclosing it to our clients.

## Item 15 Custody

Custody of client accounts for both securities and funds will be maintained at ETC, or other qualified custodian as directed by the client. We obtain written permission from the client in the client investment management agreement to directly debit fees from custodians. As such, under SEC interpretation, we are deemed to have custody. Aside from the direct debiting of fees, our firm does not take constructive custody of client assets. Clients should be aware that their respective qualified custodian sends account statements directly to the client's reported address of record on not less than a quarterly basis and clients should carefully review



those statements for any discrepancies.

As indicated in Items 4 and 5 of this Disclosure Brochure, LD Lowe no longer acts as General Partner or Managing Member to any pooled investment vehicles.

## **Item 16 Investment Discretion**

Unless otherwise directed by client in writing, clients have granted LD Lowe discretion in the management of client's portfolio and periodic re-balancing to the asset class target percentages as outlined in the Clients Investment Management Agreement. In the exercise of our authority, we are authorized and empowered to place orders with brokers, dealers, mutual funds, or other persons with respect to the purchase, sale, exchange, disposition or liquidation of any assets held in clients' portfolios.

## **Item 17 Voting Client Securities**

We do not vote client's proxies and have instructed the Custodian to forward all proxy material directly to client. We shall forward to client, or to the Advisor(s) for an employee benefit plan covered by ERISA, unless the plan's trust agreement provides otherwise, any proxy materials we receive that pertain to the Assets in client's Account. Client can contact our office at 972-335-2523 for any questions about a particular solicitation.

## **Item 18 Financial Information**

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. We do not have any financial condition that is reasonably likely to impair the ability to meet contractual commitments to client.

Part 2A Appendix 1 of Form ADV: Wrap Fee Program Brochure

Item 1 Cover Page

# **L.D. Lowe Wealth Advisory, Inc.**

**8330 LBJ Freeway Suite 500**  
**Dallas, TX 75243**  
**972-335-2523**  
**[www.idloweplan.com](http://www.idloweplan.com)**

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This wrap fee program brochure provides information about the qualifications and business practices of L.D. Lowe Wealth Advisory, Inc. If client have any questions about the contents of this brochure, please contact us at the phone number or website listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about L.D. Lowe Wealth Advisory, Inc. is also available on the SEC's website at [www.Advisorinfo.sec.gov](http://www.Advisorinfo.sec.gov). Our registration as an Investment Advisor does not imply any certain level of skill or training.

March 16, 2017

## Item 2 Material Changes

### **SUMMARY OF CHANGES:**

The information contained in this section relates only to material changes that have occurred since the last update. Our brochure has been substantially modified from its prior version and contains new information clients should be aware of. We define a material change as any change that an average client would consider important to know prior to making an investment decision. Clients are encouraged to review any Item numbers referenced in this summary against the previously submitted Appendix Disclosure for additional information regarding how this change may impact our clients.

This section contains a short summary of material changes since our last annual update: March 21, 2016

Item 4 Services, Fees and Compensation – LD Lowe has revised this section and eliminated business lines which we no longer offer. In addition, we have enhanced this section to reflect new business lines and more fully explain our current fees and services.

Item 5 Account Requirements and Types of Clients - We have updated this section to indicate that we have removed the minimum account requirements.

Item 6 Portfolio Manager Selection and Evaluation – LD Lowe does not receive performance based compensation.

Item 7 Client Information Provided to Portfolio Managers – We have revised and enhanced disclosures in this area.

Item 9 Additional Information – LD Lowe has enhanced and revised disclosures regarding outside business activities in this section

Item 10 State Information– We have removed this section as it does not apply to SEC registrants.

Consistent with the rules, we will ensure that clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide client with other interim disclosures about material changes as necessary.

To obtain our firm brochure and brochure supplements (information regarding each of our financial advisors), our Code of Ethics, or our Privacy Policy, please visit our website or e-mail us at [Lauren@ldloweplan.com](mailto:Lauren@ldloweplan.com) or mail client's request to the address below.

**L.D. Lowe Wealth Advisory, Inc.**

**Main Office Address: 8330 LBJ Freeway, Suite 500  
Dallas, Texas 75243**

**Main Phone: 972-335-2523**

**Web Site Address: <http://www.ldloweplan.com>**

## Item 3 Table of Contents

### Part 2A Appendix 1 of Form ADV: Wrap Fee Program Brochure

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## Item 4 Services, Fees and Compensation

### OUR FIRM

L.D Lowe Wealth Advisory, Inc. dba LD Lowe Wealth Advisory (“LD Lowe”) is a Registered Investment Advisory firm registered with the U.S. Securities and Exchange Commission (SEC).

### ADVISORY SERVICES OFFERED

We provide Wealth Management Services to our clients on a discretionary basis. These services include a combination of investment management and financial planning services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and corporations and other business entities. We may also provide separate consulting services on interests in partnerships, real estate, and REITs.

*The following is a detailed description of the programs offered.*

### WEALTH MANAGEMENT SERVICES:

Our portfolio management service consists of asset allocation and portfolio management tailored to meet client’s investment goals and are exclusively offered inside a wrap fee structure. LD Lowe’s portfolios are typically composed of stocks, REITs, ETFs, Private Placements and LPs. Although we formerly included fixed income annuities (aka Equity Index Annuities), we are no longer building portfolios that contain such products.

Wealth Management Services are offered solely as a discretionary investment management service, which includes the creation and monitoring of a financial plan. This service is an ongoing comprehensive evaluation of a client’s current and future financial state by using currently known facts and certain variables to predict future cash flows and asset values that are used to create wealth management and maximization plans. Through the financial planning process, we endeavor to gather in-depth information about a client and perform an analysis as to how the client’s current circumstance is impacted by their entire financial and life situation. LD Lowe provides financial planning services to substantially all of its discretionary investment advisory clients as part of the investment management service. The fee schedule listed under Item 5 is for combined investment advisory and financial planning services. LD Lowe will typically not offer management outside of a wrap fee arrangement, but any accounts that we may accept outside of the wrap fee arrangement, will not be managed differently than our wrap fee accounts.

The wrap fee covers comprehensive financial planning services which include but are not limited to the cost of:

- Trading including transactional costs and custodial fees;
- Research and investment management;
- Financial plans and ongoing tracking of financial plans;
- Client meetings and all administrative work;
- Tax Planning and Preparation of client’s personal tax return;  
(LD Lowe will pay the full cost of the personal tax return for clients that use an LD Lowe recommended CPA. For clients that want to continue to use their current CPA we will cover the cost of the personal tax return up to \$350).
- Preparation of client’s basic estate documents; and  
(LD Lowe will pay the full cost for basic estate documents for clients that use an LD Lowe recommended attorney).
- Philanthropic Planning.

Not all investment advisors pay for these services. Annual updates will be provided upon client request. Client is responsible for reporting to LD Lowe any life changing events.

## **SUB-ADVISORY ADVISORY SERVICES**

LD Lowe Wealth Advisory will contract with other, unaffiliated independent registered investment advisors (“IRIA”) to provide sub-advisory services to the respective IRIA. As contract by the IRIA, our firm makes recommendations to the IRIA as to the composition and allocation of model portfolios or client specific portfolios, the nature and timing of the changes therein and the manner of implementing such changes. This advice also includes recommendations as to the specific securities and other assets to be purchased, retained, or sold by the IRIA. LD Lowe may give advice and take action with respect to any of its other clients or accounts which may differ from advice given or the timing or nature of action taken with respect to any client or account so long as it is the Sub-Adviser’s policy, to the extent practicable, to recommend for allocation and/or allocate investment opportunities to the client or account on a fair and equitable basis relative to its other clients and accounts.

## **CONSULTING SERVICES**

Client can also receive investment advice on a more limited basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. We provide specific consultation services regarding client’s current or projected financial position or other investment and financial concerns that client may have. Advice offered by LD Lowe Wealth Advisory may involve investments in mutual funds.

## **PHILANTHROPIC COUNSELING & MANAGEMENT**

We can assist client in defining client’s goals when pledging money or assets to a charitable cause. We also assist in investing and managing the pledged money or assets. Asset management fees will be charged for managing the pledged money or assets.

## **PENSION CONSULTING SERVICES:**

We will provide pension-consulting services to employee benefit plans, which include 401(k) plans and their fiduciaries based upon an analysis of the needs of the plan. In general, these services may include existing plan review, asset allocation advice, money management services, communication and education services where we will assist the plan sponsor in providing meaningful information regarding the retirement plan to its participants, investment performance monitoring, and/or ongoing consulting. We may have agreements with Third Party Administrators (TPA) to provide these services as part of the TPA’s agreement with the plan. In these instances, the Third Party Administrator may pay a portion of the fee charged to the plan to us for their services. In other instances, we may be introduced to a plan through a TPA and will provide service directly to the plan.

## **OTHER PRODUCTS:**

In addition to traditional products, we may utilize the following products in client’s investment strategies:

### **Alternative Investments:**

For clients meeting the requirements for accredited investors and for which we believe are suitable, we may recommend investment in alternative investments that may be suitable for client’s stated investment goals, risk temperament, and investment objectives. The alternative investments can range from short term to long term investment vehicles that have various investment objectives including real estate interests offered through a private REIT or limited partnership interests, specifically; 1) LDL Wealth Advisory Oil & Gas LP, 2) LDL Wealth Advisory 2013-1 Oil & Gas LP, 3) LDL Wealth Advisory 2014-1 Oil & Gas LP, 4) LDL Wealth Advisory 2015-1 Oil & Gas LP, 5) LDL Dignity Hospice LP, structured notes etc. Additional information for suggested alternative investment, including a discussion of certain significant risks of investing and additional fees involved, will be disclosed in the related Private Placement Memorandum. Qualified persons should read the Memorandum carefully before investing. In 2016, control persons stepped down from participation as a general partner or managing member relationship with the above noted LP structures. Previous to this time, certain control persons of LD Lowe were entitled to initial and/or ongoing management fees as well as reimbursement for expenses paid to the affiliated company. Although LD Lowe and its associates no longer

receive these types of fees, clients should be aware that these payments were in addition to any management fees charged to clients for LD Lowe portfolio management.

#### Tax Preparation:

We refer clients requesting tax preparation services to CPA's. Client will pay directly to CPA any costs relating to the tax preparation service that is not included in client's management fee. The CPA reimburses us for the cost of mailing and labor for scanning documents. As such, the referral is not a conflict of interest as no monetary compensation is paid by either us or the CPA to the other party.

It is client's responsibility to research and understand any legal or tax ramifications of any distributions client make from client's accounts. We do not provide legal or tax advice. If client take a distribution from an IRA or an annuity with growth, and client are under 59 ½ years of age client will be penalized by the IRS if client do not qualify for an exception. It is client's responsibility to determine if client qualify for an exception from this penalty.

### **WEALTH MANAGEMENT SERVICES FEES AND COMPENSATION.**

LD Lowe's Wealth Management Services, are typically a combination of our Financial Planning and Portfolio Management Services and are primarily offered through a wrap fee program. The management fee is based on all "assets under management" that have been recommended and invested by us. This includes all cash and cash equivalents held in client's accounts. Wrap pricing allows clients to pay an all-inclusive fee for our investment management, brokerage transaction costs, clearance, custody and administrative services. The fees assessed may be negotiated on a case-by-case basis.

#### **WEALTH MANAGEMENT FEE SCHEDULE**

##### **Assets Under Management Annual Fee**

Up to and including \$1,000,000.99	1.95%
\$1,000,001 up to and including \$2,000,000.99	1.75%
\$2,000,001 up to and including \$4,000,000.99	1.30%
\$4,000,001 up to and including \$6,000,000.99	0.95%
\$6,000,001 up to and including \$8,000,000.99	0.85%
\$8,000,001 up to and including \$10,000,000.99	0.70%
\$ 10,000,001 and above	are negotiable for fees

Accounts may be "household" for billing purposes. House holding includes all accounts for a client and the client's family members. Exceptions may occur at your sole discretion. The management fee is an annual fee billed on a quarterly basis. The total fee is calculated as a flat fee using assets under management" that have been recommended and invested by you (example: an account with \$2,500,000 in assets under management will be charged an annual flat rate of 1.30%). Assets under management include all cash and cash equivalents held in your account.

The advisor fee also does not include transfer fees, or margin interest and for any commissions and any mark-ups/mark-downs on transactions directed to other broker/dealers as well as any specialized custodial account charges such as IRA account fees. This amount may vary in special situations and will be disclosed to client. The fees charged are negotiable in situations where client's portfolio size begins outside our published fee brackets or in other situations deemed appropriate by us in our sole discretion.

Our advisory agents do not receive different compensation for our different company sponsored programs and thus there is not incentive to recommend one program over another. The wrap option program may cost client more or less than purchasing management and trading services separately. Client may want to discuss client's options with client's advisor to determine the fee option that suits client's needs.

## **Item 5 Account Requirements and Types of Clients**

### **WEALTH MANAGEMENT SERVICES ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS.**

LD Lowe no longer requires client accounts maintain account minimums for the provision of investment management services. Although clients should be aware that LD Lowe recommends that clients who seek our services have investable assets of at least \$500,000. Below is an asset breakdown for each of the investment models.

The types of clients that we provide investment advice to consists of individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

## **Item 6 Portfolio Manager Selection and Evaluation**

### **WEALTH MANAGEMENT SERVICES ACCOUNT PORTFOLIO MANAGER SELECTION & EVALUATION:**

Managed accounts are will be reviewed on a weekly basis, but at a minimum, shall be reviewed annually or by client's request. These reviews will be conducted by Taylor Brewer, Account Services; Lloyd Lowe, President; or Molly McCarthy, Lead Planner.

Statements, confirmations and/or performance reports are furnished quarterly from the qualified custodian. LD Lowe does not provide additional reporting, unless separately contracted by the client.

## **Item 7 Client Information Provided to Portfolio Managers**

### **WEALTH MANAGEMENT SERVICES ACCOUNT CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGER:**

Client's income, net worth, risk tolerance, and investment goals are disclosed to our registered portfolio managers. Appropriate asset allocation and wrap fee participation are determined for client based on this information. Client's investment goals and risk tolerance are confirmed in quarterly reviews and may be changed at client's discretion.

## **Item 8 Client Contact with Portfolio Managers**

### **WEALTH MANAGEMENT SERVICES ACCOUNT CLIENT CONTACT WITH PORTFOLIO MANAGERS:**

Contact with our portfolio managers is not restricted, unless the contact is unusual in frequency or unrelated to normal business practices. Consultations beyond normal business practices may require additional negotiated fees.



## **Item 9 Additional Information**

### **WEALTH MANAGEMENT SERVICES ACCOUNT DISCIPLINARY INFORMATION:**

Our advisory agents do not have reportable legal disciplinary events that are disclosed on their registration history. Our Firm will disclose any material facts about legal or disciplinary events so that client can determine whether they are material to client's evaluation of the integrity of our firm or its advisory agents. Client's confidence and trust placed in our Firm and its advisory agents is something we value and endeavor to protect.

A full report that reflects the professional background, business practices, and conduct of our advisory agents is available through the IARD link at [www.Advisorinfo.sec.gov](http://www.Advisorinfo.sec.gov). Should client have any technical difficulties with this link client can call 240-386-4848 for further assistance.

The information that appears on these websites is collected from individual investment advisor representatives, investment advisor firm(s), and/or securities regulator(s) as part of the securities industry's registration and licensing process.

### **WEALTH ASSET MANAGEMENT ACCOUNTS OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS:**

Advisory Agents of LD Lowe Wealth Advisory are also licensed insurance agents for various companies. If client elect to implement a plan through our advisory agents, they may receive a commission from insurance sales, which include life, accident, disability, long term care, Medicare supplemental and fixed index annuities aka equity index annuities and fixed annuities. This presents a conflict of interest to the extent that the advisory agent recommends the purchase of an insurance product that results in a commission being paid to the advisory agent as an insurance agent. We have no single agreement with any agency or company, but will seek out the products of any company, agency or brokerage that may have products fitting client's needs.

We may recommend to client to invest in alternative investments that may be suitable for client's stated investment goals, risk temperament, and investment objectives. The alternative investments can range from short term to long term investment vehicles that have various investment objectives including revenue from the production of natural gas and/oil associated with those oil & gas royalty interests acquired for the fund, real estate interests, structured notes etc. Additional information for suggested alternative investment including a discussion of certain significant risks of investing will be disclosed in the related Private Placement Memorandum. Qualified persons should read the Memorandum carefully before investing.

### **WEALTH MANAGEMENT SERVICES ACCOUNT CODE OF ETHICS:**

We have adopted a Code of Ethics Policy to prohibit conflicts of interest from personal trading by our advisory personnel and have established standards of conduct expected of our advisory personnel. We have set forth in the Code of Ethics Policy statements of general principals, required course of conduct, reporting obligations, and review and enforcement of the Code of Ethics Policy. We will provide a copy of the Code of Ethics Policy to our clients or prospective client's upon written request.

### **WEALTH MANAGEMENT SERVICES ACCOUNT PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING:**

Our advisory agents and employees may, on occasion, have or take positions in securities that are being or have been recommended to client. Such investment positions are limited to passive, non-controlling interests in securities. These investment products will be bought and sold on the same basis as clients buy them. We will transact client's transactions and business before their own when similar securities are being bought or sold. In all instances, the positions would be so small as to have no impact on the pricing or performance of the

security. We will do everything possible to mitigate these conflicts. Records of all advisory associate's proprietary trading activities are reviewed and kept by us. All personal securities transactions on behalf of our advisory agents, employees and employee-related accounts must be:

- Executed in an approved broker dealer account
- Pre-approved where required by our policies
- In compliance with our policies regarding inside and proprietary information, watch list, restricted list, holding period and other conflicts of interests

We and our advisory agents will act in a fiduciary manner, understand the prohibitions against the use of any insider information and will always act in client's best interest.

#### **WEALTH MANAGEMENT SERVICES ACCOUNT REVIEWS:**

Account reviews will be provided quarterly, but at a minimum shall be reviewed annually or by client's request. Reviews may be warranted more frequently due to tax law changes, market changes, market conditions or changes in client's personal circumstances. Reviews initiated by client may be for personal objectives or for any reason client so desire.

Reviews will be conducted by designated portfolio managers and will be consistent with desires of client respecting frequency and changing circumstances or objectives.

Statements, confirmations and/or performance reports are furnished monthly or quarterly from various financial services institutions/firms with which client transact business. These firms may include, and are not limited to, brokerages, investment companies, insurance companies, trust companies, other registered investment advisors, banks and credit unions. Clients receive account statements from these entities and not our Firm. The monthly account statements from the custodian indicate activity, previous portfolio balances, current portfolio balances, and account summary. We may also assist client in interpreting and/or compiling statements or reports and transferring relevant information onto the appropriate place on client's financial statements as part of our review process. Clients holding Fixed Index Annuities aka Equity Index Annuities and Life Settlement clients will receive statements directly from the applicable insurance company or provider.

#### **WEALTH MANAGEMENT SERVICES ACCOUNT PAYMENT FOR CLIENT REFERRALS:**

We do not have any arrangements to compensate another for client referrals.

#### **WEALTH MANAGEMENT SERVICES ACCOUNT FINANCIAL INFORMATION:**

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. We do not have any financial condition that is reasonably likely to impair the ability to meet contractual commitments to client.