



## **Disclosure Brochure**

August 23, 2018

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This Disclosure Brochure provides information about the qualifications and business practices of SVA Plumb Wealth Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (608) 824-8800. 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.

SVA Plumb Wealth Management, LLC is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about SVA Plumb Wealth Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2 – Material Changes

Please see the following summary of material changes made to our Brochure (Form ADV Part 2A) since our last annual update on August 24, 2017:

- Effective May 1, 2018, Thomas Plumb's role at SVAP WM transitioned from President to Chief Executive Officer ("CEO"). Mr. Plumb continues to be a Portfolio Manager. Updates were made throughout the brochure to reflect the change in Mr. Plumb's role.

### **Item 8**

- This item was updated to describe the risks associated with SVAP WM's Environmental, Social and Governance ("ESG") investment model.
- SVAP WM recently began incorporating interval funds into certain investment models. This item was updated to reflect risks and considerations for investment in interval funds.

### **Item 12**

- This item was updated to clarify soft dollar practices and add trading considerations related to certain retirement plan accounts.

### **Item 14**

- This item was updated to address SVAP WM's practices related to the engagement of independent contractors who are registered representatives of SVAP WM, third party solicitors as well as event sponsorships by certain vendors and sub-advisers.

### **Item 15**

- This item was updated to describe accounts over which SVAP WM is deemed to have custody as a result of written standing letters of authorization which allow SVAP WM to direct transactions to a third party on behalf of the client.

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## ITEM 4 – Advisory Business

SVA Plumb Wealth Management, LLC (“SVAP WM”), is a Registered Investment Adviser with the U.S. Securities and Exchange Commission (“SEC”) under the Investment Advisers Act of 1940. Registration of an Investment Adviser does not imply any level of skill or training.

On March 1, 2011, SVA Wealth Management, Inc. reorganized and changed its name to SVA Plumb Wealth Management, LLC. SVAP WM is the successor to SVA Wealth Management’s advisory business. SVA Wealth Management, Inc., the predecessor to SVA Plumb Wealth Management, LLC, was originally founded as SVA Planners, Inc. in 1987. In January 2007, it became SVA Wealth Management, Inc.

SVAP WM is owned by SVA Plumb Financial, LLC. SVA Plumb Financial, LLC is owned by Diversified Services of Wisconsin, Inc., and TGP, Inc. Diversified Services of Wisconsin, Inc. is owned by numerous shareholders of SVA Certified Public Accountants, S.C. (“SVA CPA”) or an affiliated subsidiary, and TGP, Inc. is owned by Thomas G. Plumb. TGP, Inc. is the sole owner of Wisconsin Capital Management, LLC (“WisCap”), an affiliate of SVAP WM.

SVAP WM provides investment management, financial planning, retirement plan services, and investment consulting services for clients. The clients of our firm who entrust us with their assets include a wide range of individual clients, high net worth individuals, pension and profit sharing plans, banking and thrift institutions, trusts, estates, charitable organizations, as well as corporations and businesses. Clients may receive any combination of these services.

### INVESTMENT MANAGEMENT SERVICES

SVAP WM evaluates a wide array of financial alternatives and recommends services designed to best meet client financial goals and objectives. Generally, clients allow SVAP WM full discretion to make investment decisions on their behalf within agreed-upon parameters, although SVAP WM will consider a non-discretionary arrangement under certain circumstances. SVAP WM services may apply only to assets directly managed by SVAP WM, or in some cases also include summary reporting and/or oversight of all investable assets of SVAP WM clients, even if they are managed by other entities, including other investment advisers.

At the time of engagement, through personal discussions, a wealth consultant or other licensed representative of SVAP WM reviews each client’s financial assets, investment goals, objectives and risk tolerance based on the client’s particular circumstances, to develop a diversified investment strategy. From this initial overview, SVAP WM’s representative and the client develop specific objectives and guidelines for SVAP WM to follow while managing the client’s portfolio. Clients may impose restrictions on certain assets or certain types of assets and those restrictions are duly noted during the investment process.

SVAP WM then exercises discretion to select the securities, amount of securities to buy or sell, and when to buy or sell them. Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. SVAP WM’s Investment Committee oversees investment allocations and specific securities utilized in our models and client portfolios. Client portfolios may consist of managed mutual funds, exchange-traded funds and notes (“ETFs and ETNs”), variable

annuities, life insurance, and individual securities including equities, debt securities and such other securities that we select, unless expressly limited by written direction or client guidelines.

The Investment Committee is an in-house team of portfolio managers that constructs and monitors investment models. The investment models are diversified across various investment vehicles, styles and strategies, and consist of any combination of securities, including mutual funds, ETFs, individual equity and fixed income securities, and/or other investments. Based on the client's investment objectives, risk tolerance, investment time horizon, and restrictions, the SVAP WM representative constructs a customized investment portfolio, utilizes one of the models developed and managed by the Investment Committee, or implements any combination thereof. Clients receive information about investments and activity in their managed accounts from SVAP WM no less than quarterly, unless otherwise directed.

On occasion, SVAP WM recommends a client engage a third-party manager to manage a portion of the client's portfolio, typically when such manager demonstrates knowledge and expertise in a particular investment strategy. Based on the client's individual circumstances and needs, SVAP WM will determine whether to recommend a third-party manager and which firm to recommend. Factors considered in making this determination include the account size, risk tolerance, and the investment philosophy of the selected registered adviser.

SVAP WM conducts due diligence on third-party managers it recommends to clients, making reasonable inquiries into their investment process, performance calculations, policies and procedures, and other operational and compliance matters. We encourage clients to review the third-party manager's Form ADV Part 2A. SVAP WM will monitor the performance of the selected third-party manager. If we determine the third-party manager is not providing sufficient management services to the client, or is not managing the client's portfolio in a manner consistent with the client's objectives, we may terminate the client's contract with the third-party manager.

SVAP WM does not offer any products or services that guarantee rates of return on investments for any time-period to any client. All clients assume the risk that investment returns may be negative or below the rates of return of other investment advisers, market indices, or investment products.

### COMPREHENSIVE FINANCIAL PLANNING SERVICES

SVAP WM also provides financial planning advice. Clients utilizing this service will receive a written financial plan designed to provide information to help the client achieve their stated financial goals and objectives. In general, the financial plan addresses the following topics:

- Personal cash flow - income, outflows, and budgeting.
- Risk management - cash needs at death, income needs of surviving dependents, estate planning, disability income analysis and personal liability.
- Taxes - income tax considerations for past, current, and future years.
- Education funding - analysis and projections of future income needs to fund education expenses.
- Retirement - analysis of investment alternatives and their effect on a client's portfolio.
- Investments - analysis of risk tolerance and investment strategies and their effect on a client's portfolio.

Should a client choose to implement the recommendations contained in the plan, SVAP WM suggests the client work closely with his/her attorney, accountant, insurance agent and/or stockbroker. SVAP WM's involvement in implementation of financial plan recommendations is entirely at the client's discretion.

#### LIMITED FINANCIAL PLANNING SERVICES

SVAP WM also provides financial planning and/or investment advice on a more limited basis. This may include advice on an isolated area(s) of focus such as education funding, estate planning, retirement planning, or any other specific topic. SVAP WM's involvement in implementation of financial plan recommendations is entirely at the client's discretion.

#### RETIREMENT PLAN SERVICES

SVAP WM's retirement plan services are broadly comprised of three areas: 1) investment management; 2) plan sponsor advisory services; and 3) plan participant education and enrollment. The services SVAP WM provides in each area depends on the unique facts and circumstances of each client, the features of their retirement plan and the demographics of plan participants. Services include, but are not limited to: recommendations regarding design and establishment of plan structure, custodian, record keeper and third-party administrator, and investment selections. In addition, SVAP WM facilitates plan sponsor and/or trustee meetings, delivers educational meetings regarding initial enrollment and how to fully utilize the plan and investment alternatives available and provides transfer and rollover assistance to our client's employees. We can also help create and maintain the Investment Policy Statement (IPS) and offer plan fee analysis on an annual basis.

We rely on the plan sponsor or trustee to provide accurate and current information, including material information affecting investments and planning strategies to enable us to provide this service.

#### NON-DISCRETIONARY INVESTMENT MANAGEMENT SERVICES

SVAP WM occasionally provides investment advice, recommendations and non-discretionary investment management for some retirement plans and corporate clients who wish to retain management control and investment discretion on their investment accounts. These services are negotiated on a case-by-case basis.

#### OTHER INVESTMENT CONSULTING SERVICES

SVAP WM also provides specific consultation and administrative services regarding investment and financial concerns of the client as needed.

#### WRAP ACCOUNT ADVISORY SERVICES

SVAP WM provides advisory services to a client in a wrap fee program sponsored by an unaffiliated bank or broker-dealer ("wrap fee sponsor"). The investment strategies that we use in managing client portfolios in a wrap program are similar to those offered to our investment management clients. In a wrap fee program, the wrap program sponsor charges its clients a bundled fee for an array of investment services, such as brokerage, advisory, research, custody and management services. SVAP WM receives a portion of the bundled fee for its investment management services. Clients participating in the wrap fee program are invoiced directly by the wrap program sponsor.

## ASSETS UNDER MANAGEMENT INFORMATION

As of June 30, 2018, SVAP WM had the following assets under management and total number of accounts:

	<u>U.S. Dollar Amount</u>	<u>Total Number of Accounts</u>
Discretionary:	\$2,571,702,447	4,815
Non-Discretionary:	\$30,619,024	34

### **ITEM 5 – Fees and Compensation**

SVAP WM negotiates fee schedules based upon various factors, such as the overall complexity of the services provided. We also negotiate the fee structure utilized and may agree to a fixed fee arrangement in limited circumstances. SVAP WM has multiple fee schedules in effect which may be lower or higher, as the case may be, than those disclosed below. The assets of accounts which have a family or business relationship to each other are generally aggregated for purposes of determining the percentage fee applicable to each account. SVAP WM maintains investment, trade allocation and account valuation policies and procedures designed to address potential conflicts of interest related to the fact that different clients pay different fees.

#### FEES - INVESTMENT MANAGEMENT SERVICES

SVAP WM generally prefers to manage accounts with minimum investable assets of \$250,000; however, account minimums are subject to negotiation. Fees are payable quarterly in advance or in arrears, as dictated by the individual investment management agreement, and are subject to change at SVAP WM's discretion. Asset-based fees are based upon the total market value of assets under management on the last business day of each billing quarter (payable in arrears) or the last business day of each previous billing quarter (payable in advance) and based upon the following standard schedule:

<b>Assets under Management</b>	<b>Annual Fee*</b>
First \$1,000,000	1.00%
Next \$1,000,000	0.90%
Next \$2,000,000	0.80%
Next \$1,000,000	0.70%
Over \$5,000,000	0.60%

\*Subject to a minimum quarterly fee of \$625, or \$2,500 annually.

When clients place restrictions on certain assets, SVAP WM will ask for those restrictions to be put in writing and SVAP WM may charge a lower fee on those assets than those disclosed above or no fee at all depending upon the services provided related to such assets.

For a limited number of clients SVAP WM provides summary reporting and/or oversight of all investable assets, some of which are not directly managed by SVAP WM. The fees for this service are negotiable.

## FEES RELATED TO THIRD-PARTY MANAGER

When we recommend a portion of a client's account be managed directly by a third-party manager, we charge our management fee on those assets in addition to the fees charged by a third-party manager. Clients should refer to the selected registered adviser's Form Part 2A for information regarding advisory fees charged.

## FEES - SERVICES BY AFFILIATES

Some clients may also use the accounting services of SVA CPA, an accounting firm affiliate, and have SVAP WM pay for such services out of their management fee paid to SVAP WM. A client that utilizes these services must meet certain criteria in order for SVAP WM to pay for such services. The fee for the advisory services and accounting services will be computed using the asset-based fee schedule shown above and is payable quarterly, either in advance or arrears, depending on the terms of the investment management agreement.

From this asset-based fee, SVAP WM pays SVA CPA an annual fee, which is equal to 70% of the SVA CPA realization, but will not exceed \$2,500 annually per client. If the fee SVAP WM pays SVA CPA reaches the annual maximum of \$2,500, SVA CPA, at its discretion, may bill the client for fees exceeding the annual maximum. Client(s) are free to terminate the investment management services of SVAP WM and continue with the accounting services relationship of SVA CPA.

Clients should be aware that when the accounting services of SVA CPA are recommended, SVAP WM and other individuals associated with SVAP WM do not evaluate similar accounting or other services, which may be available to the client from other providers, nor does SVAP WM supervise, evaluate, or monitor those services on behalf of the client.

When accounting or trust services are provided by affiliates, SVAP WM will communicate financial or other information about the client directly to those affiliates to the extent that such information is available to SVAP WM. The affiliated service providers also may contact the client directly to obtain initial and follow-up information from the client. There is no restriction on the ability of any client to contact or consult with affiliates performing accounting or trustee services.

Client accounts may be invested in shares of mutual funds managed by WisCap (the "Plumb Funds"). Because WisCap is an affiliate of SVAP WM, recommending clients invest in the Plumb Funds creates a conflict of interest for SVAP WM because such investments generate additional management fees (and reduce expense reimbursements) for WisCap. The value of such shares of the Plumb Funds is excluded from the fee calculation for services provided by SVAP WM. Those assets are subject only to the mutual funds' expenses and fees applicable to all shareholders in the Plumb Funds, as set forth in the Funds' Prospectus, including the advisory fee paid to WisCap.

## FEES - COMPREHENSIVE FINANCIAL PLANNING SERVICES

Fees for financial planning services and the preparation of a full financial plan are individually negotiated and subject to a minimum fee of \$1,500.



## FEES – LIMITED FINANCIAL PLANNING SERVICES

Fees for limited financial services are generally charged on an hourly fee basis and are determined on a case-by-case basis, based on the level of expertise and sophistication required to deliver such a plan. SVAP WM charges an hourly fee of \$150 to \$350 per hour, with a \$1,500 minimum fee for an initial consultation and follow-up summary. SVAP WM reserves the right to waive this minimum fee on a case-by-case basis.

## FEES - RETIREMENT PLAN SERVICES

Fees for retirement plan services charged to each client will be determined with the client and detailed in the agreement for services. Fees for retirement plan services shall not exceed 1.00% annually of the plan's total market value. In certain cases, we negotiate a flat fee arrangement.

In those instances where services are provided to a group of retirement plan participants on a negotiated flat-fee basis, the fee rate is applied to the aggregate value of all accounts as of December 31 of each year. Each participant is then responsible for paying a pro-rata share of the fee based upon account value. Participants should be aware that such a formula could result in large increases in fees due to fund withdrawals and participant departure.

## FEES - NON-DISCRETIONARY INVESTMENT MANAGEMENT SERVICES

Fees for such services generally follow the Investment Management Services fee schedule outlined above, although in certain cases we negotiate a flat fee arrangement.

## FEES – OTHER INVESTMENT CONSULTING SERVICES

Fees for such services are individually negotiated, outlined within the individual investment consulting agreement and may include asset-based, flat or hourly fees.

## FEES RELATED TO WRAP ACCOUNT MANAGEMENT SERVICES

SVAP WM's fee for wrap account management services generally ranges from 0.50% to 1.00% per year and is payable in accordance with the agreement entered into between SVAP WM and the wrap fee program sponsor.

## FEES - MISCELLANEOUS

Clients may elect to be billed directly for fees or to authorize SVAP WM to directly debit fees from client accounts.

Either the client or SVAP WM can terminate the investment management agreement upon written notice, as outlined within the investment management agreement. In the event of termination for accounts in which fees are paid in arrears, any fees due are calculated on a pro-rata basis from the end of the last completed quarter to the date of termination and are automatically deducted from the client's custodial account or billed to the client. In the event of termination for accounts in which fees are payable in advance, all fees paid in advance, but not earned, are prorated to the date of termination and returned to the client. Termination of an investment management agreement by a client will not affect transactions that SVAP WM initiated on the client's behalf prior to the effective date of such termination.

All fees paid to SVAP WM are separate from the expenses charged by mutual fund companies to shareholders of such fund shares. Depending on the fund and their share class offering, a client may be able to invest directly in a fund without incurring any sales or advisory fees. A complete explanation of expenses charged by the fund is contained in each fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to SVAP WM's fee, and SVAP WM shall not receive any portion of these commissions, fees, or costs.

SVAP WM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses, which are charged by the custodian and incurred by the client directly. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Item 12 describes the factors that SVAP WM considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

An unaffiliated third party provides class action administration services on behalf of certain SVAP WM clients. The firm generally deducts fees for services provided directly from the class action proceeds as outlined in the agreement, however, in some instances the firm charges a flat fee. SVAP WM may cover or reimburse these fees for certain clients.

## VALUATION PROCEDURES

SVAP WM receives pricing information from client custodians (SVAP WM's "Primary Pricing Source") and ranks the custodians based on total SVAP WM client assets to determine which custodian price to use for valuing client portfolios for investment performance and fee calculation purposes. In cases where the Primary Pricing Source does not provide a price for a security, SVAP WM will generally use a price provided by an outside pricing service ("Secondary Pricing Source").

In the rare instance where the Primary Pricing Source or Secondary Pricing Source is unable to obtain a price, where SVAP WM strongly believes the Primary Pricing Source or Secondary Pricing Source is not pricing a security fairly, or where a security has halted trading, SVAP WM's Valuation Committee will determine a fair value for the security based on the firm's knowledge of the security, current market conditions, and any other considerations deemed appropriate. No single factor or approach will be implemented by SVAP WM in every case of determining a fair value for a security as each individual case is unique in nature. SVAP WM's objective in determining a fair value price will be to determine a price SVAP WM believes it could reasonably receive upon a current sale.

## **ITEM 6 – Performance-Based Fees and Side-By-Side Management**

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

## **ITEM 7 – Types of Clients**

We provide investment management, financial planning, retirement plan and consulting services to individuals, high net worth individuals, banking and/or thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. SVAP WM's individual clients include retirement plan participants whose retirement plan assets are managed on either a group

or an individual basis. SVAP WM may reject or terminate a client if substantial investment restrictions imposed by a client prevent implementation of a consistent, long-term investment program. Please see Item 5 for information regarding our account minimums.

SVAP WM manages accounts for SVAP WM employees and their families. These accounts are considered client accounts, pay a discounted investment management fee, trade along with other client accounts, and receive standard client reporting. SVAP WM maintains trading policies and procedures designed to address conflicts of interest associated with these accounts and ensure that all client accounts are treated fairly over time. Please see Item 12 for further disclosure of SVAP WM's trading practices.

## **ITEM 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

SVAP WM strives to provide solid long-term investment returns through a combination of capital appreciation and current income. Clients rely on SVAP WM to manage their assets and minimize portfolio volatility through market fluctuations.

In its selection process, SVAP WM seeks diversification through investment instrument diversification, as well as by asset class, geography, capitalization, and industry. SVAP WM asset allocations are generally based on a proprietary methodology, including model portfolios recommended by our Investment Committee, and customized based on the client's investment restrictions and risk tolerance. SVAP WM works closely with clients to develop and tailor individual portfolios to the clients' financial objectives and risk profile.

Portfolios managed by SVAP WM may consist of mutual funds (including interval funds and mutual funds managed by WisCap, an affiliated adviser), ETFs, ETNs, and individual securities including equities, debt securities, cash equivalents, American depository receipts and/or real estate investment trusts ("REITs") to diversify exposure to particular market segments when appropriate. The aforementioned securities serve as core holdings around which SVAP WM may add complementary assets, depending on client objectives.

### **INVESTMENT PROCESS**

The SVAP WM Investment Committee meets routinely to research, develop and monitor the overall investment strategies and models implemented in client portfolios. SVAP WM uses various quantitative tools to research investment options, while members of the Investment Committee continually monitor various academic and industry publications to identify trends and new products. The SVAP WM Portfolio Management Committee assists the Investment Committee in the implementation of recommended model changes and provides oversight of client accounts by regularly reviewing asset class exposures, risk tolerance parameters and periodically reviewing performance variances.

SVAP WM Wealth Consultants work closely with their clients to develop portfolios best suited to meet the clients' objectives and consult with clients through SVAP WM's investment process to form and maintain investment portfolios. Together, the client and Wealth Consultant define goals and objectives as well as determine the client's comfort with various levels of market volatility and asset quality.

Once the basic investment objective is determined, the Wealth Consultant will formalize it in an Investment Policy Statement ("IPS"). The Wealth Consultant generally implements one of the various

model portfolios to fit the client's goals, taking into consideration legacy holdings which are not in the selected model but might be in the client's best interest to continue to hold, client specific requests, and the time needed to transition from existing holdings to model holdings. Use of the investment models allows the Wealth Consultant the benefit of drawing upon the resources provided by the Investment Committee, including developed investment philosophies and a disciplined due diligence process, to select portfolio recommendations. SVAP WM will periodically rebalance the client's investment portfolio to conform to the asset allocation and risk tolerance guidelines accepted by the client. In consultation with the client, the SVAP WM Wealth Consultant will review each client's portfolio to determine whether investment policies, model selections, or risk and return objectives need revision as a result of changes in the client's financial circumstances. Wealth Consultants will continue to monitor the investments, in conjunction with the Portfolio Management Committee, and meet with clients to review the portfolio and to determine whether changes are necessary or advisable.

### INVESTMENT STRATEGY FOR MUTUAL FUND MODELS

Clients may consider mutual fund models because they offer greater diversification and allow for use of asset specific managers such as international, small cap and fixed income. Investment models are created to achieve diversification and constructed so individual components of the model will complement the overall model's objective. SVAP WM chooses funds from a wide assortment of funds available via the respective platforms maintained by the client's qualified custodian (for example, Charles Schwab Trust Company or institutional trading platforms). For many employer sponsored retirement plans, the investment options available to participants may be limited by choices previously made by the employer. Mutual fund and exchange-traded fund selection criteria generally include: consistency of performance vs. peer group; risk adjusted performance; consistency and longevity of management team; consistency of management style and avoidance of style drift; tax efficiency; and fund expenses. The mutual funds managed by SVAP WM's affiliated adviser, WisCap, may be included in SVAP WM models, when deemed appropriate. Please see Item 10 for additional information regarding WisCap's role in managing the Plumb Funds.

Subsequent to selecting mutual funds for inclusion in a model, SVAP WM performs ongoing due diligence of the selected funds with the objective of ensuring the funds selected remain the most appropriate to achieve the investment strategy, replacing such funds as necessary.

### INVESTMENT STRATEGY FOR INDIVIDUAL SECURITIES

SVAP WM looks for growing companies and those that demonstrate a competitive advantage among industry peers that fall into predetermined investable themes. SVAP WM strives to purchase securities at reasonable prices with an emphasis on identifying market inefficiencies and a goal of outperforming over entire business cycles. SVAP WM believes analyzing and taking advantage of long-term investable themes, including organizations with sustained revenue and profit growth, produces an attractive risk-adjusted return for its clients.

SVAP WM seeks to invest in a diversified portfolio of companies that meet its investment criteria. SVAP WM uses fundamental analysis and a total return investment strategy to identify companies whose stocks may offer positive risk adjusted returns over an investment cycle. SVAP WM estimates price targets based on fundamental analysis that includes analysis of the firm's balance sheet, cash flow and income statements, and beliefs about the competitive environment, product sustainability, market power,

and the quality of firm's management. SVAP WM couples its fundamental work with an analysis of the structural trends faced by the industry at both a micro and macro level. This is because SVAP WM believes even the best companies are influenced by such trends. SVAP WM typically invests in the securities of U.S. companies, but may also invest in foreign companies, usually through the purchase of American depository receipts ("ADRs") and foreign companies that are dual listed on U.S. stock exchanges.

Depending on the client's investment objectives, risk tolerance, and market opportunities, SVAP WM supplements its equity investments with fixed income investments and other securities suitable for the client. Fixed income investments typically include investment grade bonds and government securities. In SVAP WM's experience, fixed income securities and other investments purchased with a similar research-focused approach can augment an investor's returns and reduce portfolio volatility. SVAP WM offers model portfolios that vary in the amount allocated to equities, fixed income investments, cash, and specialty or hybrid investments, and may consist of a diversified mix of individual securities, managed institutional mutual funds, and/or exchange-traded funds. SVAP also offers an ESG model strategy for clients who wish to invest in such a strategy. Investments in client accounts may include the following:

- Equities / stocks
- Fixed income / bonds
- Cash equivalents / money market funds
- Preferred stocks, convertible bonds, and convertible preferred stocks
- Real estate investment trusts ("REITs"), royalty trusts
- American depository receipts
- Index funds / Exchange-Traded Funds
- Exchange Traded Notes
- Mutual funds
- Mutual funds managed by WisCap, an affiliated Adviser
- Interval funds
- Variable annuities

As part of the client's investment management plan, SVAP WM attempts to reduce the potential tax exposure through asset allocation and selection. Clients' specific investments depend on such factors as the client's particular tax situation, risk tolerance, time horizon, and account size. SVAP WM generally seeks to purchase securities with a long-term investment horizon.

SVAP WM utilizes macro-economic and/or fundamental investment research in order to select investments for client accounts.

**Third-Party Manager Analysis:** SVAP WM examines the experience, expertise, investment philosophies, investment monitoring process and past performance of the independent third-party investment manager in an attempt to determine if that manager has demonstrated an ability to invest over a period-of-time and in different economic conditions. Additionally, as part of our due diligence process, we review aspects of the third-party manager's operations and compliance policies and procedures, as appropriate.

## RISK OF LOSS

SVAP WM's approach to investment management emphasizes diversification to mitigate and manage risk. Diversification includes geographic concentration, investment style, capitalization of underlying investments, investment vehicle, as well as the maturity credit quality and geographic exposure to income funds. While all investments involve some risk, including loss of capital and purchasing power, SVAP WM endeavors to diversify not only asset classes and sectors, but philosophies and strategies as well, to broaden participation in advancing markets and reduce portfolio volatility.

Model due diligence generally encompasses cyclical, fundamental, technical, quantitative and qualitative input. Each component of these research inputs have weaknesses and risks associated with them, outside of the risks posed by specific asset classes or sectors in general. By accentuating global diversification of assets and multi-faceted models, SVAP WM hopes to reduce risk in a manner that still produces positive returns over the long term.

From time to time, SVAP WM invests in defensive positions or securities that are inconsistent with a portfolio's main investment strategy in an attempt to respond to adverse market, economic, political, or other conditions in the macro environment. Variations in investment strategy may impact the portfolio's ability to achieve its stated investment objective.

SVAP WM's selected investments are subject to risks involved with investing that clients should be prepared to bear, including the possible loss of some or the entire principal amount invested. There is no guarantee that the investments will appreciate during the time that you hold them and some or all may depreciate in price.

SVAP WM generally uses investment strategies when managing client assets and/or providing investment advice subject to the following associated risks:

*ETFs and Mutual Funds Risk.* Depending on the mutual fund or ETF, underlying investments in specialty or hybrid investment vehicles, and/or derivatives, may be more volatile and less liquid than other investments, and may employ leverage, which could magnify the vehicles' gains and losses. Where mutual funds or ETFs are designed to obtain investment results that correspond generally to price and yield performance of a particular index, there is no assurance that the investment returns will match the index returns it aims to replicate. Investments in ETFs are subject to different risks than investments in mutual funds, as some of these instruments do not issue and redeem shares on a continuous basis, potentially making those specific ETFs less liquid than open-end mutual funds.

*Interval Fund Risk.* Depending on the interval fund, underlying investments in specialty or hybrid investment vehicles, and/or derivatives, may be more volatile and less liquid than other investments, and may employ leverage, which could magnify the vehicles' gains and losses. Additionally, interval funds are generally considered to be closed-end funds and are less liquid than open-end mutual funds because they only allow shares to be purchased and sold at certain intervals. Although rare, interval funds can also postpone the repurchase of shares, shares may not be fully redeemed or the interval fund may have limited capacity and not be able to fulfill purchase orders.

*Fixed Income Risk.* A fixed income security's market value is affected significantly by changes in interest rates – generally, when interest rates rise, a fixed income security's market value declines and when

interest rates decline, its market value rises. Generally, a fixed income security with a longer maturity will entail greater interest rate risk but have a higher yield. Conversely, a fixed income security with a shorter maturity will entail less interest rate risk but have a lower yield. The market value of a fixed income security may also be affected by credit risk due to changes in its credit quality rating or the issuer's financial condition.

*ETNs.* ETNs are also subject to credit risk, including the risk that the issuer of the ETN may default on its obligations. The value of an ETN may vary and may be influenced by, among other things, the time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underlying markets, changes in the applicable interest rates, changes in the issuer's credit rating, and economic, legal, political, or geographic events that affect the particular index. The value of the ETN may drop due to a downgrade in the issuer's credit rating, despite the underlying index remaining unchanged.

*Real Estate Investment Trusts ("REITs").* Equity REITs invest directly in real property while mortgage REITs invest in mortgages on real property. REITs may be subject to certain risks associated with the direct ownership of real estate, including declines in the value of real estate, risks related to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, fluctuations in interest rates, and variations in rental income. In addition, the failure of a REIT to qualify as such for tax purposes would have an adverse impact on the value of the participating client's investment in that REIT. Some REITs have relatively small market capitalizations, which could increase their market volatility. REITs tend to be dependent on specialized management skills and may have limited diversification, causing them to be subject to risks inherent in operating and financing a limited number of properties.

*Market Risk.* The market value of a security may decline due to general market conditions that are not specifically related to a particular company, or because of factors that affect general economic conditions of the market as a whole.

*Individual Security Selection Risk.* Securities selected as portfolio investments for our clients may decline due to events unique to the individual security. Such events include, but are not limited to, changes in a company's business or credit outlook, its geographic exposure, events at competitor companies and changes in government policy or regulatory environment.

*Sector Risk.* Sector risk is the possibility that securities within the same industry will decline in price due to sector-specific market or economic developments. Government regulation or technological changes often influence specific industry characteristics and profitability. Although SVAP WM seeks to invest in a diversified portfolio of securities, it is often the case that the company finds numerous attractive investments within a particular industry sector. In such cases, SVAP WM may choose to overweight a particular sector, relative to the weightings in the S&P 500 Index. Such overweighting exposes the portfolios to risks specific to that industry that may not be correlated with the overall market.

*Foreign Securities.* Although SVAP WM invests primarily in securities priced in U.S. dollars and traded on U.S. exchanges or issued by U.S. mutual fund companies, it may from time to time invest in foreign securities. To the extent SVAP WM invests in foreign securities, such investments will be subject to special risks, including exposure to currency fluctuations, less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political instability and differing auditing and legal standards.

*Credit Risk.* The value of a client's investments in fixed income securities is dependent upon SVAP WM's analysis of a number of factors, including the underlying credit worthiness of the issuer. A reduction in the credit worthiness of the fixed income instrument's issuer or negative perception of the issuer's ability to pay may result in a reduced price of the security and greater risk of principal loss, and bankruptcy of the issuer may result in a total loss of principal.

*ESG Risk.* ESG model strategies have a more limited investable universe than other strategies which could have an adverse impact on the performance of a client's portfolio invested in such a strategy.

*Cybersecurity Risk.* SVAP WM relies on information technology and electronic communications to conduct business, which subjects SVAP WM and its clients to the risk of cyber incidents. While SVAP WM has controls it believes are reasonably designed to protect against cyber incidents resulting in unauthorized access to confidential information or business disruptions, not all cyber incidents are preventable. Should a cyber-incident occur, it would likely have a negative impact on SVAP WM and its clients.

*Third Party Manager Risk.* A risk investing with a third-party manager is we do not control the underlying investments in a third-party manager's portfolio. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business activities and compliance operations, it is possible that despite our due diligence efforts, the third-party manager may not have appropriate internal controls necessary to prevent business, regulatory or reputational deficiencies.

## **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 the client's evaluation of SVAP WM or the integrity of SVAP WM's management. SVAP WM has no information applicable to this Item.

## **ITEM 10 – Other Financial Industry Activities and Affiliations**

SVAP WM is owned by SVA Plumb Financial, LLC. SVA Plumb Financial, LLC is owned by Diversified Services of Wisconsin, Inc. and TGP, Inc. Diversified Services of Wisconsin, Inc. is owned by numerous shareholders of SVA CPA or an affiliated subsidiary, and TGP, Inc. is owned by Thomas G. Plumb.

SVAP WM has a number of affiliates, including:

- SVA Certified Public Accountants, S.C.
- SVA Consulting, LLC
- SVA Financial Services, LLC
- SVA Technology Services, LLC
- SVA Staffing Solutions, LLC
- SVA Plumb Trust Company, LLC
- Wisconsin Capital Management, LLC

On an individual basis and based on our good faith judgment of a client's specific needs, SVAP WM may recommend a client utilize an affiliate's services. Unless otherwise disclosed to the client, services provided by an affiliate are separate and distinct from the investment advisory services provided by



SVAP WM. Fees for such services are generally separate and distinct from the advisory fee charged by SVAP WM, with the exception of the joint billing situations disclosed in Item 5 and other exceptions, as agreed to by the client. In recommending an affiliate's services, SVAP WM experiences conflicts of interest as a client utilizing an affiliate's services based upon SVAP WM's recommendation will generate revenue for the affiliated subsidiary and, indirectly, benefit SVAP WM as an affiliate. Further, as an affiliate, SVAP WM's employees may receive referral fees from any or all of its affiliates related to SVAP WM clients who use affiliated services. This scenario results in additional conflicts, as SVAP WM's employees may have a direct financial incentive to refer clients to its affiliates.

Clients may be able to obtain comparable services from unaffiliated individuals and organizations at fees that may be higher or lower than the fees charged by SVAP WM's affiliate. No client is obligated to utilize SVAP WM's affiliates for any other services and clients can terminate their services with the affiliate at any time in accordance with their service agreement. Termination of the use of a SVAP WM affiliated provider will not, as a matter of practice, have an impact on the level of service SVAP WM provides its clients.

SVAP WM may invest some or all of clients' accounts in the Plumb Funds, which are managed by WisCap. Because an affiliate earns investment advisory fees for its services to the Plumb Funds based upon the value of the assets it manages and because WisCap currently reimburses the Plumb Funds for expenses exceeding the expense cap by waiving a portion of its investment management fee, a conflict of interest exists when SVAP WM effects such purchases for client accounts. SVAP WM does not charge clients directly any investment advisory fees for that portion of an account invested in the Plumb Funds. SVAP WM recommends Plumb Funds to clients when it determines the investment is appropriate for the client's account.

The CEO of SVAP WM, who is a Portfolio Manager, is also an employee of WisCap. This presents a conflict of interest due to competing priorities. SVAP WM has policies and procedures, including a Code of Ethics and Personal Trading Policy ("Code of Ethics"), to address this potential conflict of interest.

SVAP WM has an affiliated licensed insurance intermediary, SVA Financial Services, LLC ("SVA FS") and SVAP WM personnel may be separately licensed insurance intermediaries of SVA FS. Clients are assisted in evaluating their insurance needs by SVAP WM professionals, and may be referred through SVA FS to an independent insurance agent for further consideration. SVA FS has a services agreement with an independent insurance agent and receives a flat fee from the agent for services provided, including, among other things, the referral of clients. Clients are under no obligation to purchase a product following a referral, or to engage the services of the independent insurance service provider.

Clients and prospective clients are encouraged to carefully consider the affiliations and conflicts of interest described above. Questions regarding the service of affiliates, the relationship between affiliates and the revenues earned may be directed to SVAP WM by calling (608) 824-8800.

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

SVAP WM has adopted a Code of Ethics for all access persons of the firm describing its high standard of business conduct and fiduciary duty owed to its clients. The Code of Ethics includes provisions for maintaining confidentiality of client information, a prohibition on insider trading, restrictions on providing and accepting gifts or business entertainment, and personal securities trading procedures, among other

things. All access persons (SVAP WM employees and certain employees of SVAP WM's affiliates) must acknowledge the terms of the Code of Ethics annually, or as amended.

SVAP WM's Code of Ethics governs its access persons' personal securities trading activity. Access persons are permitted to buy and sell securities SVAP WM also recommends to clients. The Code of Ethics is designed to provide reasonable assurance that the personal securities transactions, activities and interests of the access persons of SVAP WM will not interfere with making decisions in the best interest of advisory clients and implementing such decisions. Under the Code of Ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of SVAP WM's clients. In addition, the Code of Ethics requires pre-clearance of certain transactions and restricts or prohibits trading in close proximity to trades in client accounts. Please see Item 12 for an overview of SVAP WM's trade aggregation and allocation practices.

Nonetheless, because the Code of Ethics in some circumstances would permit access persons to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Access persons' personal trading is monitored by SVAP WM to address the conflicts arising from allowing its access persons to invest in the same securities as clients.

SVAP WM permits access persons to invest in the Plumb Funds. This may create an incentive for SVAP WM to put the interests of these affiliated mutual funds ahead of other clients. However, the Code requires staff members to place clients' interests ahead of their own and to report personal transactions and holdings in mutual funds managed by SVAP WM or SVAP WM's affiliates in accordance with the reporting requirements described above.

The CEO of SVAP WM, who is a Portfolio Manager, is also an employee of WisCap and makes or assists in making, investment decisions for clients of both advisers. This creates a conflict of interest as these employees may have incentive to favor client(s) of one adviser over clients of the other. In order to mitigate this conflict, these employees are subject to each adviser's Code of Ethics, which require the interest of clients to be placed ahead of all other interests, and trading and investment management policies and procedures, which are designed to provide reasonable assurance that all clients are treated fairly over time. Please see Item 12 for an overview of SVAP WM's trade aggregation and allocation practices.

SVAP WM's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Connie Redman, Chief Compliance Officer, at (608) 824-8800.

## **ITEM 12 – Brokerage Practices**

The primary consideration in SVAP WM's selection of brokers and dealers is prompt and efficient execution of orders so that SVAP WM clients' total cost in each transaction is the most favorable and equitable under the circumstances. SVAP WM selects the broker-dealer to be used with the objective of negotiating a combination of the most favorable commission and the best price obtainable given the market conditions and the nature of the specific account. The specific factors considered in selecting a broker-dealer to effect client transactions include: SVAP WM knowledge of commission structure; broker-dealer knowledge of and dominance in specific markets, securities, and industries including

investment idea generation; quality of execution including best price under the circumstances; the broker-dealer's ability to locate liquidity; the overall relationship of the broker-dealer with SVAP WM including responsiveness and dependability; whether or not the broker-dealer has acceptable record keeping, administrative and settlement functions; financial condition of the broker-dealer; their inventory of fixed income securities; price(s) of available securities; the broker-dealer's reputation and integrity; and research services provided by the broker-dealer (as described in further detail below).

When placing orders for securities traded in a negotiated market, particularly government bonds and over-the-counter stocks, SVAP WM may use the services of a broker ("introducing broker") rather than the primary dealers ("market makers") in the specific security. These introducing brokers process transaction orders from SVAP WM by buying or selling securities through market makers in the securities. The introducing brokerage firms receive a commission. Although SVAP WM has the ability to go directly to market makers for transaction executions and avoid the introducing broker-dealers' commission, SVAP WM sometimes finds that use of introducing brokerage firms, particularly the broker associated with the client's account, is a convenient means to obtain efficient executions for client accounts. It is generally SVAP WM's practice not to place orders directly with a market maker when the size of the order is small, when clients have directed SVAP WM to use a particular broker-dealer, or when SVAP WM believes security delivery delays could occur by use of a particular market maker brokerage firm. Use of brokerage firms other than the market maker may not result in best price to clients on a trade-by-trade basis.

SVAP WM generally recommends that clients establish brokerage accounts with Schwab Advisor Services (formerly called Schwab Institutional), Schwab Retirement Plan Services or Charles Schwab Trust Company, divisions of Charles Schwab & Company, Inc. (collectively referred hereinafter as "Schwab") to maintain custody of clients' assets and to effect trades for their accounts. SVAP WM is not affiliated with Schwab. Schwab provides SVAP WM with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to registered investment advisers on an unsolicited basis, and are not otherwise contingent upon SVAP WM committing to Schwab any specific amount of business (assets in custody or trading). Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For SVAP WM client accounts maintained in its custody, Schwab generally does not charge separately for custody, but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available other products and services that benefit SVAP WM, but may not specifically benefit its clients' accounts. Some of these other products and services assist SVAP WM in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution, provide research, pricing information and other market data, facilitate payment of SVAP WM's fees from client accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of SVAP WM's accounts, including accounts not maintained at Schwab.

Schwab also makes available other services intended to help SVAP WM manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to SVAP WM by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to SVAP WM. SVAP WM endeavors to act in its clients' best interests. SVAP WM's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to SVAP WM of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest. While SVAP WM encourages clients to consider the use of Schwab's services as we are able to manage an account at Schwab in an efficient manner, the decision of which custodian to choose rests with the client.

In addition to Schwab, in certain circumstances, we recommend the account custody and transaction execution services of other firms, such as TD Ameritrade, Inc.; Fidelity Brokerage Services, LLC; Fidelity Institutional Wealth Services; Monumental Life Insurance Company/Transamerica Insurance Group; Jefferson National Life Insurance Company; and Johnson Bank. These firms, and firms affiliated with them, carry client accounts on their records, process client transactions ordered by us, provide software and computer access to us for review of client positions, and may provide quotes or other data needed for the reports we prepare for clients. These services and products are provided to us at little or no cost. We believe that use of these firms is a convenient means of obtaining efficient transaction executions, account reference and reporting services for client account investment positions. However, receipt of such support services creates an inducement and conflict of interest for us since referring clients to any other firm may result in higher reporting and overhead costs. As noted above, SVAP WM endeavors to act in its clients' best interests. SVAP WM's recommendation that clients maintain their assets in accounts at a certain custodian may be based in part on the benefit to SVAP WM of the availability of products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the custodian, which may create a potential conflict of interest. SVAP WM maintains a Code of Ethics and Brokerage Selection and Best Execution policy to address these conflicts. While we may recommend clients use these firms, the decision of which custodian to choose rests with the client.

### SOFT DOLLAR PRACTICES

SVAP WM utilizes certain broker-dealers who provide research and brokerage services ("soft dollar" arrangements) in exchange for brokerage commissions. It is SVAP WM's policy to operate within the safe harbor of Section 28(e) of the Securities Exchange Act of 1934 when using client commissions to pay for research and brokerage services that assist in the management of client accounts. . When such services are received in return for client brokerage commissions, SVAP WM may cause clients to pay brokerage commissions in excess of the commissions another broker may have charged for executing similar transactions without providing such services. When this is the case SVAP WM receives a benefit because it does not have to produce or pay for the research or services. Research services provided by broker-dealers using soft dollars may be used in servicing any or all SVAP WM clients and such research products or services may not necessarily be used by SVAP WM in connection with the accounts that paid commissions to the broker-dealer providing the products or services. SVAP WM does not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts

generate. SVAP WM's Brokerage & Soft Dollar Committee (the "Committee") evaluates the price and quality of execution of SVAP WM trades, including the value of research products and services obtained by SVAP WM with client brokerage commissions. Research obtained may include sell side research (including access to broker-dealers' research analysts), access to company management, invitations to investment conferences, electronic research services, best execution evaluation services, and market data services. SVAP WM has an incentive to continue to place trades with selected research broker-dealers so SVAP WM will continue to receive research products and services.

SVAP WM may also utilize a selection of services for comparison of client portfolio information to various indices and analyze graphs and other data available to prepare for client meetings or to evaluate clients' relative exposure to geographic, style and capitalization strategies. When such services are utilized for both research and non-research purposes SVAP WM makes a good faith allocation between the research and non-research portion of these "mixed-use" items and pays for the non-research portions with its own funds. Because SVAP WM derives a benefit itself from its soft dollar arrangements in the use and optimization of research products, it has a conflict of interest in using soft dollar credits for the services because it may not have derived the benefit absent its relationships with its clients. In addition, the allocation process performed by SVAP WM in determining research and non-research use also creates a conflict of interest, as SVAP WM has an incentive to assign a greater percentage of the mixed-use item as a research service.

The CEO of SVAP WM, who is a Portfolio Manager, is also an employee of WisCap, an affiliated investment adviser. While soft dollar research services are not shared between the advisers (one adviser's soft dollar commissions are not used to generate research for use by the other adviser), the CEO of SVAP WM may gain knowledge from one adviser's soft dollar research products that can be useful in their role with the other firm. In order to address this potential conflict of interest, SVAP WM and WisCap select soft dollar benefits independently based on each firm's needs (including acquiring a service twice if needed for both advisers) and have separate committees responsible for monitoring soft dollar arrangements.

SVAP WM has an incentive to select or recommend a broker-dealer based on potential interest in receiving research, or other products or services, rather than its client's interest in receiving most favorable execution. To mitigate SVAP WM's soft dollar conflicts, SVAP WM maintains policies and procedures designed to ensure it selects brokers based on its fiduciary obligations, and not based on this conflict. The Committee also routinely reviews allocation of commissions to brokers and soft dollar matters including evaluating whether the value of soft dollar services received are reasonably equitable to the commissions paid.

#### CLIENT DIRECTED BROKERAGE

Certain clients direct us to use a specific broker-dealer to effect transactions in their accounts ("Directed Accounts"). Directed Accounts are generally subordinated in the trade rotation to Free Accounts (those accounts where SVAP WM has full discretion to choose the broker-dealer to be used for execution of trades) and Broker-Custodian Accounts (as defined below).

SVAP WM strives to get prompt and efficient execution of orders for clients who direct SVAP WM to execute securities transactions through a particular broker-dealer. However, by directing brokerage to a specific broker-dealer the client is essentially waiving SVAP WM's duty to obtain best execution because

it limits SVAP WM's ability to block the client's orders with those of other clients to receive an average price for securities bought or sold or otherwise obtain best price and execution. When a client elects to direct its brokerage, the client may incur transaction costs and commissions that are higher, particularly if the client selects a full-service broker rather than a discount broker. The costs and commissions of a full-service brokerage account may be higher than other available brokerage arrangements, even after the brokerage firm's rates have been discounted.

## AGGREGATION AND ALLOCATION OF TRADE ORDERS

In order to provide for the fair treatment of all clients SVAP WM strives to allocate investment opportunities among clients in a fair and equitable manner based on the characteristics and needs of the clients and the market conditions. The CEO of SVAP WM, who is a Portfolio Manager, is also an employee of WisCap and makes investment decisions for clients of both advisers. This creates a conflict of interest as the CEO of SVAP WM may have incentive to favor client(s) of one adviser over clients of the other. In order to mitigate this conflict, the CEO is subject to each adviser's Code of Ethics, which require the interests of clients to be placed ahead of all other interests, and trading and investment management policies and procedures, which are designed to provide reasonable assurance that all clients are treated fairly over time.

SVAP WM may, when appropriate, aggregate trade orders and allocate trades among two or more client accounts in attempt to decrease brokerage transaction costs through volume discounts and lower commissions that are not available to smaller volume transactions. Aggregating trades or "blocking orders" also permits SVAP WM to enter and exit securities markets on behalf of SVAP WM in a more efficient and organized manner and attempt to obtain the best market pricing given the market conditions.

When a block order is filled (full or partial fill) at several prices through multiple trades, SVAP WM calculates an average price for all trades executed, and all participants in the block trade receive the average price. Only trades executed within the block on the single day are combined for purposes of calculating the average price. For each block trade, SVAP WM creates pre-allocation schedules of shares for each account included in the trade based upon the account value, target weight and current price. Once the aggregated trade is executed, the shares are allocated in-line with the pre-allocation schedule.

SVAP WM generally allocates shares of partial fill equity trades to accounts included in a trade on a *pro-rata* basis based on the pre-allocation schedule. Although rare, interval funds may not have the capacity to fulfill all purchase orders and when an interval fund transaction is partially filled shares are allocated on a pro-rata basis based on the pre-allocation schedule. SVAP WM considers shares to be allocated pro rata if any difference from the exact proportion results from rounding off the number of securities allocated to any account to the next higher or lower round-lot figure.

When trading fixed income securities in block orders, securities will be allocated to accounts in accordance with the pre-allocation schedule when adequate volume is available. In the case where there is not enough volume to fill all fixed income client accounts participating in the block trade, SVAP WM allocates fixed income securities to accounts based on need; specifically, those accounts with excess cash and those accounts whose current investment allocation is out of line with the account's desired strategy.

SVAP WM may apply common sense deviations to its standard allocation process, including the following circumstances:

1. Pro-rata allocation results in a de minimis number of shares;
2. An account is charged per trade transaction fees by its custodian, creating undue costs by executing trades over several days;
3. Extreme market volatility;
4. Cash limitations or excess cash;
5. Client specific investment restrictions;
6. Client's tax status;
7. Client direction or requirement to raise cash in the account; and
8. Common sense and equitable adjustments.

Mutual fund trades placed by SVAP WM are generally not aggregated and are placed directly with the client's custodian. SVAP WM does not execute trades in mutual funds on behalf of SVA Plumb Trust Company clients. SVA Plumb Trust Company executes such trades on behalf of their clients based on instruction from the applicable Wealth Consultant. Mutual fund trades placed by SVA Plumb Trust Company are generally not aggregated and are placed with the transfer agent of the applicable mutual fund.

#### LIMITATIONS ON ABILITY TO AGGREGATE TRADES

Limitations on SVAP WM's ability to aggregate trades exist. SVAP WM is not as readily able to include Directed Accounts or Restricted Accounts (as defined below), and potentially some Free Accounts and Broker-Custodian Accounts, as defined below, in block trades. These accounts direct trades to a specific broker-dealer or otherwise may have economic or operational considerations that prevent SVAP WM from freely selecting the executing broker-dealer or placing a trade within the account at the same time as the other accounts making up the block.

#### CATEGORIZATION OF CLIENT ACCOUNTS

The client accounts of SVAP WM and its affiliated companies are broadly categorized as follows:

*Free Accounts.* Free Accounts include SVA Plumb Trust Company, institutional clients, and certain bank custody accounts. These accounts provide the most flexibility and opportunity for aggregation.

*Broker-Custodian Accounts.* A number of SVAP WM clients maintain their accounts at a Broker-Custodian (such as Fidelity or Schwab). These Broker-Custodians offer SVAP WM's clients attractive brokerage rates and professional execution and services but may charge additional fees when trades are executed by another broker-dealer. In most instances, it is in the best interest of an account held in custody with a Broker-Custodian to aggregate trades with other accounts held at the same Broker-Custodian and execute substantially all transactions through that firm.

*Directed Accounts.* These are accounts of clients who have directed SVAP WM to place trades through a specific broker-dealer and client accounts managed by SVAP WM through wrap programs. Directed Accounts have limited opportunities for aggregation.

*Restricted Accounts.* These are accounts that have unique economical or operational considerations that must be addressed prior to making a trade in that account. SVAP WM strives to aggregate these accounts with their corresponding block, but often their circumstances do not allow for this. Accounts may be considered restricted for various reasons, including:

- The client has requested that SVAP WM provide them with notification as a courtesy prior to transacting a trade.
- An account may have special tax or cash flow situations which require specific consideration prior to transacting a trade.
- SVAP WM is required to provide instructions to the trustees of certain retirement plan accounts to make trades in the retirement accounts. The trustee or plan administrator may have operational considerations included within its systems and processes which could delay the execution of these trades.
- Certain retirement plans/accounts are required to be on a specific trading platform which requires SVAP WM to place trades for such accounts individually through the platform. In some cases the trading platforms utilized by these retirement plans/accounts have operational considerations, such as a limited trading window during market hours, which could delay the execution of these trades. These accounts typically hold and transact in mutual funds and are not blocked with other client trades.

#### GENERAL TRADING HIERARCHY AND ROTATION

SVAP WM strives to execute trades for its client accounts utilizing a rotation which is designed to treat all client accounts fairly over time and does not favor one client over another. SVAP WM generally maintains a trade rotation for SVAP WM client accounts as described below.

When changes are made to an investment model, the trades are typically executed in one day. Accounts managed to the applicable model are generally executed as described below:

- a. First, Free Accounts and Broker-Custodian Accounts are executed in parity by aggregating trades in the same security into blocks (for example, a Free Account block, a Schwab Account block and a Fidelity Account block) and then randomly alternating the initiation of the block trades on the trading.
- b. Second, Directed Account trades are initiated on a random basis using a random order generator containing the names of the brokers through which the firm trades on behalf of SVAP WM clients.
- c. Trades are placed for Restricted Accounts as soon as practically possible after the unique characteristic of that account has been reviewed and appropriate action determined. Such trades may be: (1) added to an active block trade; (2) traded at the same time as an existing block trade (if SVAP WM's traders determine in their best judgment such trades are in the best interest of all accounts participating in the order); or (3) traded after completion of Free, Broker-Custodian and Directed Account block trades. SVAP WM's objective in incorporating trades of Restricted Accounts into its trading process is to be fair to all clients involved, while not delaying the execution of SVAP WM's other accounts.



SVAP WM generally rebalances all accounts to their applicable model twice each year. Trades to rebalance accounts typically take multiple days to complete due to the number of securities involved in the transactions. Trade rotation is determined randomly by Wealth Consultant. Accounts managed by each Wealth Consultant are then rotated following the same process used for Model Changes as described above. Each Trader works directly with a Wealth Consultant to rebalance their clients' accounts; as such, trades for client accounts managed by different Wealth Consultant may be placed simultaneously by different Traders.

When clients deposit additional funds, or need to withdraw money from their account(s), trades are executed as instructed by the Wealth Consultant. The trading desk performs a periodic review of open trades to identify opportunities to block client trades.

#### DEPARTURES FROM THE GENERAL TRADING HIERARCHY

Traders are authorized by the Investment Committee to depart from the General Trading Hierarchy when in the Trader's good-faith determination departing from the hierarchy will be in the best interest of all accounts participating in the block. For example, two members of the trading department may simultaneously enter trades for Free and Schwab accounts if the market is liquid and the effect or risk of "working against yourself" is low.

#### RETIREMENT ACCOUNTS

SVAP WM clients maintain retirement accounts whereby the clients' routine contributions are invested by the plan administrator according to an asset allocation model as determined by SVAP WM. When SVAP WM makes the determination to change the allocation or the securities within the allocation, it provides notice to the plan sponsor or its agent of the amended investment allocation on a timely basis after determining the change. Due to operational considerations with the plan administrator, adjusting the securities within an allocation on a large scale can be time intensive and, in SVAP WM's experience, the plan administrator is unable to effect adjustments on a simultaneous basis for all SVAP WM clients. Additionally, it is SVAP WM's belief that the asset allocation, rather than the underlying securities, is most instrumental in driving long-term performance of retirement accounts; therefore, the timing of rebalancing the individual securities making up an allocation will not significantly affect performance from one retirement account to another over time.

#### ANNUITY ACCOUNTS

SVAP WM includes annuities in client accounts where utilizing these instruments is deemed to be appropriate in achieving the clients' overall investment objectives. When SVAP WM determines it is in the best interests of its clients to change the amount, type, or underlying investment allocation of annuities within clients' accounts, SVAP WM provides instructions to change the allocation in all affected accounts at essentially the same time. The annuities used by these accounts are generally not included in the investment models used broadly by SVAP WM.

#### INITIAL PUBLIC OFFERING AND PRIVATE PLACEMENT ALLOCATIONS

SVAP WM does not frequently invest its clients in initial public offerings ("IPOs") or private placement securities. To the extent SVAP WM does invest its clients in an IPO or a private placement security,

SVAP WM uses the following procedures when allocating securities purchased as part of initial public offerings and private placements. SVAP WM considers a variety of factors, including the investment objective and risk posture of the client's account, cash available in an account, the current diversification in the client's portfolio, the number of IPO or private placement securities available to allocate, and whether available IPO or private placement securities would be a material position for a client's account.

When a broker-dealer selling securities in an IPO or private placement indicates that it will allocate securities only to client accounts which maintain custody at the broker-dealer, SVAP WM will allocate available securities to those client accounts maintained at the broker-dealer, once it has determined that the securities are appropriate for the account(s). The use by a client of one brokerage firm rather than another often results in a client obtaining an IPO or private placement allocation advantage over other accounts because of the client's relationship with the selling or underwriting broker-dealer.

A mutual fund or other substantial client account that generates commissions which result in an allocation of IPO or private placement securities from a broker-dealer should have the benefit of receiving those securities, taking precedence over other accounts where allocations of these securities is limited.

### CROSS TRANSACTIONS

SVAP WM may effect a purchase and sale transaction between two client accounts (a "cross" trade) where it determines a cross trade is in the best interest of each participating client and no client is deemed to be disadvantaged by the transaction. If a broker-dealer is used to facilitate settlement, the client will generally incur a customary, nominal flat fee to be paid to the broker-dealer. SVAP WM applies an independent market price in each cross transaction, and does not receive any fee or other compensation, other than their advisory fees, for effecting a cross transaction. ERISA accounts managed by SVAP WM are generally not eligible to participate in cross transactions.

### TRADE ERROR CORRECTION

As part of its internal policies and procedures, SVAP WM maintains a Trade Error Correction Policy to address trade errors that may occur in a client account. SVAP WM considers a trade error to be an unintentional mistake, such as purchasing instead of selling a security, purchasing (or selling) an incorrect amount of a security, or purchasing (or selling) a security contrary to an applicable client guideline. SVAP WM strives to correct all trade errors within a reasonable period of time following discovery of the error by reversing the original action that caused the error or running the error through a trade error account at the custodian. SVAP WM does not use commissions from other client accounts to correct trade errors.

It is SVAP WM's policy for clients to be made whole following a trade error. SVAP WM will pay as appropriate to make the client account whole, unless the executing broker's policy is to absorb de minimis (e.g., under \$100) losses. To the extent an executing broker independently determines to absorb a de minimis loss arising from a trade error caused by SVAP WM, the broker will not be compensated for the loss with brokerage business. If the trade error results in a gain, the investment gain will remain in the client's account so the client may keep that gain, unless: (1) it is not permissible for the client to retain the gain; (2) upon conferring with the client, the client decides to forego the gain; or (3) the executing broker's policy is to retain de minimis (e.g., under \$100) gains.

Addressing trade errors presents a true conflict to all advisers, including SVAP WM, as advisers have a financial incentive to minimize a trade error resulting in a loss and to maximize a trade error resulting in a gain. To mitigate this conflict, SVAP WM maintains policies and procedures designed to provide reasonable assurance trade errors are properly addressed. In addition, SVAP WM routinely monitors trade errors.

### **ITEM 13 – Review of Accounts**

It is important that you discuss any changes in your financial objectives, circumstances, or risk profile with your Wealth Consultant. Your designated Wealth Consultant reviews your accounts on a periodic basis, including holdings to determine that recommended transactions continue to be suitable based on general guidelines set up at the inception of the adviser-client relationship; written agreements; correspondence; or changes in life circumstances. Reviews are also performed at the client's request, when changes in the market or economic trends warrant it, after a client communicates a change in objective, and/or at the discretion of the Wealth Consultant.

In conjunction with your Wealth Consultant, the Portfolio Management Committee conducts reviews of client account objectives, asset class exposures and risk tolerance parameters on a regular basis. Final decisions regarding investments in each account are left to the judgment of your Wealth Consultant.

Unless otherwise requested by the client, SVAP WM provides reports at least quarterly showing the securities held, current market value of the securities and detail describing the performance of the account. Clients using an affiliated Trust Company receive account statements no less than quarterly from the Trust Company, unless otherwise requested by the client.

### **ITEM 14 – Client Referrals and Other Compensation**

#### **Schwab**

SVAP WM receives client referrals from Schwab through SVAP WM's participation in Schwab Advisor Network® ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with SVAP WM. Schwab does not supervise SVAP WM and has no responsibility for SVAP WM's management of clients' portfolios or Advisor's other advice or services. SVAP WM pays Schwab fees to receive client referrals through the Service. This arrangement is intended to comply with the requirements of Rule 206(4)-3 under the Advisers Act. Generally, these requirements require the referring person/firm to have a written agreement with SVAP WM and provide each client with a disclosure document describing the fees it receives from SVAP WM, whether those fees represent an increase in fees that SVAP WM would otherwise charge the client, and whether it is affiliated with SVAP WM. SVAP WM's participation in the Service may raise potential conflicts of interest described below.

SVAP WM pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by SVAP WM is a percentage of the fees the client owes to SVAP WM or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. SVAP WM pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to SVAP WM quarterly and may be increased, decreased, or waived by Schwab from time to time. The Participation Fee is paid

by SVAP WM and not by the client. SVAP WM has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs SVAP WM charges clients with similar portfolios who were not referred through the Service.

SVAP WM generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from, Schwab. This fee does not apply if the client was responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees SVAP WM generally would pay in a single year. Thus, SVAP WM will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of SVAP WM's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, SVAP WM will have incentives to encourage household members of clients referred through the program to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit SVAP WM's fees directly from the accounts. For accounts of SVAP WM's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from SVAP WM's clients in the form of commissions or other transaction related compensation on securities trades executed through Schwab.

Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealers' fees. SVAP WM may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. SVAP WM nevertheless acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for SVAP WM's other clients. Thus, trades for accounts held in custody at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

SVAP WM receives an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have clients' accounts maintained at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described in Item 12, Brokerage Practices. The availability to SVAP WM of Schwab's products and services is not based on SVAP WM giving particular investment advice, such as buying particular securities for SVAP WM clients.

#### TD Ameritrade

SVAP WM participates in the institutional adviser program ("the Program") offered by TD Ameritrade Institutional. SVAP WM may recommend TD Ameritrade to clients for custody and brokerage services. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC registered broker/dealer and FINRA member. TD Ameritrade offers to independent investment advisers services which include custody of securities, trade execution, clearance and settlement of transactions. SVAP WM receives some benefits from TD Ameritrade through its participation in the Program.

There is no direct link between SVAP WM's participation in the program and the investment advice we give to our clients, although SVAP WM receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving SVAP WM participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to SVAP WM by third-party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Adviser's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit SVAP WM but may not benefit its client accounts. These products or services may assist SVAP WM in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help SVAP WM manage and further develop its business enterprise. The benefits received by SVAP WM or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. SVAP WM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by SVAP WM or its related persons in and of itself creates a potential conflict of interest and may indirectly influence SVAP WM's choice of TD Ameritrade for custody and brokerage services.

SVAP WM considers a number of factors in selecting brokers and custodians at which to locate its client accounts, including, but not limited to, execution capability, experience and financial stability, reputation and the quality of services provided.

#### Solicitation Arrangements

Employees of SVAP WM, affiliates of SVAP WM, or employees of SVAP WM's affiliates may receive compensation for referring client accounts to SVAP WM. SVAP WM also engages independent contractors, subject to a formal solicitation agreement, who are registered representatives of SVAP WM to refer clients to SVAP WM. These arrangements create a conflict of interest as individuals may have a direct financial incentive to refer prospects to SVAP WM. Prospects are under no obligation to utilize SVAP WM for investment management services.

SVAP WM also enters into written solicitation arrangements whereby SVAP WM pays a cash fee to an unaffiliated third party for making client referrals in accordance with Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended. These arrangements present a conflict of interest because the payments induce the solicitor to recommend SVAP WM to a client when the solicitor might not otherwise do so if there was no payment. Prior to signing a contract with SVAP WM, clients referred by third parties are provided with information describing the nature of these payments. Such payments do not impact the advisory fee paid to SVAP WM by the client.

## Other General Arrangements

When providing retirement plan services, SVAP WM may recommend the record-keeping services (including administrative/trustee services) of third-party administrators. SVAP WM is not affiliated with these third-party administrators and does not receive any compensation for recommending them to clients. SVAP WM employees may attend conferences sponsored by third-party administrators and while in attendance employees are provided reasonable meals and entertainment. SVAP WM maintains policies and procedures including a Code of Ethics, which requires employees and the firm to put client interests ahead of their own interests and the firm's interests and to report information related to conferences.

From time to time SVAP WM hosts educational or social events for clients which are sponsored, fully or partially, by third-party vendors or sub-advisers. SVAP WM is not affiliated with these third-party vendors or sub-advisers but may recommend the services of these entities to clients. Events may also be sponsored fully or partially by mutual funds that SVAP WM recommends to clients. Event sponsorships create a conflict of interest for SVAP WM because SVAP WM may be inclined to continue recommending mutual fund investments or the services of third parties based on the financial support provided for client events. SVAP WM believes the sponsorship activities are immaterial in nature and does not consider sponsorship activities when recommending mutual funds, vendors or sub-advisers to clients. SVAP WM maintains policies and procedures including a Code of Ethics, which requires employees and the firm to put client interests ahead of their own interests and the firm's interests. Additionally, Wealth Consultants in conjunction with the Portfolio Management Committee provide oversight of client accounts through regular monitoring of client investments.

### **ITEM 15 – Custody**

SVAP WM maintains custody over client funds or securities by virtue of the fact that client assets may be held in custody at SVA Plumb Trust Company, LLC (the "Trust Company"), an affiliate of SVAP WM. As a result, client assets held by the Trust Company are verified via an annual surprise exam by an independent public accountant registered with the Public Company Accounting Oversight Board ("PCAOB"). In addition, SVAP WM annually obtains a written internal control report from the Trust Company prepared by an independent public accountant registered with PCAOB, stating: 1) the accountant's opinion as to whether controls in place at the Trust Company are suitably designed to meet control objectives related to custodial services; and 2) the accountant verified the funds and securities are reconciled by the Trust Company to a custodian other than the Trust Company (e.g., the Depository Trust Corporation).

In some instances, SVAP WM is deemed to have custody of client assets due to access to client funds, or being able to access client accounts using client credentials on custodial or employer websites. These accounts are incorporated into the annual surprise audit the related accounts as required by the Investment Adviser's Act of 1940.

SVAP WM is deemed to have custody over client accounts where the client has provided written authorization for fees to be deducted directly from the client's account. SVAP WM is not required to include such accounts in the annual surprise audit. SVAP WM is also deemed to have custody over accounts where the client has a standing letter of authorization which allows SVAP WM to transfer money to third parties on behalf of the client. Accounts with standing letters of authorization that meet

certain requirements are not required to be included in SVAP WM's annual surprise audit. SVAP WM performs a review of accounts with standing letters of authorization to identify those accounts that are required to be included in the annual surprise audit.

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets. SVAP WM encourages you to review these statements carefully. Your account information contained within SVAP WM statements is derived from sources deemed to be accurate, but its accuracy cannot be guaranteed as statements provided by your custodian represent the true record of your account holdings and activity. SVAP WM encourages you to compare information contained in its reports to reports provided by your custodian. Further, you should not rely on information contained within SVAP WM statements for tax or legal purposes; rather, it is recommended you rely upon information provided by your custodian for these purposes. Clients are encouraged to contact SVAP WM with any questions regarding their account statements.

#### **ITEM 16 - Investment Discretion**

Clients generally grant discretionary authority to SVAP WM via the investment management agreement to select the identity and amount of securities to be bought or sold and determine when the securities should be bought and sold.

When selecting securities and determining amounts, SVAP WM observes the investment policies, limitations and restrictions of the clients for which it advises.

SVAP WM occasionally provides investment advice, recommendations and non-discretionary investment management for some retirement plans and corporate clients who wish to retain management control and investment discretion on their investment accounts. These services are negotiated on a case-by-case basis.

#### **ITEM 17 – Voting Client Securities**

SVAP WM, as a matter of policy and practice, may have the authority to vote proxies on behalf of its advisory clients. The firm offers assistance with proxy matters upon a client's request. Clients are responsible for instructing their custodian to forward copies of all proxy and shareholder communications relating to the client's investment assets 1) to SVAP WM if the client elects SVAP WM to vote proxies on their behalf, or 2) to the client, if the client wishes to retain proxy-voting authority. Currently, the firm votes proxies for certain legacy retirement plans but does not offer proxy-voting services to new retirement plan clients.

In instances where the client authorizes SVAP WM to vote its proxies, SVAP WM strives to vote all proxies in the best economic interests of its clients. The policies and procedures do not apply to those situations where the client has retained voting discretion. SVAP WM votes proxies for clients pursuant to the authority granted in the investment management agreement between SVAP WM and its client, or as granted by written direction from each client. SVAP WM's Proxy Review Committee is responsible for ensuring that proxies are voted in accordance with SVAP WM's policies.

In general, proxies are voted in a manner designed to maximize the value of client investments. In evaluating a particular proxy proposal, SVAP WM takes into consideration, among other things, management's assertions regarding the proxy proposal, SVAP WM's determination of how the proxy

proposal will impact its clients and SVAP WM's determination of whether the proxy proposal will create dilution for shareholders.

Generally, it is SVAP WM's policy to vote in support of management's recommendations on proxy issues related to business operations matters since management's ability is a key factor SVAP WM considers in selecting equity securities for client portfolios. SVAP WM believes a company's management should generally have the latitude to make decisions related to the company's business operations. However, when SVAP WM believes the company's management is acting in a manner inconsistent with its clients' best interests, SVAP WM will vote against management's recommendations.

SVAP WM has a duty to recognize a material conflict and to resolve the conflict before voting the proxy. For purposes of proxy voting, material conflicts of interest are defined as those conflicts that, in the opinion of the Proxy Review Committee, a reasonable investor would view as important in making a decision as to how to vote a proxy. Upon identification of a material conflict of interest relating to a specific proxy vote, the Proxy Review Committee will take any action deemed appropriate to ensure the proxy voting decision is based on the client's best interests and is not a result of the conflict, including:

1. Referring the proxy to a client or to a representative of the client for voting purposes; or
2. Disclosing the conflict to the affected clients and seek their consent to vote the proxy prior to casting the vote.

The Proxy Review Committee has established base guidelines for voting proxies. The Proxy Review Committee reviews the firm's base guidelines on a periodic basis. From time to time, the Portfolio Manager or Wealth Consultant responsible to review a specific proxy proposal may desire to vote contrary to the firm's base guidelines. Under such circumstances the Portfolio Manager or Wealth Consultant will consult with the Proxy Review Committee, who will review relevant information and determine whether to deviate from the applicable base proxy voting guideline.

Clients may obtain a copy of SVAP WM's complete proxy voting policies and procedures upon request. Clients may also obtain information from SVAP WM regarding how it voted proxies on behalf of their account(s) by calling (608) 824-8800.

## **ITEM 18 – Financial Information**

Registered Investment Advisers are required in this item to provide you with certain financial information or disclosures. SVAP WM 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.



## Exhibit A – Privacy Notice

### ***Our Promise to You***

As a client of SVAP WM, you share both personal and financial information with us. Please read this notice carefully to understand what we do with your information, and know your privacy is important to us; we are dedicated to safeguarding your personal and financial information.

### ***Information Provided by Clients***

In the normal course of doing business and depending on the product or service you have with us, we may obtain non-public personal information about you. This information can include:

- Name, address, social security number, and date of birth;
- Information regarding securities transactions effected by us;
- Financial information such as net-worth, assets, income, bank account information, personal income tax information, and account balances;
- Information we receive from custodians with respect to your account(s); and
- Information received from service bureaus or other third parties.

### ***How We Manage and Protect Your Personal Information***

SVAP WM shares personal information for our everyday business purposes, such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus. Also, we may share information with outside companies that perform administrative duties for us. However, our arrangements with these service providers require them to treat your information as confidential. Personal information, such as information about your transactions and experiences, is also shared with our affiliates<sup>1</sup> for everyday business purposes. SVAP WM does not share your personal information about your creditworthiness with our affiliates.

SVAP WM believes that our ability to provide information about services offered by us and our affiliates enables us to more effectively serve our customers. Therefore, with your prior authorization, SVAP WM may send you marketing materials about us or any SVAP WM affiliate. SVAP WM does not share your personal information for non-affiliates to market to you.

In order to protect your personal information, we maintain physical, electronic, and procedural safeguards to protect your personal information.

### ***Client Notifications***

If we change our Privacy Policy with regard to sharing your confidential information, we are required by law to notify you and provide you a revised notice. Thank you for allowing us to serve you. We value your business and are committed to protecting your privacy. We hope you view our firm as your most trusted adviser, and we will work to continue earning your trust. Please do not hesitate to contact us with questions about this notice.

<sup>1</sup>For the purpose of this privacy notice, affiliates of SVAP WM are SVA Plumb Financial, LLC; SVA Plumb Trust Company, LLC (South Dakota); Wisconsin Capital Management, LLC; SVA Financial Services, LLC; SVA Certified Public Accountants, S.C. and its related entities: SVA Consulting, LLC; SVA Technology Services, LLC; and SVA Staffing Solutions, LLC.

## **Item 1- Brochure Supplement**

**Thomas G. Plumb, CFA**  
SVA Plumb Wealth Management, LLC  
1221 John Q. Hammons Drive, Madison, Wisconsin 53717  
608.824.8800  
May 23, 2018

This Brochure Supplement provides information about Thomas G. Plumb that supplements the SVA Plumb Wealth Management, LLC's ("SVAP WM") Disclosure Brochure. You should have received a copy of that Disclosure Brochure. Please contact Connie M. Redman, Chief Compliance Officer, if you did not receive SVAP WM's Disclosure Brochure or if you have any questions about the contents of this supplement.

Additional information about Thomas G. Plumb is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

Thomas G. Plumb was born July 29, 1952, and received a Bachelor of Business Administration degree from the University of Wisconsin in 1975. Mr. Plumb is an Investment Adviser Representative (Adviser) NASAA Series 65 and holds the Chartered Financial Analyst designation.

Mr. Plumb is the CEO of SVAP WM. Prior to May 1, 2018, he also served as the President of the firm. His roles with SVAP WM include CEO, Portfolio Manager, and Research Analyst. He is a member of SVAP WM's Investment Committee. The Investment Committee oversees investment allocations and specific securities to be utilized in client portfolios.

Mr. Plumb has been a Principal of Wisconsin Capital Management, LLC ("WisCap") since its inception in June 1984. He currently serves as President, CEO and Portfolio Manager of WisCap, and also is the President of WisCap's proprietary mutual fund company.

## **Item 3- Disciplinary Information**

None

## **Item 4- Other Business Activities**

WisCap is the investment adviser to Wisconsin Capital Funds, Inc (d/b/a Plumb Funds). WisCap is an affiliate of SVAP WM, and is 100% owned by TGP, Inc. Mr. Plumb is the sole owner of TGP, Inc.

As noted in Item 2, Mr. Plumb has been a Principal of WisCap since its inception in June 1984. He currently serves as President, CEO and Portfolio Manager of WisCap and also is the President of WisCap's proprietary mutual fund company. Mr. Plumb's role with WisCap presents a conflict of interest due to competing priorities. SVAP WM has policies and procedures, including a Code of Ethics and Personal Trading Policy, to address this conflict of interest.

### **Item 5- Additional Compensation**

Mr. Plumb is entitled to receive distributions of profits and cash distributions through his ownership interest in SVAP WM and from its affiliate, WisCap.

### **Item 6 - Supervision**

As CEO of SVAP WM, Mr. Plumb reports to the SVA Plumb Financial, LLC Board of Directors. Additionally, SVAP WM maintains compliance policies and procedures designed to detect and prevent violations of federal securities laws and employees are required to certify compliance with the policies and procedures annually. Specific inquiries about Mr. Plumb can be directed to the Chairman of the Board, Mr. Carl Schultz at (262) 923-5134.

#### **Footnote**

#### **NASAA Uniform Investment Adviser Law Examination (Series 65)**

The Series 65 Exam is administered by the Financial Industry Regulatory Authority (FINRA) on behalf of the North America Securities Administrators Association (NASAA). Completion of the Series 65 Exam will qualify an investment professional to operate as an Investment Adviser Representative (IAR). The exam focuses on topic areas that are important for an investment adviser to know when providing investment advice. These areas include topics such as retirement planning, portfolio management strategies, and fiduciary obligations.

#### **Chartered Financial Analyst (CFA)**

The program is a professional credential offered internationally by the CFA Institute to investment and financial professionals. The program covers a broad range of topics relating to investment management, financial analysis, stocks, bonds and derivatives, ethics, and provides a general knowledge of other areas of finance. To become a CFA, candidates must satisfy the following requirements: Four years (48 months) of qualified work experience (or a combination of education and work experience acceptable by the CFA Institute), completing the CFA Program (mastery of current CFA curriculum) and passing three six-hour examinations, become a member of the CFA Institute, and adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct.

## **Item 1- Brochure Supplement**

**Timothy R. O'Brien, CFA**  
SVA Plumb Wealth Management, LLC  
1221 John Q. Hammons Drive, Madison, Wisconsin 53717  
608.824.8800  
May 23, 2018

This Brochure Supplement provides information about Timothy R. O'Brien that supplements SVA Plumb Wealth Management, LLC's ("SVAP WM") Disclosure Brochure. You should have received a copy of that Brochure. Please contact Connie M. Redman, Chief Compliance Officer, if you did not receive SVAP WM's Disclosure Brochure or if you have any questions about the contents of this supplement.

Additional information about Timothy R. O'Brien is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

Timothy R. O'Brien was born June 8, 1959, and received a Bachelor of Arts degree from the University of Notre Dame in 1981. He also received a Master of Arts degree from Webster PP College in St. Louis, Missouri in 1988 and a Master of Business Administration degree from the University of Chicago in 1996. Mr. O'Brien is an Investment Adviser Representative (Adviser) NASAA Series 65 and holds the Chartered Financial Analyst designation.

Mr. O'Brien is a Vice President and Principal of SVAP WM. He also serves as the Director of Research for the firm and provides portfolio management for individual and institutional accounts. He is a member of SVAP WM's Investment Committee. The Investment Committee oversees investment allocations and specific securities to be utilized in client portfolios.

## **Item 3- Disciplinary Information**

None

## **Item 4- Other Business Activities**

None

## **Item 5- Additional Compensation**

Mr. O'Brien is entitled to receive distributions of profits and cash distributions through his ownership interest in SVAP WM.

## **Item 6 - Supervision**

Mr. O'Brien reports to Maureen Hansen, President of SVAP WM. His business activities related to providing investment advice are monitored during committee meetings held to discuss accounts. Ms. Hansen can be reached at (262) 923-5180. Additionally, he is subject to the policies and procedures of SVAP WM.

#### Footnote

##### **NASAA Uniform Investment Adviser Law Examination (Series 65)**

The Series 65 Exam is administered by the Financial Industry Regulatory Authority (FINRA) on behalf of the North America Securities Administrators Association (NASAA). Completion of the Series 65 Exam will qualify an investment professional to operate as an Investment Adviser Representative (IAR). The exam focuses on topic areas that are important for an investment adviser to know when providing investment advice. These areas include topics such as retirement planning, portfolio management strategies, and fiduciary obligations.

##### **Chartered Financial Analyst (CFA)**

The program is a professional credential offered internationally by the CFA Institute to investment and financial professionals. The program covers a broad range of topics relating to investment management, financial analysis, stocks, bonds and derivatives, ethics, and provides a general knowledge of other areas of finance. To become a CFA, candidates must satisfy the following requirements: Four years (48 months) of qualified work experience (or a combination of education and work experience acceptable by the CFA Institute), completing the CFA Program (mastery of current CFA curriculum) and passing three six-hour examinations, become a member of the CFA Institute, and adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct.

## **Item 1- Brochure Supplement**

**Brian H. Reamer, CFP®, CFS®, CRC®, AIF®, RICP®**

SVA Plumb Wealth Management, LLC

1221 John Q. Hammons Drive, Madison, Wisconsin 53717

608.824.8800

May 23, 2018

This Brochure Supplement provides information about Brian H. Reamer that supplements the SVA Plumb Wealth Management, LLC's ("SVAP WM") Disclosure Brochure. You should have received a copy of that Disclosure Brochure. Please contact Connie M. Redman, Chief Compliance Officer, if you did not receive SVAP WM's Disclosure Brochure or if you have any questions about the contents of this supplement.

Additional information about Brian H. Reamer is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

Brian H. Reamer was born January 28, 1965, and received a Bachelor of Business Administration-Finance Degree from the University of Wisconsin – Whitewater in 1987.

Mr. Reamer is an Investment Adviser Representative (Adviser) NASAA Series 65 and holds the designations of Certified Financial Planner™, Certified Fund Specialist®, Credit Risk Certification®, Accredited Investment Fiduciary®, and Retirement Income Certified Professional™.

Mr. Reamer is a Principal of SVAP WM. Mr. Reamer is responsible for wealth management, retirement plan consulting, portfolio management, asset allocation consulting and mutual funds. He is a member of SVAP WM's Investment Committee. The Investment Committee oversees investment allocations and specific securities to be utilized in client portfolios.

## **Item 3- Disciplinary Information**

None

## **Item 4- Other Business Activities**

None

## **Item 5- Additional Compensation**

Mr. Reamer receives additional cash compensation from SVAP WM for his role in obtaining new clients for the firm, and as a participant of the corporate goals program.

## **Item 6 - Supervision**

As a Principal of SVAP WM, LLC, Mr. Reamer reports to Maureen Hansen, President of SVAP WM who can be reached at (262) 923-5180. Additionally, he is subject to the policies and procedures of SVAP WM.

## Footnote

### **NASAA Uniform Investment Adviser Law Examination (Series 65)**

The Series 65 Exam is administered by the Financial Industry Regulatory Authority (FINRA) on behalf of the North American Securities Administrators Association (NASAA). Completion of the Series 65 Exam will qualify an investment professional to operate as an Investment Adviser Representative (IAR). The exam focuses on topic areas that are important for an investment adviser to know when providing investment advice. These areas include topics such as retirement planning, portfolio management strategies, and fiduciary obligations.

### **Certified Financial Planner™ (CFP®)**

The program is administered by the Certified Financial Planner Board of Standards, Inc. Those with the CFP® designation have demonstrated competency in all areas of finance related to financial planning. Candidates complete studies on over 100 topics, including stocks, bonds, taxes, insurance, retirement planning and estate planning. In addition to passing the CFP® certification exam, candidates must also complete qualifying work experience and agree to adhere to the CFP Board's code of ethics and professional responsibility and financial planning standards.

### **Certified Fund Specialist® (CFS®)**

Certified Fund Specialists have received certification from the Institute of Business and Finance (IBF) for their expertise in mutual funds and the mutual fund industry. Individuals must have a bachelor's degree or 2,000 hours of financial services work experience. A six-module self-study program provided by IBF is also a prerequisite for taking the exam. Once a CFS designation is obtained, an individual must complete 30 hours of continuing education every two years.

### **Credit Risk Certification® (CRC®)**

This professional certification is offered by the Risk Management Association (RMA) to individuals who have worked in commercial credit and lending or loan review for at least five years, and who pass the five-hour, 126-question CRC exam. Once a certification is obtained, a CRC professional must complete 45 hours of continuing education to continue using this designation.

### **Accredited Investment Fiduciary® (AIF®)**

This professional designation is administered by fi360. Candidates for the AIF designation are required to take a 90-minute closed-book accreditation exam that must be passed with 75% or better. Once the designation is obtained, individuals must sign and agree to a Code of Ethics and are required to complete six hours of continuing education annually.

### **Retirement Income Certified Professional® (RICP®)**

The RICP designation is offered by the American College. Applicants must have three-plus years of relevant work experience, complete three courses (Retirement Income Process – Strategies and Solutions, Sources of Retirement Income and Managing the Retirement Income Plan) and pass a 100-question exam. RICP's must adhere to a code of ethics and complete 15 hours of continuing education every two years.

## **Item 1- Brochure Supplement**

### **Maureen E. Hansen, CLU**

SVA Plumb Wealth Management, LLC

18650 W. Corporate Drive, Suite 200, Brookfield, WI 53045

Phone: 262.641.6888

May 23, 2018

This Brochure Supplement provides information about Maureen E. Hansen that supplements the SVA Plumb Wealth Management, LLC's ("SVAP WM") Disclosure Brochure. You should have received a copy of that Disclosure Brochure. Please contact Connie M. Redman, Chief Compliance Officer, if you did not receive SVAP WM's Disclosure Brochure or if you have any questions about the contents of this supplement.

Additional information about Maureen E. Hansen is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

Maureen E. Hansen was born September 19, 1961, and received a Bachelor of Business Administration degree from the University of Wisconsin – Stevens Point in 1983. Ms. Hansen is an Investment Adviser Representative (Adviser) NASAA Series 65 and holds the Chartered Life Underwriter designation™.

Ms. Hansen is a Principal and was named President of SVAP WM on May 1, 2018. Her areas of expertise with SVAP WM include investment management, goal-based financial planning, divorce consulting, estate planning and retirement plan consulting. Ms. Hansen is responsible for ensuring firm operations are running effectively, including the investment area.

## **Item 3- Disciplinary Information**

None

## **Item 4- Other Business Activities**

None

## **Item 5- Additional Compensation**

Ms. Hansen is entitled to receive distributions of profits and cash distributions through her ownership interest in SVAP WM.

## **Item 6 - Supervision**

As President of SVAP WM, Ms. Hansen reports to the SVA Plumb Financial, LLC Board of Directors. Additionally, SVAP WM maintains compliance policies and procedures designed to detect and prevent violations of federal securities laws and employees are required to certify compliance with the policies and procedures annually. Specific inquiries about Ms. Hansen can be directed to the Chairman of the Board, Mr. Carl Schultz at (262) 923-5134.



#### Footnote

##### **NASAA Uniform Investment Adviser Law Examination (Series 65)**

The Series 65 Exam is administered by the Financial Industry Regulatory Authority (FINRA) on behalf of the North American Securities Administrators Association (NASAA). Completion of the Series 65 Exam will qualify an investment professional to operate as an Investment Adviser Representative (IAR). The exam focuses on topic areas that are important for an investment adviser to know when providing investment advice. These areas include topics such as retirement planning, portfolio management strategies, and fiduciary obligations.

##### **Chartered Life Underwriter® (CLU®)**

This is a professional designation granted to individuals who have completed training in life insurance and personal insurance planning. To obtain the designation, an individual must complete advanced courses and exams in several topics including insurance, investments, taxation, employee benefits, estate planning, accounting, management and economics. Lastly, an individual must complete five core courses and three elective courses, and successfully pass all eight two-hour, 100-question examinations in order to obtain a CLU® designation. Candidates must also agree to comply with the American College Code of Ethics and Procedures.

## **Item 1- Brochure Supplement**

**Randell J. Godsell, CPA, CFA, CFP®**

SVA Plumb Wealth Management, LLC

18650 W. Corporate Drive, Suite 200, Brookfield, WI 53045

Phone: 262.641.6888

May 23, 2018

This Brochure Supplement provides information about Randell J. Godsell that supplements the SVA Plumb Wealth Management, LLC's ("SVAP WM") Disclosure Brochure. You should have received a copy of that Disclosure Brochure. Please contact Connie M. Redman, Chief Compliance Officer, if you did not receive SVAP WM's Disclosure Brochure or if you have any questions about the contents of this supplement.

Additional information about Randell J. Godsell is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

Randell J. Godsell was born April 13, 1964, and received a Master's of Science – Accounting Degree from the University of Wisconsin – Milwaukee in 1989. Mr. Godsell is an Investment Adviser Representative (Adviser) NASAA Series 65 and holds the designations of Certified Public Accountant, Chartered Financial Analyst, and Certified Financial Planner™.

Mr. Godsell is a Principal of SVAP WM. His areas of expertise with SVAP WM include wealth management, retirement plan consulting, portfolio management, asset allocation consulting and mutual funds. He is a member of SVAP WM's Investment Committee. The Investment Committee oversees investment allocations and specific securities to be utilized in client portfolios.

## **Item 3- Disciplinary Information**

None

## **Item 4- Other Business Activities**

None

## **Item 5- Additional Compensation**

Mr. Godsell receives additional cash compensation from SVAP WM for his role in obtaining new clients for the firm, and as a participant of the corporate goals program.

## **Item 6 - Supervision**

As a Principal of SVAP WM, LLC, Mr. Godsell reports to Maureen Hansen, President of SVAP WM, who can be reached at (262) 923-2180. Additionally, he is subject to the policies and procedures of SVAP WM.

## Footnote

### **NASAA Uniform Investment Adviser Law Examination (Series 65)**

The Series 65 Exam is administered by the Financial Industry Regulatory Authority (FINRA) on behalf of the North American Securities Administrators Association (NASAA). Completion of the Series 65 Exam will qualify an investment professional to operate as an Investment Adviser Representative (IAR). The exam focuses on topic areas that are important for an investment adviser to know when providing investment advice. These areas include topics such as retirement planning, portfolio management strategies, and fiduciary obligations.

### **Certified Public Accountant (CPA)**

CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education experience and testing requirements for licensure as a CPA general include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting). 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, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous *Code of Professional 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. In addition to the *Code of Professional Conduct*, AICPA members who provide personal financial planning services are required to follow the *Statement on Standards in Personal Financial Planning Services* (SSPFPS).

### **Chartered Financial Analyst (CFA)**

The program is a professional credential offered internationally by the CFA Institute to investment and financial professionals. The program covers a broad range of topics relating to investment management, financial analysis, stocks, bonds and derivatives, ethics, and provides a general knowledge of other areas of finance. To become a CFA, candidates must satisfy the following requirements: Four years (48 months) of qualified work experience (or a combination of education and work experience acceptable by the CFA Institute), completing the CFA Program (mastery of current CFA curriculum) and passing three six-hour examinations, become a member of the CFA Institute, and adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct.

### **Certified Financial Planner™ (CFP®)**

The program is administered by the Certified Financial Planner Board of Standards, Inc. Those with the CFP® designation have demonstrated competency in all areas of finance related to financial planning. Candidates complete studies on over 100 topics, including stocks, bonds, taxes, insurance, retirement planning and estate planning. In addition to passing the CFP® certification exam, candidates must also complete qualifying work experience and agree to adhere to the CFP Board's code of ethics and professional responsibility and financial planning standards.