

**Item 1 - Cover Page**



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**CRD# 289908**

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**April 16, 2019**

This brochure ("Brochure") provides information about the qualifications and business practices of Inlight Wealth Management, LLC ("Inlight Wealth"). If you have any questions about the contents of this Brochure, please contact us at (404) 551-2808 or [info@inlightwealth.com](mailto:info@inlightwealth.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state authority.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Inlight Wealth also is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

## **Item 2 - Material Changes**

### **Annual Update**

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure. Each year, we will ensure that you receive a summary of any material changes to this and subsequent brochures by April 30th. We will further provide you with our most recent brochure at any time at your request, without charge. You may request a brochure by contacting us at (404) 551-2808 or [info@inlightwealth.com](mailto:info@inlightwealth.com).

### **Material Changes since the Last Update**

The following material changes have been made since January 27, 2018.

- Disclosure has been added regarding West Elk, LLC.
- The address has changed from 1175 Peachtree Street NE, 100 Colony Square, Suite 760, Atlanta, GA 30361 to 1175 Peachtree Street NE, 100 Colony Square, Suite 360, Atlanta, GA 30361

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## **Item 4 - Advisory Business**

### General Information

Inlight Wealth, a Georgia limited liability company, was formed in August 2017. Inlight Wealth is a Registered Investment Adviser, registered with and subject to the rules and regulations of the U.S. Securities and Exchange Commission.

### Advisory Clients

Inlight Wealth provides discretionary and non-discretionary portfolio management as well as financial planning and general consulting services to individuals, high net worth individuals, corporations, trusts, estates, charitable organizations and retirement and pension plan participants.

At the outset of each client relationship, Inlight Wealth spends time with the client, asking questions, discussing the client's investment experience and financial circumstances, and broadly identifying major goals of the client. Based on its reviews, Inlight Wealth generally develops with each client:

- a financial outline for the client based on the client's financial circumstances and goals, and the client's risk tolerance level (the "Financial Profile"); and
- the client's investment objectives and guidelines (the "Investment Plan")

The Financial Profile is a reflection of the client's current financial picture and a look to the future goals of the client. The Investment Plan outlines the types of investments Inlight Wealth will make or recommend on behalf of the client based on Inlight Wealth's own research and analysis in order to meet those goals. The elements of the Financial Profile and the Investment Plan are discussed periodically with each client, but are not necessarily written documents.

### Portfolio Management

As described above, Inlight Wealth will develop an Investment Plan with each portfolio management client. The Investment Plan will be updated from time to time when requested by the client, or when determined to be necessary or advisable by Inlight Wealth based on updates to the client's financial or other circumstances.

To implement the client's Investment Plan, Inlight Wealth will manage the client's investment portfolio on a discretionary or a non-discretionary basis pursuant to an investment advisory agreement with the client. As a discretionary investment adviser, Inlight Wealth will have the authority to supervise and direct the portfolio without prior consultation with the client. Clients who choose a non-discretionary arrangement must be contacted prior to the execution of any trade in the account(s) under management. This may result in a delay in executing recommended trades, which could adversely affect the performance of the portfolio. This delay also normally means the affected account(s) will not be able to participate in block trades, a practice designed to enhance the execution quality, timing and/or cost for all accounts included in the block. In a non-discretionary arrangement, the client retains the responsibility for the final decision on all actions taken with respect to the portfolio.

Notwithstanding the foregoing, clients may impose certain written restrictions on Inlight Wealth in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For

these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of Inlight Wealth.

#### Separate Account Managers

Inlight Wealth may utilize one or more Separate Account Managers, each a “Manager”, when appropriate and in accordance with the Investment Plan for a client. Having access to various Managers offers a wide variety of manager styles, and offers clients the opportunity to utilize more than one Manager if necessary to meet the needs and investment objectives of the client. Inlight Wealth will usually select the Manager(s) it deems most appropriate for the client. Factors that Inlight Wealth considers in recommending/selecting Managers generally includes the client’s stated investment objective(s), management style, performance, risk level, reputation, financial strength, reporting, pricing, and research.

The Manager(s) will generally be granted discretionary trading authority to provide investment supervisory services for the portfolio. In most cases, the client will select one or more Managers recommended by Inlight Wealth and enter into separate agreements with such Managers. Under certain circumstances, Inlight Wealth retains the authority to terminate the Manager’s relationship or to add new Managers without specific client consent.

In any case, with respect to assets managed by a Manager, Inlight Wealth’s role will be to monitor the overall financial situation of the client, to monitor the investment approach and performance of the Manager(s), and to assist the client in understanding the investments of the portfolio.

#### *Financial Planning*

Inlight Wealth also offers financial planning services to those clients in need of such services in conjunction with portfolio management services. Inlight Wealth’s financial planning services normally address areas such as general cash flow planning, retirement planning, and insurance analysis. The goal of this service is to assess the financial circumstances of the client in order to more effectively develop the client’s Investment Plan. Financial planning is not offered as a stand-alone service or for a separate fee, but is typically provided in conjunction with the management of the portfolio.

#### *General Consulting*

In addition to the foregoing services, Inlight Wealth may provide general consulting services to clients. These services are typically provided in conjunction with portfolio management services and may include, without limitation, minimal cash flow planning for certain events such as education expenses or retirement, estate planning analysis, income tax planning analysis and review of a client’s insurance portfolio, as well as other matters specific to the client as and when requested by the client and agreed to by Inlight Wealth.

#### *Services to Retirement and Pension Plan Participants*

Inlight Wealth may also provide investment advice directly to plan participants, but only as a non-discretionary fiduciary. Inlight Wealth provides participants with diversification strategies and recommendations, and the participants will have the sole responsibility to execute the transactions. In some cases, Inlight Wealth may, after approval of the client, instruct the record-keeper or third party administrator to execute recommendations on the client’s behalf.

From time to time, Inlight Wealth will also meet with plan participants to provide general investment education, which may include basic information regarding insurance products, mutual funds, annuities, inflation, risk and diversification.

#### Principal Owners

Jason Joffe is the principal owner and Angelique Dumler and Benjamin Esser are owners of Inlight Wealth.

#### Type and Value of Assets Currently Managed

As of February 21, 2019, Inlight Wealth had \$247,161,956 in discretionary regulatory assets under management and \$13,548,042 in non-discretionary regulatory assets under management.

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

#### General Fee Information

For discretionary and non-discretionary portfolio management services, clients generally participate in the Inlight Wealth Wrap Fee Program sponsored by Inlight (the "Wrap Program"). The Wrap Program fee structure includes the brokerage expenses (*e.g.*, commissions, ticket charges, etc.) of the account as well as the management fee paid to Inlight Wealth. Under the all-inclusive billing alternative, Inlight Wealth will assess one client fee that captures the management, brokerage and administrative portions collectively. Inasmuch as Inlight Wealth pays to the applicable broker-dealer the transaction and execution costs associated with client accounts, this may create a disincentive for Inlight Wealth to trade securities in accounts. Inlight Wealth, in its discretion, may establish a minimum portfolio asset value size requirement for participation in the Wrap Program.

The fees noted above are separate and distinct from the internal fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials), mark-ups and mark-downs, spreads paid to market makers, fees for trades executed away from the custodian, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. The client should review all fees charged by funds, brokers, Inlight Wealth and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

#### *Portfolio Management Fees*

Portfolio management fees are individually negotiated with each client and are generally up to 1.50% annually. Factors considered in determining the fees charged generally include, but are not limited to: the complexity of the client's portfolio; assets to be placed under management; anticipated future assets; related accounts; portfolio style; account composition; or other special circumstances or requirements. The specific fee schedule will be identified in the investment advisory agreement between the client and Inlight Wealth.

Portfolio management fees are generally payable quarterly, in advance. Fees are prorated for cash flows exceeding \$50,000. If management begins after the start of a quarter, fees will be prorated accordingly. Fees are normally debited directly from client account(s), unless other arrangements are made.

Either Inlight Wealth or the client may terminate their investment advisory agreement at any time, subject to any written notice requirements in the investment advisory agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client based on the number of days that the account was managed, and any fees due to Inlight Wealth from the client will be invoiced or deducted from the client's account prior to termination.

#### *Separate Account Manager Fees*

When one or more Managers are utilized, the Manager(s)' fees will be separate from and in addition to Inlight Wealth's fee.

#### *Wrap Program Fees*

Fees for clients participating in the Wrap Program are charged in accordance with the annual fees described above. With respect to clients participating in the Wrap Program, Inlight Wealth generally receives the total fee charged less the amounts paid by Inlight Wealth for all transaction and execution expenses.

#### *Financial Planning and General Consulting Fees*

When Inlight Wealth provides financial planning and/or general consulting services to clients, these fees generally will be included in the portfolio management fees. Inlight Wealth generally does not provide stand-alone financial planning or general consulting services.

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

Inlight Wealth does not have any performance-based fee arrangements. "Side by Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because Inlight Wealth has no performance-based fee accounts, it has no side-by-side management.

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

Inlight Wealth serves individuals, high net worth individuals, corporations, trusts, estates, charitable organizations and retirement and pension plan participants.

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

### Methods of Analysis

Inlight Wealth reviews each client's Investment Plan and develops a customized investment strategy for each client. The primary vehicles for investment used by Inlight Wealth are separately- managed accounts ("SMAs"), mutual funds, ETFs, closed-end funds, common stock, fixed income securities, covered calls and puts and derivatives. In selecting investments for an individual account in accordance with the client's Investment Plan, Inlight Wealth generally applies traditional fundamental analysis including, without limitation, the following factors:

- Financial strength ratios;
- Price-to-earnings ratios;
- Dividend yields; and
- Growth rate-to-price earnings ratios

Mutual funds and ETFs are generally evaluated and selected based on a variety of factors, including, as applicable and without limitation, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors.

Fixed income investments may be used as a strategic investment, as an instrument to fulfill liquidity or income needs in a portfolio, or to add a component of capital preservation. Inlight Wealth may evaluate and select individual bonds or bond funds based on a number of factors including, without limitation, rating, yield and duration.

### Investment Strategies

Inlight Wealth's strategic approach is to invest each portfolio in accordance with the Investment Plan that has been developed specifically for each client. This means that the following strategies may be used in varying combinations over time for a given client, depending upon the client's individual circumstances:

*Long Term Purchases* – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

*Trading* – generally considered holding a security for less than thirty (30) days.

*Options Trading/Writing* – a securities transaction that involves buying or selling (writing) an option. If you write an option, and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the exercise of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option.

### Risk of Loss

While Inlight Wealth seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Plans in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.



*Management Risks.* While Inlight Wealth manages client investment portfolios or recommends one or more Managers based on Inlight Wealth's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that Inlight Wealth or a Manager allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that Inlight Wealth's or a Manager's specific investment choices could underperform their relevant indexes.

*Economic Conditions.* Changes in economic conditions, including, for example, interest rates, inflation rates, employment conditions, competition, technological developments, political and diplomatic events and trends, and tax laws may adversely affect the business prospects or perceived prospects of companies. While Inlight Wealth or a Manager performs due diligence on the companies in whose securities it invests, economic conditions are not within the control of Inlight Wealth or the Manager and no assurances can be given that Inlight Wealth or the Manager will anticipate adverse developments.

*Risks of Investments in Mutual Funds, ETFs and Other Investment Pools.* As described above, Inlight Wealth and any Managers may invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940, as amended.

*Risks Related to Alternative Investment Vehicles.* From time to time and as appropriate, Inlight Wealth and any Managers may invest a portion of a client's portfolio in alternative vehicles. The value of client portfolios will be based in part on the value of alternative investment vehicles in which they are invested, the success of each of which will depend heavily upon the efforts of their respective managers. When the investment objectives and strategies of a manager are out of favor in the market or a manager makes unsuccessful investment decisions, the alternative investment vehicles managed by the manager may lose money. A client account may lose a substantial percentage of its value if the investment objectives and strategies of many or most of the alternative investment vehicles in which it is invested are out of favor at the same time, or many or most of the managers make unsuccessful investment decisions at the same time.

*Equity Market Risks.* Inlight Wealth and any Managers will generally invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investment funds have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

*Fixed Income Risks.* Inlight Wealth and any Managers may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets,

fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

*Covered Calls and Puts Risks.* Inlight Wealth or a Manager, on behalf of its clients, may purchase or write (sell) “covered” call and put options on securities, indexes or currencies. Inlight Wealth or a Manager may purchase call options for investment purposes when Inlight Wealth or the Manager anticipates that the price of the underlying security or currency will rise. Inlight Wealth or a Manager may also purchase put options for investment purposes when Inlight Wealth or the Manager anticipates that the price of the underlying security or currency will decline. If Inlight Wealth or the Manager writes a covered call option on behalf of a client account, the client account will either own the security or currency subject to the option or own an option to purchase the same underlying security or currency having an exercise price equal to or less than the exercise price of the “covered” option. When writing a covered call option, the client account, in return for the premium, gives up the opportunity for profit from a price increase in the underlying security or currency above the exercise price, but conversely retains the risk of loss should the price of the security or currency decline. If Inlight Wealth or the Manager writes a covered put option on behalf of a client account, the client account will maintain sufficient liquid assets to purchase the underlying security or currency if the option is exercised, in an amount not less than the exercise price. The risk in such a transaction would be that the market price of the underlying security or currency would decline below the exercise price, less the premiums received. Such a decline could be substantial and result in a significant loss to client accounts.

To the extent Inlight Wealth or a Manager acquires options that it does not exercise, it suffers the loss of the premium paid to the writer in connection with such purchase, and any gain or loss derived from the exercise of an option or other liquidation of an option is reduced or increased, respectively, by the amount of the premium paid. Closing transactions will be effected in order to realize a profit on an outstanding call option, to prevent an underlying security or currency from being called, or to permit the sale of the underlying security or currency. There is, of course, no assurance that Inlight Wealth or a Manager will be able to effect such closing transactions at favorable prices. If Inlight Wealth or a Manager cannot enter into such a transaction on behalf of client accounts, client accounts may be required to hold a security or currency that is depreciating in value that otherwise might have sold.

*Derivatives Risks.* The use of derivative instruments requires special skills and knowledge of investment techniques that are different than those normally required for purchasing and selling stocks. If Inlight Wealth or a Manager uses a derivative instrument at the wrong time or incorrectly identifies market conditions, or if the derivative instrument does not perform as expected, these strategies may significantly reduce the profits of client accounts. Derivative instruments may be difficult to value, may be illiquid and may be subject to wide swings in valuation caused by changes in the value of the underlying instrument. In addition, the cost of investing in such instruments generally increases as interest rates increase. In addition, investment in futures contracts creates leverage, which can magnify the potential for gain or loss and therefore amplify the effect of market volatility on client accounts. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment.

*Foreign Securities Risks.* Inlight Wealth and any Managers may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S.

investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the United States. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

*Lack of Diversification.* Client accounts may not have a diversified portfolio of investments at any given time, and a substantial loss with respect to any particular investment in an undiversified portfolio will have a substantial negative impact on the aggregate value of the portfolio.

## **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 a client's evaluation of Inlight Wealth or the integrity of Inlight Wealth's management. Inlight Wealth has no disciplinary events to report.

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

The Adviser has relationships that are material to its advisory business or its clients, as further described below.

### *West Elk Capital, LLC and West Elk, LLC*

Jason S. Joffe, the principal owner of the Adviser, is also a manager of West Elk Capital, LLC (the "West Elk Adviser"), the investment adviser to a private fund (the "Private Fund") and a manager of West Elk, LLC, the General Partner of the Private Fund (the "West Elk GP" and together with the West Elk Adviser, "West Elk"). The Adviser may recommend an investment in the Private Fund to clients of the Adviser. The relationship between the Adviser and West Elk may create a conflict of interest, because the Adviser may be incentivized to recommend an investment in the Private Fund in order to generate management fees for itself and for its related entity as well as a performance allocation for the West Elk GP. However, to help mitigate against this conflict of interest the Adviser's recommendations to invest in the Private Fund are non-discretionary (i.e., clients make their own decision whether to invest in the Private Fund and, if so, will complete subscription materials for the same). In addition, clients of the Adviser will not pay fees to the Adviser with respect to assets invested in the Private Fund. Instead, with respect to assets invested in the Private Fund, clients of the Adviser will pay only the fees to West Elk set forth in the Private Fund's Offering Memorandum and Partnership Agreement.

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

### Code of Ethics and Personal Trading

Inlight Wealth has adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. Inlight Wealth's Code has several goals. First, the Code is designed to assist Inlight Wealth in complying with applicable laws and regulations governing its investment advisory business. Under the Advisers Act, Inlight Wealth owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires Inlight Wealth associated persons to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for Inlight Wealth's associated persons (managers, officers and employees). Under the Code's Professional Standards, Inlight Wealth expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, Inlight Wealth associated persons are not to take inappropriate advantage of their positions in relation to Inlight Wealth clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time, Inlight Wealth's associated persons may invest in the same securities recommended to clients. This may create a conflict of interest because associated persons of Inlight Wealth may invest in securities ahead of or to the exclusion of Inlight Wealth clients. Under its Code, Inlight Wealth has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, including generally disallowing trading by an associated person in any security within one day before any client account trades or considers trading the same security and the creation of a restricted securities list, reporting and review of personal trading activities and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

#### Participation or Interest in Client Transactions

As outlined above, Inlight Wealth has adopted procedures to protect client interests when its associated persons invest in the same securities as those selected for or recommended to clients. In the event of any identified potential trading conflicts of interest, Inlight Wealth's goal is to place client interests first.

Consistent with the foregoing, Inlight Wealth maintains policies regarding participation in initial public offerings ("IPOs") and private placements in order to comply with applicable laws and avoid conflicts with client transactions. If an associated person wishes to participate in an IPO or invest in a private placement, he/she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer.

### **Item 12 - Brokerage Practices**

#### Best Execution and Benefits of Brokerage Selection

When given discretion to select the brokerage firm that will execute orders in client accounts, Inlight Wealth seeks "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, Inlight Wealth may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of

execution. Research services received with transactions may include proprietary or third party research (or any combination), and may be used in servicing any or all of Inlight Wealth's clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

Inlight Wealth may recommend that clients establish brokerage accounts with Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets. Inlight Wealth may effect trades for client accounts at Schwab, or may in some instances, consistent with Inlight Wealth's duty of best execution and specific investment advisory agreement with each client, elect to execute trades elsewhere. Although Inlight Wealth may recommend that clients establish accounts at Schwab, it is ultimately the client's decision where to custody assets. Inlight Wealth is independently owned and operated and is not affiliated with Schwab.

Inlight Wealth participates in the Schwab Advisor Services program, which provides access to institutional trading and custody services. While there is no direct link between the investment advice Inlight Wealth provides and participation in these programs, Inlight Wealth receives certain economic benefits from this program. These benefits may include software and other technology that provides access to client account data (such as trade confirmations and account statements), facilitates trade execution (and allocation of aggregated orders for multiple client accounts), provides research, pricing information and other market data, facilitates the payment of Inlight Wealth's fees from its clients' accounts, and assists with back-office functions, recordkeeping and client reporting. Many of these services may be used to service all or a substantial number of Inlight Wealth's accounts, including accounts not held at Schwab. Schwab may also make available to Inlight Wealth other services intended to help Inlight Wealth manage and further develop its business. 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 to be rendered to Inlight Wealth by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services, pay all or a part of the fees of a third-party providing these services to Inlight Wealth, and/or Schwab may pay for travel expenses relating to participation in such training. Finally, participation in the Schwab Advisor Services program provides Inlight Wealth with access to mutual funds which normally require significantly higher minimum initial investments or are normally available only to institutional investors.

The benefits received through participation in the Schwab Advisor Services program do not necessarily depend upon the proportion of transactions directed to Schwab. The benefits are received by Inlight Wealth, in part because of commission revenue generated for Schwab by Inlight Wealth's clients. This means that the investment activity in client accounts is beneficial to Inlight Wealth, because Schwab does not assess a fee to Inlight Wealth for these services. This creates an incentive for Inlight Wealth to continue to recommend Schwab to its clients. While it may be possible to obtain similar custodial, execution and other services elsewhere at a lower cost, Inlight Wealth believes that Schwab provides an excellent combination of these services. These services are not soft dollar arrangements, but are part of the institutional platforms offered by Schwab.

#### Directed Brokerage

Clients may direct Inlight Wealth to use a particular broker for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements, the client is responsible for negotiating the commission rates and other fees to be paid to the broker. Accordingly, a client who directs brokerage should consider whether such designation may result in certain costs or

disadvantages to the client, either because the client may pay higher commissions or obtain less favorable execution, or the designation limits the investment options available to the client.

The arrangement that Inlight Wealth has with Schwab is designed to maximize efficiency and to be cost effective. By directing brokerage arrangements, the client acknowledges that these economies of scale and levels of efficiency are generally compromised when alternative brokers are used. While every effort is made to treat clients fairly over time, the fact that a client chooses to use the brokerage and/or custodial services of these alternative service providers may in fact result in a certain degree of delay in executing trades for their account(s) and otherwise adversely affect management of their account(s).

By directing Inlight Wealth to use a specific broker or dealer, clients who are subject to ERISA confirm and agree with Inlight Wealth that they have the authority to make the direction, that there are no provisions in any client or plan document which are inconsistent with the direction, that the brokerage and other goods and services provided by the broker or dealer through the brokerage transactions are provided solely to and for the benefit of the client's plan, plan participants and their beneficiaries, that the amount paid for the brokerage and other services have been determined by the client and the plan to be reasonable, that any expenses paid by the broker on behalf of the plan are expenses that the plan would otherwise be obligated to pay, and that the specific broker or dealer is not a party in interest of the client or the plan as defined under applicable ERISA regulations.

#### Aggregated Trade Policy

Inlight Wealth may enter trades as a block where possible and when advantageous to clients whose accounts have a need to buy or sell shares of the same security. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rata basis between all accounts included in any such block. Block trading allows Inlight Wealth to execute equity trades in a timelier, equitable manner, and may reduce overall costs to clients.

Inlight Wealth will only aggregate transactions when it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients, and is consistent with the terms of Inlight Wealth's investment advisory agreement with each client for which trades are being aggregated. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all Inlight Wealth's transactions in a given security on a given business day, with transaction costs generally shared pro-rata based on each client's participation in the transaction. On occasion, owing to the size of a particular account's pro rata share of an order or other factors, the commission or transaction fee charged could be above or below a breakpoint in a pre-determined commission or fee schedule set by the executing broker, and therefore transaction charges may vary slightly among accounts. Accounts may be excluded from a block due to tax considerations, client direction or other factors making the account's participation ineligible or impractical.

Inlight Wealth's books and records will separately reflect, for each client account included in a block trade, the securities held by and bought and sold for that account. Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the clients' cash nor their securities will be held collectively any longer than is necessary to settle the transaction on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement, and Inlight Wealth will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation.

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

Managed portfolios are reviewed at least quarterly but may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by Inlight Wealth. These factors may include, but are not limited to, the following: change in general client circumstances (*e.g.*, marriage, divorce, retirement); or economic, political or market conditions. One of Inlight Wealth's investment adviser representatives or principals is responsible for reviewing all accounts.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. Inlight Wealth will provide additional written reports as needed or requested by the client. Clients should carefully compare the statements that they receive from Inlight Wealth against the statements that they receive from their account custodian(s).

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

As noted above, Inlight Wealth may receive some benefits from Schwab based on the amount of client assets held at Schwab. Please see **Item 12 - Brokerage Practices** for more information. However, neither Schwab nor any other party is paid to refer clients to Inlight Wealth.

### **Item 15 - Custody**

Schwab is the custodian of nearly all client accounts at Inlight Wealth. From time to time however, clients may select an alternate broker to hold accounts in custody. In any case, it is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify Inlight Wealth of any questions or concerns. Clients are also asked to promptly notify Inlight Wealth if the custodian fails to provide statements on each account held.

From time to time and in accordance with Inlight Wealth's investment advisory agreement with clients, Inlight Wealth will provide additional reports. As mentioned above, the account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting, pending trades or other similar issues.

Inlight Wealth may be deemed to have "soft" custody of its client accounts because Inlight Wealth's portfolio management fees are normally debited directly from client account(s), unless other arrangements are made.

#### Standing Letters of Authorization

Some clients may execute limited powers of attorney or other standing letters of authorization that permit the firm to transfer money from their account with the client's independent qualified Custodian to third-parties. This authorization to direct the Custodian may be deemed to cause our firm to exercise limited custody over your funds or securities and for regulatory reporting purposes, we are required to keep track of the number of clients and accounts for which we may have this ability. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate any transfers that may have taken place

within your account(s) each billing period. You should carefully review account statements for accuracy.

#### **Item 16 - Investment Discretion**

As described in **Item 4 - Advisory Business**, Inlight Wealth will accept clients on either a discretionary or non-discretionary basis. For *discretionary accounts*, a Limited Power of Attorney ("LPOA") is executed by the client, giving Inlight Wealth the authority to carry out various activities in the account, generally including the following: (i) trade execution; (ii) the ability to request checks on behalf of the client; and (iii) the withdrawal of advisory fees directly from the account. Inlight Wealth then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with Inlight Wealth and the requirements of the client's custodian.

For *non-discretionary accounts*, the client may also execute an LPOA, which allows Inlight Wealth to carry out trade recommendations and approved actions in the portfolio. However, in accordance with the investment advisory agreement between Inlight Wealth and the client, Inlight Wealth does not implement trading recommendations or other actions in the account unless and until the client has approved the recommendation or action. As with discretionary accounts, clients may limit the terms of the LPOA, subject to Inlight Wealth's investment advisory agreement with the client and the requirements of the client's custodian.

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

As a policy and in accordance with Inlight Wealth's investment advisory agreement, Inlight Wealth does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. Clients may contact Inlight Wealth with questions relating to proxy procedures and proposals; however, Inlight Wealth generally does not research particular proxy proposals.

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

Inlight Wealth does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore has no disclosure with respect to this item.