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**FORM ADV Part 2A and 2B: FIRM BROCHURE**

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**March 26, 2019**

This brochure provides information about the qualifications and business practices of Wealth Strategist Partners, LLC (“Wealth Strategist Partners”). If you have any questions about the contents of this brochure, please contact us at (312) 863-6080 or [susan@wspcio.com](mailto:susan@wspcio.com). 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.

Wealth Strategist Partners is a registered investment adviser. Registration of an investment adviser with the SEC does not imply a certain level of skill or training.

Additional information about Wealth Strategist Partners also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 Material Changes**

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There have been no material changes since Wealth Strategist Partners, LLC's previous brochure filed on March 13, 2018. Wealth Strategist Partners routinely makes changes throughout its brochure to improve and clarify the descriptions of its business practices and compliance policies and procedures or in response to evolving industry and Firm practices. In this year's filing, in addition to the incremental changes described generally above, the following Items have been updated:

- Item 4: updated to reflect regulatory assets under management as of December 31, 2018; and
- Item 5: updated to clarify expenses not charged to clients.

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## Item 4 Advisory Business

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- A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).**

### **Firm Description**

Wealth Strategist Partners, LLC (“Wealth Strategist Partners”, the “Firm”, “we”, or “us”), a Delaware limited liability company, provides investment and wealth management advisory services, including an outsourced Chief Investment Officer service, to individuals and families of significant net worth, as well as to their trustees and investment committees. For each client, Wealth Strategist Partners creates custom tailored investment solutions rooted in our core investment philosophy, integrating all aspects of wealth management and providing transparency, accountability and control.

Wealth Strategist Partners had its origins as the investment office for the Lucas family, formed upon the sale of the family’s business, Carnation Company, in 1985. Wealth Strategist Partners was formed in 2006 and became a registered investment adviser in 2011. Today, Wealth Strategist Partners serves a carefully chosen group of like-minded families, still including our founding family, of which two of our principals are members, as disclosed further in Item 11.B.

Wealth Strategist Partners’ three most senior investment professionals each have over 30 years’ investment experience. All have a total commitment to and uncommon experience with families, and share with our clients the experience of long term stewardship of taxable wealth. We are principals serving principals, typically investing alongside our clients.

### **Principal Owners/Ownership Structure**

Wealth Strategist Partners is owned by Co-Managing Partner and Chief Investment Officer Stuart Lucas, Co-Managing Partner Rodney Goldstein and Chief Operating Officer and Chief Compliance Officer Susan Lucas.

- B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.**

Wealth Strategist Partners provides investment advisory and wealth management services, including an outsourced chief investment officer service, to individuals and families who are large enough to need a customized solution and can benefit from shared scale and expertise. The Firm focuses on clients that typically have \$100 million of investable assets or more. Wealth Strategist Partners works with each client to codify long term investment goals in the context their wealth is intended to play in their lives. We seek to create for each client a comprehensive multi-asset class investment strategy that is integrated with each client’s total family enterprise, including its objectives, tax situation, estate plans, culture and governance. Often, our clients have concentrated holdings, such as ownership of a family business; such circumstances are carefully considered in the formulation of plans for a client’s investment of financial assets.

Once objectives are clarified, we work with each client to set up an investment strategy and process, and to put in place effective infrastructure, including performance reporting.

Wealth Strategist Partners does not make individual security purchases; rather, the Firm recommends investments with independent investment managers and/or independently managed investment products, including separately managed accounts, mutual funds, exchange traded funds and collective investment vehicles such as limited partnerships. Wealth Strategist Partners' senior investment advisers have deep experience across multiple asset classes.

We do not provide tax, legal, or accounting advice, but coordinate closely with our clients' administrative teams and third-party subject matter experts to anticipate problems and deliver solutions.

Wealth Strategist Partners is a non-discretionary adviser; we make specific recommendations to our clients, but do not have authority to make investment decisions for our clients. Wealth Strategist Partners does not have custody of our clients' assets. We work with custodian financial institutions chosen by our clients; we frequently lead searches for improved custody and reporting services for our clients. We believe that this division of responsibilities protects the security of our clients' assets.

In addition, Wealth Strategist Partners is engaged to provide wealth management strategy consulting, which is separate and distinct from our advisory services described above. Wealth Strategist Partners also provides wealth management education services in the U.S. and Europe to wealthy families, primarily in cooperation with the University of Chicago Booth School of Business. From time to time, Wealth Strategist Partners also offers custom wealth management education programs, typically to individual families. We do not consider these education services to be advisory in nature. We believe that these services further Wealth Strategist Partners' mission of serving wealthy families.

**C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.**

As principals serving principals, we understand that investing resides within a holistic wealth management strategy and a broader family context that is informed by family values, tax, spending, investment experience, risk management and opportunity. Our clients often own operating businesses or hold concentrated positions that are legacies of family businesses or large real estate holdings. At Wealth Strategist Partners, each client relationship is uniquely structured, from investment portfolio and strategy to administration and communication process. We work with each client to establish a detailed investment policy, including determining investment goals and risk tolerance, establishing asset allocation parameters, establishing cash flow and liquidity requirements, and setting reasonable expectations for investment returns. Based on the risk and return objectives set forth in each client's investment policy, the Firm recommends investments to create a diversified portfolio that best fits with the client's goals and priorities and the opportunity set presented by changing market conditions.

To create customized, diversified investment portfolios, we identify and recommend independent investment managers and investment products in a range of asset classes. We monitor each of the recommended investments, including each investment's asset class and exposure and periodically recommend rebalancing, tactically shifting focus and new investments as client circumstances change

and/or market events dictate. Wealth Strategist Partners works with trustees, family offices, other professional staff and/or the client directly to design custom performance measurement systems which enable them to conduct performance reporting, portfolio evaluation and investment administration.

- D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.**

Wealth Strategist Partners does not participate in wrap fee programs.

- E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non- discretionary basis. Disclose the date “as of” which you calculated the amounts.**

As of December 31, 2018, Wealth Strategist Partners managed \$262,185,704 in regulatory assets under management, all managed on a non-discretionary basis.

## **Item 5 Fees and Compensation**

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- A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.**

Wealth Strategist Partners is paid a fee in consideration for the investment management advisory services we provide to our clients. Fees are negotiated as a fixed rate based on a percentage of a client’s assets under management and depend on each client’s specific circumstances. We determine each client’s fee in our sole discretion generally at the time a relationship is established. Fees are billed to clients quarterly in arrears. Clients pay a pro rata portion of the management fee for any quarter during which they either become a new client or the client relationship is terminated.

For consulting services, we are paid a fee based on time, risk, value-added and the nature of the advice required. For educational services, we are paid a fee per course-day delivered, plus costs incurred, depending on whether the course is a university-based open-enrollment course or a private course for a family.

- B. Describe whether you deduct fees from clients’ assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.**

Wealth Strategist Partners generally bills clients for services rendered or incurred, quarterly in arrears, or, depending on the nature of the services provided, partially at the outset and partially at the completion of a project.

- C. Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that**

**clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.**

Wealth Strategist Partners does not charge expenses to its clients related to routine out-of-pocket expenses or all other usual expenses incurred by us in the performance of our services. If we anticipate incurring unusual or extraordinary expenses, we agree to discuss such expenses with the client and to provide an estimate of same, in advance, for the purpose of obtaining such client's approval.

In addition, clients typically incur third-party investment management, brokerage, custodial, administration, reporting/performance measurement and other transaction fees in connection with the implementation of their investment management strategy. These additional fees are negotiated between the client and each third party. Wealth Strategist Partners has no discretion in the negotiation of these fees. However, those clients using Charles Schwab & Co. ("Schwab") as its custodian are able to avail themselves of previously negotiated pricing between Wealth Strategist Partners and Schwab. See also "Brokerage Practices" in Item 12 of this brochure. Additionally, Wealth Strategist Partners has negotiated reduced fees with several investment managers, all of the benefits of which are passed through to the clients.

**D. If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.**

As mentioned above, clients generally pay fees in arrears, or, depending on the nature of the services provided, partially at the outset and partially at the completion of a project.

**E. If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5 E.4.**

Neither Wealth Strategist Partners nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

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

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**If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance- based fee, and describe generally how you address these conflicts.**

Wealth Strategist Partners does not accept any performance-based fees.

## Item 7 Types of Clients

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**Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.**

Wealth Strategist Partners' clients are ultra-high net worth individuals and families, including their family limited partnerships, family offices, investment committees, and related trustees with a particular focus on taxable assets. For new investment management clients, we generally require a minimum account size of \$100 million in investible assets. We have accepted clients with less than \$100 million in our sole discretion.

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

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**A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.**

Wealth Strategist Partners works with individuals and families (and their affiliated investment structures) of significant wealth. We hand make each client relationship, portfolio investment and communication process. Wealth Strategist Partners' investment analysis focuses on research to develop investment themes and the identification and evaluation of investment managers and investment products we believe are likely to perform well as these themes mature. Our investment strategy and implementation recommendations are based on a nuanced understanding of each client's specific situation. We then advise that clients implement investments with the recommended managers/products within the framework of each client's investment policy and market conditions.

Our investment philosophy is based on fundamental investment analysis. Each of our senior investment professionals has more than 30 years of investment management and research experience, and uncommon experience with families. Our approach to identifying asset classes and investment managers in which to invest is research intensive and adjusted to the specific characteristics of each situation. We offer full open architecture for each client's portfolios. In evaluating asset classes, investment managers and investment products, we regularly review literature on the nature of the public and private securities markets, financial newspapers and other business publications, research materials prepared by others and manager reports. Wealth Strategist Partners' investment professionals attend investment fund meetings, meet one-on-one with and correspond with investment managers and seek out practitioners and subject matter experts around the world about investments, valuation, industry dynamics, economics, politics, demographics, technological innovation and related investment topics.

We believe that taxable investors require a different approach to risk and reward. We focus on meeting each client's specific objectives, measured as the return that actually accrues to a client net of all forms of friction. Taxable investors' long-term success requires a coordinated approach to investment. Investment value creation, as well as both tax and estate value creation, all impact our clients' multi-generational wealth objectives. Too often, friction costs overwhelm value added from public markets security selection. Thus, we recommend low cost, diversified, tax efficient portfolios as a central



component of clients' investment strategies. We believe that the potential for investment alpha is most likely found in less efficient markets and therefore focus our investment research in these areas.

While our clients' portfolios are customized to each client, most portfolios we recommend involve a combination of public equity managers, private equity fund managers, other investment managers, and other financial service products. Wealth Strategist Partners believes that, in efficient public equity markets, the probability of investment managers consistently adding value through active selection of stocks in broadly diversified portfolios is low, and any value-added net of fees and taxes is likely to be at best modestly positive relative to passive strategies. In addition, publicly traded securities, both stocks and bonds, carry a variety of systemic and specific risks. Therefore, when selecting or recommending managers or investment products in efficient public markets, Wealth Strategist Partners usually prefers broadly diversified, low-cost investment portfolios that limit the specific risk of any particular company. We focus our research on identifying investment opportunities where the combination of inefficient markets, differentiated investment strategies and proficient investment managers create greater possibilities for outperformance net of fees and taxes; often, these are in private markets.

As appropriate to each client's objectives and risk tolerance, Wealth Strategist Partners recommends investments with selected private equity and related funds (including certain distressed debt, real estate and venture capital funds). These funds have considerable illiquidity risk and often hold concentrated portfolios. These types of funds may participate in less efficient markets with greater pricing anomalies, which may benefit or disadvantage either the buyer or the seller. Today, a great deal of expertise is applied to the marketing of new private equity funds, and the number of funds has grown considerably; these factors make it increasingly difficult to differentiate firms truly exceptional at investing from those that are superb marketers.

Wealth Strategist Partners is extremely selective when recommending hedge funds due to the lack of transparency, the prevalence of high fees, a tendency toward tax-inefficient trading strategies, and risks that are not generally apparent, including cross-collateralization of liabilities. Wealth Strategist Partners recommends investments in market capitalization, industry- or geography-specific funds to gain exposure in markets that we believe are particularly attractive, or with managers we believe have valuable skills and other resources that are difficult to replicate.

We recommend other investment advisers and managed investment products. The independent investment managers or investment products recommended inherently have their own risk factors. While Wealth Strategist Partners performs detailed due diligence and monitors the managers and/or investment products that it recommends, there is no assurance that our analysis of investment themes or investment managers will be correct, or that our clients' investments with such managers or products will be free of fraud, abuse or other anticipated or unanticipated risks. Furthermore, Wealth Strategist Partners provides its investment advice on a non-discretionary basis and with the expectation that our recommendations for manager selection and shifts in asset allocation will be acted upon by that client's financial administrator in a timely manner. If this is not the case, our accountability for performance and our effectiveness will be reduced. It is also possible that a client or the client's independent advisers will selectively implement Wealth Strategist Partners' recommendations in such a way that the performance experienced by the client may diverge from the performance the client would have experienced had all of our recommendations been acted upon in a timely manner.

Before recommending any manager or investment product to our clients, we conduct extensive due diligence. The due diligence process includes direct research such as examining underlying

governing documents and offering materials, the investment team's experience, sophistication and depth, and the firm's operational processes and infrastructure, as well as indirect methods of analysis, such as reference checks and public filings. Further, there is often an additional level of diligence performed by the custodians who hold assets for a client. Most, if not all, custodians perform their own independent review of a client's third-party managers prior to allowing such managers on the custodian's platform, if applicable.

Despite this extensive due diligence, it is impossible to be aware of all of the risks of investing in any particular manager or investment product. Clients should be prepared to bear a loss of their investment.

**B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.**

There are many market-related and other factors, some of which cannot be anticipated, that could result in an investor losing a portion or all of its investment or prevent an account from generating profits. The data that we review is generally considered reliable but cannot be guaranteed, nor have we verified its accuracy. In addition, the data that we review is sometimes subjective in nature and open to interpretation. Even if the data and our interpretation of the data is correct, there may be other factors that determine the value of a portfolio other than those considered in fundamental analysis.

### **Principal Investment Risk**

No investment is free of risk. Current and prospective clients are cautioned that investments in securities involve risk of loss, including the possibility of a complete loss of the amount invested, and that they should be prepared to bear these risks. Based on the types of investments that we recommend, all clients should be aware of certain risk factors, which include, but are not limited to, the following:

*Investing in Securities Involves Risk of Loss that Clients Should Be Prepared to Bear.* A client may lose money (both principal and any earnings) or fail to make money on an investment. We cannot guarantee that we will achieve a client's investment objectives.

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

*Alternative Investments Risk.* We recommend to clients the use of alternative investments, such as investments in real estate, private equity funds or venture capital funds. The underlying investment funds may utilize highly speculative investment techniques, including leverage, highly concentrated

portfolios, senior securities positions, control positions and illiquid investments. The underlying investment funds may also utilize derivative instruments to attempt to hedge the risks associated with certain of their investments. Such derivative transactions have the potential to expose the assets of such investment funds to the risks of material financial loss, which may in turn adversely affect the financial results of the client. While recommended investments in alternative asset managers have benefits for our clients, the performance of alternative asset managers can be more volatile than managers of publicly traded securities, both on an absolute basis and relative to market benchmarks. In addition, alternative managers are generally less regulated. Therefore, there is considerably greater risk of loss and analytical error when investing in alternative asset managers. In addition, some alternative investments are illiquid, which typically makes it difficult or impossible to determine the price or timing to exit from an investment or manager.

Clients who invest in such investment funds will pay Wealth Strategist Partners' advisory fees and those of the underlying investment managers, and certain other fees and expenses of underlying investment funds in which the client invests. Investors in such investment funds typically also pay carried interest, performance or incentive allocations to an underlying manager or sponsor of an underlying investment fund in which they invest. Clients receive information regarding the fees, expenses and risks of an alternative manager directly from such manager when determining whether or not to invest with the manager.

*No Right to Control Third Parties Investment Products.* We have no opportunity to control the day-to-day operations of the investment managers and investment products we recommend for our clients. Most investment managers have the authority to change the level of risk in their products after clients invest; even if such a change becomes apparent and is troubling to us, it may not be possible or practical for the client to sell such investments.

*Highly Volatile Markets.* The prices of financial instruments in which a client may invest can be highly volatile. Price movements of forward and other derivative contracts in which a client may be invested are influenced by, among other things: interest rates; changing supply and demand relationships; trade, fiscal, monetary and exchange control programs and policies of governments; and national and international political and economic events and policies. Each client account is subject to the risk of failure of any of the exchanges on which their respective positions trade or of their clearinghouses.

*Exchange Traded Funds.* A client may invest in exchange-traded funds ("ETFs"), which are shares of publicly traded unit investment trusts, open-end funds, or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indices may be either broad-based, sector, or international. However, ETF shareholders are generally subject to the same risk as holders of the underlying securities they are designed to track. ETFs are also subject to certain additional risks, including, without limitation, the risk that their prices may not correlate perfectly with changes in the prices of the underlying securities they are designed to track, and the risk of trading in an ETF halting due to market conditions or other reasons based on the policies of the exchange upon which the ETF trades. In addition, a client may bear, along with other shareholders of an ETF, its pro rata portion of the ETF's expenses, including management fees.

*Cybersecurity Risk.* Wealth Strategist Partners, its clients and service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Firm and its clients, despite the efforts of service providers to adopt

technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Firm and its clients. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to the systems of the Firm, its clients, their service providers or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of such systems to disclose sensitive information to gain access to confidential data. A successful penetration or circumvention of the security of such systems could result in the loss or theft of data or assets, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause Wealth Strategist Partners to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.

- C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.**

Please see Item 8.A and 8.B, above.

## **Item 9 Disciplinary Information**

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**If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.**

Like other registered investment advisers, Wealth Strategist Partners is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Wealth Strategist Partners or the integrity of Wealth Strategist Partners management. No events have occurred at Wealth Strategist Partners that are applicable to this Item.

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

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- A. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.**

Neither Wealth Strategist Partners nor any management person is registered or has an application pending to register as a broker-dealer or a registered representative.

- B. If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities, disclose this fact.**

Neither Wealth Strategist Partners nor any of its management persons is registered or has an application pending to register as a futures commission merchant, commodity pool operator, commodity-trading adviser, or associated person of the foregoing, and Wealth Strategist Partners does not anticipate such affiliations in the future.

**C. Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.**

1. Broker-dealer, municipal securities dealer, or government securities dealer or broker
2. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
3. Other investment adviser or financial planner
4. Futures commission merchant, commodity pool operator, or commodity trading adviser
5. Banking or thrift institution
6. Accountant or accounting firm
7. Lawyer or law firm
8. Insurance company or agency
9. Pension consultant
10. Real estate broker or dealer
11. Sponsor or syndicator of limited partnerships

Wealth Strategist Partners has no arrangements with a related person who is a broker-dealer, an investment company, financial planning firm, futures commission merchant, commodity pool operator, commodity trading adviser, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or sponsor or syndicator of limited partnerships that are material to its advisory services or its clients.

As mentioned in Item 5 above, Wealth Strategist Partners has negotiated favorable commissions or fee structures with several fund managers and may negotiate other favorable fee arrangements for its clients in the future. In addition, while not material, we have made early stage investments with various private fund advisers who in turn provide our clients and employees of our Firm with preferential terms on an investment with such adviser(s).

**D. If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.**

As part of our services to our clients, we recommend third-party investment managers and products to our clients. We receive no compensation, directly or indirectly, from such investment managers; any scale-based reductions in fees we attain are passed through to our clients in full. Further, no additional fees are charged surrounding these investments and any investment recommendations made will be within each client's agreed-upon investment criteria. Wealth Strategist Partners believes that no material conflicts of interest arise in connection with these investments.

For some clients, and solely upon such client's request, we recommend or manage a search for custodians. However, we have no financial interest and receive no benefit from the custodian for these recommendations.

From time to time, Wealth Strategist Partners receives training, information, promotional material, meals, gifts, prize drawings or other perquisites from vendors and others with whom we do business or to whom we make referrals. However, at no time will we accept any benefits, gifts or other arrangements that are conditioned on directing individual client transactions to a specific security, product or provider.

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

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- A. If you are an SEC-registered adviser, briefly describe your Code of Ethics adopted pursuant to SEC Rule 204A-1 or similar state rules. Explain that you will provide a copy of your Code of Ethics to any client or prospective client upon request.**

### **Code of Ethics**

As fiduciaries, Wealth Strategist Partners and its supervised persons have certain legal obligations to put clients' interests ahead of their own. Wealth Strategist Partners has adopted a written code of ethics pursuant to Rule 204A-1 of the Advisers Act based on principles of openness, honesty, integrity and trust that sets forth the standards of conduct expected of supervised persons. The code of ethics includes a prohibition on insider trading and outlines strict policies that dictate how any material nonpublic information is treated. The code of ethics addresses personal trading and reporting of personal securities transactions, gifts and entertainment and outside business activities, among other topics. At least once a year, each Wealth Strategist Partners supervised person is required to acknowledge the code of ethics and agree to be bound by it.

Supervised persons of Wealth Strategist Partners who violate the code of ethics will be subject to remedial actions, including, but not limited to, censure, suspension or termination. Supervised persons are also required to promptly report any violations of the code of ethics of which they become aware.

Wealth Strategist Partners will provide a copy of its code of ethics to existing clients upon request to its Chief Compliance Officer, Susan Lucas, at (312) 863-6080.

- B. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.**

### **Participation or Interest in Client Transactions**

Wealth Strategist Partners' principals invest in investment products or with investment managers that we also recommend to our clients. In addition, some of our principals are direct or indirect beneficiaries of family entities for which Wealth Strategist Partners is the investment adviser. We often recommend the same investments to family entities as to other clients. We do not believe that

these investment practices create a conflict of interest but rather reflect an alignment of interest between us and our clients.

### **Conflicts of Interest**

Certain inherent conflicts of interest may arise from the fact that we will carry on substantial investment activities for multiple clients simultaneously. We may recommend investment transactions for certain clients whose investments differ from investments recommended for other clients, even though their investment objectives may be the same or similar. This can occur due to different timing of client account opening or funding/withdrawals, as well as differences in client account sizes, investment objectives and guidelines, and various other differences among our clients and their respective accounts. We believe that the potential conflicts among client accounts are mitigated by the nature of our investment program, as described above, which generally focuses on personalized client investment objectives and recommending a relatively small number of investment managers and investment products.

As mentioned throughout this brochure, principals and supervised persons of Wealth Strategist Partners invest (either in their individual accounts or through accounts they control) in many of the same investment managers and investment products that we recommend to our clients. Additionally, Wealth Strategist Partners' principals serve on the limited partner advisory committees of some of the private funds which we recommend to our clients (and in which such principals also personally invest). We do not believe serving on limited partner advisory committees creates a conflict of interest in that these are not paid positions, and only serve further to align our interests with our clients. In addition, Stuart Lucas also serves on the boards of various client investment vehicles. Further, we, along with our clients, have a small investment in the general partner entity of one investment manager in which we have recommended that our clients invest.

If any matter arises that Wealth Strategist Partners determines in its good faith constitutes an actual conflict of interest, we will take such actions as are necessary or appropriate to address the conflict.

- C. If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.**

### **Personal Trading**

Our personal trading policies contained within the code of ethics are designed to ensure that no client is disadvantaged by the transactions executed by a supervised person in his or her personal account and that supervised persons in no respect misappropriate any benefits belonging to a client. In rare cases, Wealth Strategist Partners' business may provide Wealth Strategist Partners and its supervised persons with access to material nonpublic ("insider") information. Our supervised persons are prohibited from trading, either personally or on behalf of others, in securities while in possession of material nonpublic information or communicating material nonpublic information to others. The code of ethics establishes guidelines for personal trading requirements, insider trading and reporting of personal securities transactions, including certain pre-clearance and reporting obligations.

In its role as an investment adviser to its clients, Wealth Strategist Partners and its principals and supervised persons make investment recommendations to their clients. As mentioned above, Wealth Strategist Partners' principals and supervised persons trade and invest for their own accounts (either in their individual accounts or through accounts they control) in the same securities as those in which they invest on behalf of their clients. Also as noted above, we believe that investing in this way furthers the alignment of interests we have with our clients, rather than creating any conflict. Our code of ethics has procedures designated to ensure that supervised persons do not enter into transactions in their personal accounts which could materially disadvantage our clients. We maintain a restricted list of issuers about which we have or may have material nonpublic information. Pre-clearance is required by supervised persons for certain personal securities transactions, including trading in restricted list securities, initial public offerings and certain limited offerings. In addition, our code of ethics requires supervised persons to submit monthly or quarterly brokerage account statements, as applicable, for review. The Chief Compliance Officer reviews these account statements on a quarterly basis in order to identify any conflicts of interest.

- D. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.**

Please see Item 11.B and 11.C above.

## **Item 12 Brokerage Practices**

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- A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).**
- 1. *Research and Other Soft Dollar Benefits.* If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"), disclose your practices and discuss the conflicts of interest they create.**

Wealth Strategist Partners does not select broker-dealers for its clients; however, we do recommend that some of our clients use Schwab as a custodian. We do not receive any consideration in exchange for this recommendation; rather, Wealth Strategist Partners believes, after due diligence, that Schwab offers a combination of services that are best suited for our clients taking into account Wealth Strategist Partners' non-discretionary relationships with its clients and the types of assets in which our clients typically invest. We do not engage in soft dollar benefits.

- 2. *Brokerage for Client Referrals.* If you consider, in selecting or recommending broker-dealers, whether you or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.**

Wealth Strategist Partners does not select broker-dealers for clients; clients select their own broker-dealer for trade execution.



### **3. *Directed Brokerage.***

Wealth Strategist Partners does not engage in directed brokerage activities.

- B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.**

Because we do not have discretionary authority over our client accounts and do not trade securities for our clients, this is not applicable to Wealth Strategist Partners.

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

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- A. Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.**

Senior investment professionals at Wealth Strategist Partners review client accounts at least twice per year or more frequently if so stated in a client's investment management agreement. Reviews are conducted with clients and their investment consultants, managers and custodians as appropriate. Our client account reviews are intended to evaluate performance and to identify investment needs and challenges.

- B. If you review client accounts on other than a periodic basis, describe the factors that trigger a review.**

In addition to the regularly scheduled client account reviews described above, we generally review client accounts when any of the following occur: any major change in the investment environment; any major change in reported investment performance that is inconsistent with the investment environment and the client's risk parameters; any major change in a client's investment objectives or liquidity; any major change in client assets under management; or upon request from a client.

- C. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.**

Wealth Strategist Partners works closely with our clients, with their independent custodians, their trustee organizations and their family offices, if applicable, to design reporting formats that meet their needs and that also hold the recommended third-party advisers and managers accountable. Reports vary in frequency depending on the nature of the investment and the needs of the client. We may create additional reports based on the needs of each client. Reports are written and are delivered either electronically or via hard copy, as per each client's stated preference.

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

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- A. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the**

**conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.**

Wealth Strategist Partners does not receive any monetary compensation or any other economic benefit from a non-client for the provision of investment advisory services to a client.

**B. If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.**

Neither Wealth Strategist Partners nor a related person directly or indirectly compensates any person who is not a supervised person for client referrals.

## **Item 15 Custody**

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**If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.**

Wealth Strategist Partners does not maintain custody over client accounts, nor do we permit standing letters of authorization for Client accounts. We bill our clients rather than deduct fees directly from their account. Clients have established their own, independent relationships with their chosen qualified custodians and receive statements directly from their chosen custodian. We have further ensured that those independent custodial relationships do not allow us to inadvertently accept custody on behalf of our clients. We urge our clients to compare the statements they receive from their qualified custodians with any statements they receive from us.

## **Item 16 Investment Discretion**

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**If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).**

Wealth Strategist Partners does not accept discretionary authority to manage securities accounts on behalf of clients.

## **Item 17 Voting Client Securities**

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**A. If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC Rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain**

**information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.**

Wealth Strategist Partners does not have authority to vote proxies on behalf of our clients, nor will we accept the authority to do so.

- B. If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.**

As mentioned above, Wealth Strategist Partners does not have the authority to vote client securities.

## **Item 18 Financial Information**

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- A. If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.**

Wealth Strategist Partners does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

- B. If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.**

Wealth Strategist Partners does not have discretionary authority or custody over client funds or securities. Regardless, we do not have any financial condition that impairs our ability to meet contractual and fiduciary commitments to our clients.

- C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.**

Wealth Strategist Partners has not been the subject of a bankruptcy petition.



Wealth Strategist Partners, LLC  
180 North Stetson  
Suite 1310  
Chicago, IL 60601

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Fax. (312) 863-6087  
[www.wealthstrategistpartners.com](http://www.wealthstrategistpartners.com)

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## Form ADV Part 2B: BROCHURE SUPPLEMENT

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**March 26, 2019**

This brochure supplement provides information about Wealth Strategist Partners, LLC (“Wealth Strategist Partners”) that supplements the Wealth Strategist Partners’ brochure. Please contact Susan Lucas, Chief Compliance Officer at (312) 863-6080 if you did not receive Wealth Strategist Partners’ brochure or if you have any questions about the contents of this supplement.

**Stuart E. Lucas**

Year of Birth: 1959

Title: Co-Managing Partner and Chief Investment Officer

180 North Stetson

Suite 1310

Chicago, IL 60601

312-863-6080

**Item 2 – Educational Background and Business Experience**Education:

Mr. Lucas received a bachelor's degree with high honors from Dartmouth College. He also received an MBA from Harvard Business School and is a Chartered Financial Analyst ("CFA"). The CFA designation is an international professional certification offered by the CFA Institute to financial analysts who complete a series of three examinations. To become a CFA charter holder, candidates must pass each of three six-hour exams, possess a bachelor's degree from an accredited institution (or have equivalent education or work experience) and have 48 months of qualified, professional work experience. CFA charter holders are also obligated to adhere to a Code of Ethics and Standards governing their professional conduct.

Business Background:

From 2000 to 2002, Mr. Lucas served as the Senior Managing Director of the Ultra-High Net Worth Group within Private Client Services at Bank One. Prior to his tenure at Bank One, he served as general manager of Wellington Management Company's European operations and as the Assistant Portfolio Manager of a Forbes Honor Roll mutual fund. In addition, for many years, Mr. Lucas has, with Melissa Lucas, co-managed his family's investment relationships.

General Background:

Mr. Lucas has been an investment professional for more than 30 years. As a principal of Wealth Strategist Partners, LLC, Mr. Lucas provides investment management leadership and advice to a small number of wealthy individuals and families, including his own family. For many years, Mr. Lucas (a fourth-generation descendent of E.A. Stuart, founder of the Carnation Company) co-managed his family's investment office with his sister-in-law, Melissa Lucas, and his brother, William. Wealth Strategist Partners is now the investment adviser to the Lucas family investment entities.

Designation

Mr. Lucas is the Co-Managing Partner and Chief Investment Officer of Wealth Strategist Partners.

**Item 3 – Disciplinary Information**

Mr. Lucas has never been the object of any legal or disciplinary event, proceeding or action.

#### **Item 4 – Other Business Activities**

In 2015, Mr. Lucas was named an Adjunct Professorship in Finance at the University of Chicago Booth School of Business. He designed and teaches Booth's Private Wealth Management executive education programs in Chicago and Madrid. He is the author of the book, *Wealth: Grow It and Protect It*, is a featured speaker around the world, and author of numerous articles on wealth management. In addition, Mr. Lucas serves on the boards of National Public Radio Foundation and the Stuart Foundation. He chairs the investment committee of NPR, Inc. and serves on the investment committee of the Stuart Foundation. Mr. Lucas co-manages the Lucas family investment relationships. Mr. Lucas does not believe that these other business activities create a conflict of interest with clients.

#### **Item 5 – Additional Compensation**

Mr. Lucas does not receive an economic benefit for providing advisory services, other than regular salary, bonus and profit distributions to owners, if any, paid by Wealth Strategist Partners. Neither he nor Wealth Strategist Partners is compensated for his eleemosynary activities.

#### **Item 6 – Supervision**

Mr. Lucas is subject to the Firm's code of ethics and is supervised for compliance matters by Mrs. Lucas, Wealth Strategist Partners' Chief Compliance Officer. Mrs. Lucas can be reached at (312) 863-6080. For investment matters, the principals of Wealth Strategist Partners formulate customized investment programs for each client, which each client and, if applicable, such client's independent advisers have the discretion to follow.

**Rodney L. Goldstein**

Year of Birth: 1952

Title: Co-Managing Partner

180 North Stetson

Suite 1310

Chicago, IL 60601

312-863-6080

**Item 2 – Educational Background and Business Experience****Education:**

Mr. Goldstein received a B.A. from Princeton University and an M.B.A. from Wharton School of the University of Pennsylvania. He graduated from Phillips Academy, Andover.

**Business Background:**

Prior to joining Wealth Strategist Partners in 2017, Mr. Goldstein served as a managing partner at Windhorse Capital Management, LLC from 2016 to 2017. Before Windhorse, Mr. Goldstein served as a managing director at Frontenac Company, a Chicago-based private equity investment firm, where he worked for over 30 years, including 22 years as the firm's Chairman.

He presently serves as an independent director of two large, closely-held companies, The Boler Corporation and MacLean-Fogg Corporation.

**General Background:**

Mr. Goldstein has been an investment professional and has worked with business-owning families and family investors for over 35 years. He serves and has served as a lead director and director of numerous privately held and public corporations.

**Designation**

Mr. Goldstein is the Co-Managing Partner of Wealth Strategist Partners.

**Item 3 – Disciplinary Information**

Mr. Goldstein has never been the object of any legal or disciplinary event, proceeding or action.

**Item 4 – Other Business Activities**

Mr. Goldstein is a frequent speaker on family and family business-related topics. He is a trustee of the University of Chicago and is immediate past chair of the University of Chicago Medical Center board of trustees and has served on the Phillips Academy – Andover investment committee since 1988, where he is a former trustee, among other current involvements. Mr. Goldstein is a member of the Commercial Club of Chicago, past vice chair of the Economic Club of Chicago and a past director of the National Venture Capital Association. Mr. Goldstein does not believe that these other business activities create a conflict of interest with clients.

**Item 5 – Additional Compensation**

Mr. Goldstein currently provides consulting services to a private equity manager. The manager has no relationship with current Wealth Strategist Partners' clients and Wealth Strategist Partners does not recommend this manager to its clients.

**Item 6 – Supervision**

Mr. Goldstein is subject to the Firm's code of ethics and is supervised for compliance matters by Mrs. Lucas, Wealth Strategist Partners' Chief Compliance Officer. Mrs. Lucas may be reached at (312) 863-6080. For investment matters, the principals of Wealth Strategist Partners formulate customized investment programs for each client, which each client and, if applicable, such client's independent advisers have the discretion to follow.



**Susan Koenigsberg Lucas**

Year of Birth: 1961

Title: Chief Operating Officer and Chief Compliance Officer

180 North Stetson

Suite 1310

Chicago, IL 60601

312-863-6080

**Item 2 – Educational Background and Business Experience****Education:**

Mrs. Lucas received a bachelor's degree with honors in economics from Wellesley College and a Master's degree from the University of Chicago.

**Business Background:**

Prior to Mrs. Lucas joining Wealth Strategist Partners, she was on the senior team at Talisman Management, a private equity firm, and managed the consulting practice at B2P Commerce Corp. based in Chicago. Earlier in her career, she worked as a strategy consultant at the Boston Consulting Group and at Bain and Company, doing corporate strategy work for Fortune 500 companies in the U.S. and Europe.

**Designation**

Mrs. Lucas is the President and Chief Compliance Officer of Wealth Strategist Partners.

Mrs. Lucas is the spouse of Mr. Lucas.

**Item 3 – Disciplinary Information**

Mrs. Lucas has never been the object of any legal or disciplinary event, proceeding or action.

**Item 4 – Other Business Activities**

Mrs. Lucas serves on the Board of Trustees for Wellesley College. Additionally, Mrs. Lucas serves as Co-Chair of Legacy Charter School. Mrs. Lucas does not believe that these outside business activities create a conflict of interest with clients.

**Item 5 – Additional Compensation**

Mrs. Lucas does not receive an economic benefit for providing advisory services, other than regular salary, bonus and profit distributions to owners, if any, paid by Wealth Strategist Partners. Neither she nor Wealth Strategist Partners is compensated for her eleemosynary activities.

**Item 6 – Supervision**

Mrs. Lucas is Wealth Strategist Partners' Chief Compliance Officer and, in that capacity is responsible for ensuring that the Firm's personnel comply with all compliance policies and procedures. Since

Mrs. Lucas cannot supervise her own activities, Stuart Lucas is responsible for reviewing compliance related policies as they apply to Mrs. Lucas. Mr. Lucas can be reached at (312) 863-6080. For investment matters, the principals of Wealth Strategist Partners formulate customized investment programs for each client, which each client and, if applicable, such client's independent advisers have the discretion to follow.

**Melissa Friedman Lucas**

Year of Birth: 1962

Title: Client Chief Investment Officer

180 North Stetson

Suite 1310

Chicago, IL 60601

312-863-6080

**Item 2 – Educational Background and Business Experience****Education:**

Mrs. Friedman Lucas received her bachelor's degree, summa cum laude, in biochemical sciences from Princeton University.

**Business Background:**

For more than a decade, Mrs. Friedman Lucas was a principal in the Lucas family office. She continues to provide investment leadership and advice to the Lucas investment entities, co-managing with Mr. Lucas the Lucas family investment relationships, and also acts as Chief Investment Officer for another extended family, leading the process of managing their liquid wealth following the sale of their family business.

Prior to her work for wealthy families, Mrs. Friedman Lucas was with the Capital Group Companies ("the Capital Group"). She joined the Capital Group as part of the Associates program, from which she graduated to become a chemical analyst and investor within Capital Guardian Trust Company. Subsequently Mrs. Friedman Lucas moved to Capital Research Company, where she researched the chemical and health care industries and managed nearly \$500 million of investments, influencing investment in these areas throughout the American Funds family of mutual funds.

**Designation**

Mrs. Friedman Lucas is the Client Chief Investment Officer of Wealth Strategist Partners.

**Item 3 – Disciplinary Information**

Mrs. Friedman Lucas has never been the object of any legal or disciplinary event, proceeding or action.

**Item 4 – Other Business Activities**

Mrs. Friedman Lucas, along with Mr. Lucas, co-manages the Lucas family investment relationships. Mrs. Friedman Lucas does not believe that this other business activity creates a conflict of interest with clients.

**Item 5 – Additional Compensation**

Mrs. Friedman Lucas does not receive an economic benefit for providing advisory services, other than regular salary, bonus and profit distributions to owners, if any, paid by Wealth Strategist Partners.

**Item 6 – Supervision**

Mrs. Friedman Lucas is subject to the Firm's code of ethics and is supervised for compliance matters by Mrs. Susan Lucas, Wealth Strategist Partners' Chief Compliance Officer. Mrs. Lucas may be reached at (312) 863-6080. For investment matters, the principals of Wealth Strategist Partners formulate customized investment programs for each client, which each client and, if applicable, such client's independent advisers have the discretion to follow.