

# FORM ADV PART 2 DISCLOSURE BROCHURE



March 28, 2019

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This brochure provides information about the qualifications and business practices of Walkner Condon Financial Advisors, LLC. Being registered as a registered investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 608-234-4127. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Walkner Condon Financial Advisors, LLC (IARD#160109) 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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This Brochure is the disclosure document Walkner Condon Financial Advisors, LLC ("WCFA") prepared according to regulatory requirements and rules. WCFA is required to amend this Brochure when information becomes materially inaccurate. This Item 2 will be used to provide you with a summary of new and/or updated information since the previous Brochure. We will inform you of the revisions based on the nature of the updated information.

Effective March 27, 2019, WCFA became registered with the U.S. Securities and Exchange Commission, and as a result of this change in registration, WCFA withdrew from State registration effective March 28, 2019. The change in registration was necessitated by the increase in the amount of regulatory assets under our management.

Effective January 1, 2019, Jonathon Jordan became an owner of WCFA.

WCFA now offers an alternate flat fee option for its asset management services to advisory clients. See Item 5 for further information.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year. We will also provide you with other interim disclosures about material changes to the information provided in this Brochure as necessary or required.

Whenever you would like to receive a complete copy of the current Brochure, please contact us at (608) 234-4127. We will be happy to provide you with a complete copy.

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## Item 4: Advisory Business

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### Firm Description

Walkner Condon Financial Advisors, LLC ("WCFA" or "we") was formed as a Wisconsin Limited Liability Company in December 2011. CFA is a fee-only financial planning and investment management firm registered with the U.S. Securities and Exchange Commission.

Clinton Walkner, Nathan Condon and Jonathon Jordan are the owners of WCFA.

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### Types of Advisory Services

**Asset Management Services:** WCFA offers discretionary and non-discretionary asset management services to advisory clients. WCFA offers its clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, and portfolio monitoring will be based on the above factors.

- Discretionary: When the client provides WCFA discretionary authority, WCFA will have the authority to execute transactions in the account without seeking client approval on each transaction.
- Non-discretionary: When the client elects to use WCFA on a non-discretionary basis, WCFA will determine the securities to be bought or sold and the amount of the securities to be bought or sold. However, WCFA will obtain client approval prior to executing any transactions.

The goals and objectives for each client are documented in our client files. Investment strategies are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

When deemed appropriate for the client, WCFA may hire sub-advisors to manage all or a portion of the assets in a client's account. WCFA has full discretion to hire and fire sub-advisors as we deem suitable. Sub-advisors will maintain the models or investment strategies agreed upon between Sub-advisor and WCFA. Sub-advisors execute all trades on behalf of WCFA in clients' accounts. WCFA will be responsible for the overall direct relationship with clients regardless of whether a Sub-Advisor is used.

**ERISA Plan Services:** WCFA provides service to qualified and non-qualified retirement plans. WCFA acts as a 3(21) fiduciary advisor.

WCFA acts as a limited scope ERISA 3(21) fiduciary that can advise, help, and assist plan sponsors with their investment decisions on a non-discretionary basis. The plan sponsor retains the discretion to make decisions on behalf of the plan.

Limited Fiduciary Services can include:

- Provide non-discretionary investment advice to the plan sponsor regarding asset classes and investment alternatives available in accordance with the plan's investment policies and objectives. The client will make the final decision regarding the initial selection, retention, removal and addition of investment options.
- Assist the client with the selection of a broad range of investment options consistent with ERISA Section 404(c) and the regulations thereunder, although the client will make the ultimate decision on the selection.
- Assist the client in the development of an investment policy statement establishing the investment policies and objectives for the plan. The client retains the responsibility and authority to establish such policies and objectives and to adopt and amend the investment policy statement.

- Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the investment policy statement and make recommendations to maintain, remove or replace investment options.
- Provide non-discretionary investment advice to the plan sponsor with respect to the selection of a qualified default investment alternative for participants who are automatically enrolled in the plan or who have otherwise failed to make investment elections. The client retains the sole responsibility to provide all notices to the plan participants required under ERISA.

WCFA will not provide advice to a plan regarding the following types of assets: employer securities; real estate (except for real estate funds or publicly traded REITs); stock brokerage accounts or mutual fund windows; participant loans; non-publicly traded partnership interests; other non-publicly traded securities or property (other than collective trusts and similar vehicles); or other hard-to-value or illiquid securities or property

Non-fiduciary Services can include:

- Assist in the education of plan participants about general investment information and the investment alternatives available to them under the plan. In providing investment education to plan participants, WCFA does not provide investment advice concerning the prudence of any investment option, or combination of the same, for a particular participant or beneficiary under the plan.
- Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

***Consulting Services for Assets Held Away:*** WCFA offers qualified plan consulting services to clients for assets not under the management of WCFA. In such instance, WCFA will meet with the client for information gathering. WCFA will review the investment options available. WCFA will make investment recommendations to the client based on the investment options available and the client's financial objectives in a face to face meeting. WCFA will not implement any recommendations. The client will retain the sole discretion to implement any investment recommendations.

***Third Party Asset Management Services:*** WCFA may solicit the services of third party money managers (TPM) to manage client accounts. WCFA will assume discretionary authority to hire and fire TPM on behalf of clients and/or reallocate client assets to other TPMs. WCFA acts as the liaison between the client and the TPM in return for an ongoing portion of the advisory fees charged by the TPM. WCFA may receive solicitor fees from the TPM.

WCFA helps the client complete the necessary paperwork of the TPM, provides ongoing services to the client, will provide the TPM with any changes in client status as provided to WCFA by the client and review the quarterly statements provided by the TPM. WCFA will deliver the Form ADV Part 2, Privacy Notice and Solicitors Disclosure Statement of the TPM to the clients. Clients placed with TPM will be billed in accordance with the TPM's fee schedule which will be disclosed to the client prior to signing an agreement. This is detailed in Item 10 of this brochure.

***Financial Planning Services:*** WCFA offers financial planning services to its clients. these services include, but are not limited to, a thorough review of all applicable topics including estate planning, tax planning, and insurance planning. WCFA will not implement any recommendations. The client will retain the sole discretion to implement any financial planning recommendations.

***Seminars and Educational Workshops:*** WCFA holds seminars and workshops to educate the public on different types of investments and the different services they offer. The seminars are educational in nature and no specific investment or tax advice is given.

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## Wrap Fee Programs

WCFA does not sponsor any wrap fee programs.

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## Client Assets under Management

As of December 31, 2018, WCFA provided continuous management services for \$95,630,815 in client assets on a discretionary basis, and \$13,217,192 in client assets on a non-discretionary basis, for a total of \$108,848,007 in assets under management.

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## Information Regarding Potential Conflicts of Interest

WCFA may have actual or potential conflicts of interest arising from our advisory services. These may include, but are not limited to, conflicts related to investing in securities recommended to clients and contemporaneous trading of securities (*i.e.*, personal trading) by WCFA or its related persons. Please refer to Item 11 for further information.

Actual or potential conflicts of interest generally can be addressed in a number of ways, including, but not limited to, the following:

- We prohibit the conduct that gives rise to the conflict of interest;
- We comply with an impartial standard conduct, which means we must give advice in the best interests of our clients;
- We give a received benefit to a client;
- We implement procedures to prevent a person from gaining knowledge that may give rise to a conflict;
- We establish benchmarks and parameters for conduct that are designed to protect client interests or limit the benefit that creates the conflict of interest; and/or
- We set a *de minimus* threshold for benefits that are considered too small to influence conduct, and are therefore permitted.

We will always disclose any conflict of interest to our client. WCFA has adopted a Code of Ethics. (Please refer to Item 11 below for further information on our Code of Ethics). We also have policies and procedures in place to mitigate and address conflicts of interest, and believe that such policies and procedures are reasonably designed to treat clients equitably and to advance the best interests of the clients. The clients' best interest are paramount in any situation involving a conflict of interest.

## Item 5: Fees and Compensation

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### Method of Compensation and Fee Schedule

**Asset Management Fees:** WCFA offers discretionary and non-discretionary asset management services to advisory clients. The standard fee schedule for these services are based on a percentage of client assets under management with us as follows:

Assets under Management	Annual Fee
\$1,000,000 or Less	1.00%
\$1,000,001 - \$3,000,000	0.75%
\$3,000,001 - \$5,000,000	0.50%
Over \$5,000,000	0.25%

The standard annual fee may be negotiable. Accounts within the same household may be combined for a reduced fee. Fees are billed monthly in arrears based on the amount of assets managed as of the last

business day of the month. Cash and cash equivalents are generally included in the calculation of the value of the client's assets under management with us for purposes of computing the fee.

WCFA also offers an alternate flat fee option for its asset management services to advisory clients. WCFA charges a flat monthly fee, which fee would generally be based on the amount of assets under management with us and the degree of personalized contact between the client and WCFA. The fee is negotiable between and may vary from client-to-client. This fee is billed monthly in arrears.

The custodian sends the client a statement, at least quarterly, indicating the amount of our fees and all amounts disbursed from the account to WCFA for our fees. The client is responsible for verifying the accuracy of the fee calculation, as the custodian will not verify the calculation.

Generally advisory fees (both the standard fee and the alternate flat fee option) are deducted directly from the clients' accounts by the custodian; such fees will be reflected in the account statement provided by the custodian. Clients may terminate their relationship with WCFA within five (5) business days of signing the investment advisory agreement with us for a full refund and without obligation. Clients may otherwise terminate advisory services on prior notice to us. For accounts opened or closed mid-billing period, WCFA will be entitled to a pro-rata fee for the days services were provided. Client shall be given thirty (30) days prior written notice of any increase in advisory fees.

From time to time, WCFA may also utilize the services of a sub-advisor to manage clients' investment portfolios. WCFA will enter into sub-advisor agreements with other registered investment advisor firms. Sub-advisory fees are automatically deducted from designated client accounts.

***ERISA Plan Services Fees:*** The annual fees are based on the market value of plan's assets and will not exceed 1%. Fees are charged quarterly and in arrears based on the assets as calculated by the custodian or record keeper (without adjustments for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distribution of assets) on the last business day of the previous quarter. If the services to be provided start any time other than the first day of a quarter, the fee will be prorated based on the number of days remaining in the quarter. For accounts opened or closed mid-billing period, WCFA will be entitled to a pro-rata fee for the days services were provided.

***Consulting Services for Assets Held Away Fees:*** WCFA offers consulting services to individuals based on a percentage of the reviewed assets not to exceed 1% of the value of said assets. The payment is due upon delivery of the recommendations. To the extent the person receiving this service is an investment advisory client, the fees are billed to the account managed by WCFA. To the extent the person receiving this services is not an investment advisory client, direct payment is expected.

Services are completed and delivered inside of thirty (30) days dependent upon timely client delivery of required documentation. Client may cancel within five (5) business days of signing an agreement with WCFA with no obligation. If the client cancels after five (5) business days, WCFA is due a pro-rata fee based on the amount of work completed.

***Third Party Asset Management Solicitor Fees:*** WCFA is paid solicitor fees by TPM. The details of the fee structure will be disclosed to the client prior to signing any investment advisory agreement and the client will receive a copy of TPM ADV Part 2. More information is available in Item 10 of this brochure.

***Financial Planning:*** WCFA charges an hourly fee of \$200 for financial planning services with a minimum of three (3) hours. Prior to the planning process, the client will be provided an estimated plan fee. The fee will be due 50% at engagement with the remainder due upon delivery of the completed plan. Services are completed and delivered inside of thirty (30) days. WCFA reserves the right to waive the fee. Client may cancel within five (5) business days of signing an agreement with WCFA with no obligation for a full refund. If the client cancels after five (5) business days, any unearned fees will be refunded to the client, or any unpaid earned fees will be due to WCFA

***Seminars and Educational Workshops:*** WCFA does not charge a fee for attendance to the seminars offered.

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#### Additional Information

WCFA will not take custody or possession of client funds or securities at any time except to the extent that we may deduct fees directly from the client's account(s).

All fees paid to WCFA are separate and distinct from fees and expenses charged by any mutual fund, exchange-traded funds and closed-end funds. Fund fees are described in the respective fund's prospectus. These fees will generally include management fees, various expenses and a possible distribution fee. The client should review all fees being charged on its investments and those charged by WCFA to fully understand the total amount of fees to be paid by the client and to evaluate the advisory services being provided.

In addition, the client is also responsible for paying the fees and expenses charged by an independent, qualified custodian(s). Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

WCFA, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with Clients, etc.).

Clients should be aware that similar advisory services may or may not be available from other investment advisors for similar or lower fees.

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#### External Compensation for the Sale of Securities to Clients

Neither WCFA nor any of its investment advisor representatives receive any external compensation for the sale of securities to clients.

#### **Item 6: Performance-Based Fees and Side-by-Side Management**

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WCFA does not charge performance-based fees or participate in side-by-side management. Performance-based fees are fees which are based on the share of capital gain or capital appreciation of a client's account.

Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged a performance-based fee. We do not charge performance based fees, nor do we provide side-by-side management.

#### **Item 7: Types of Clients**

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WCFA may offer its services to individuals, high net worth individuals, corporations and other business entities, pension and profit sharing plans, charitable organizations, estates and trusts.

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

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##### Methods of Analysis

WCFA may use one or more of the following methods of analysis or investment strategies when providing investment advice to clients:

- ***Third Party Money Manager and Sub-Advisor Analysis.*** We select third party money manager and/or sub-advisor to support different types of product offerings for the client. When we consider the inclusion of a particular investment suitable for our clients, we also evaluate the manager of those products. The different types of third party money managers and/or sub-advisors we select are independent of WCFA and unaffiliated brokers/dealer FINRA member firms and investment



advisory firms. All portfolio managers are subject to the oversight and review of the WCFA both in the manner in which they discharge their advisory services to clients and our compliance program. We perform due diligence on third party money managers and review performance on a regular basis. We track record performance, performance against peers, fund cost, and the managers' ability to stay within their stated discipline. We have full discretion to approve or remove any manager or sub-advisor for our clients.

- **Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). We look at historical and present financial statements of the company, annual reports, governmental filings and business activities. Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock. Individualized analysis of underlying documentation can vary.
- **Technical Analysis.** We may analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not necessarily consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement. Past performance is not a guarantee of future performance.
- **Asset Allocation.** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance, and we seek to create a portfolio using mean variance optimization to maximize potential return relative to portfolio risk. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.
- **Mutual Fund and/or ETF Analysis.** We look at the experience and track record of the manager of the mutual fund or exchange traded fund (ETF) in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

WCFA's analysis methods rely on the assumption that the investment vehicles which we recommend for our clients, the companies whose securities we purchase and sell on behalf of our clients, the rating agencies that review these securities, and other publicly or privately available sources of information about these securities, are providing accurate, timely and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate, misleading or untimely information. This is an ongoing risk with regard to all the strategies discussed below.

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## Investment Strategies

WCFA may use the following strategies in managing client accounts. Investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon the client's predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. The client's restrictions and guidelines may affect the composition of the client's portfolio.

- **Long-term Purchases.** We purchase securities with the idea of holding them in the client's account for some period of time, often a year or longer. Typically, we employ this strategy when we believe the securities to be currently undervalued, and/or we want exposure to a particular asset class over time, regardless of the current projection for this class. A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.
- **Short-term Purchases.** When utilizing this strategy, we purchase securities with the idea of selling them when they reach or pass their price targets. We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

WCFA's investment strategies and advice may vary depending upon each client's specific financial situation. As such, WCFA determines investments and allocations based upon client predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Client restrictions and guidelines may affect the composition of your portfolio.

WCFA's strategies and investments may have unique and significant tax implications. However, unless WCFA specifically agrees otherwise, and in writing, tax efficiency is not WCFA's primary consideration in the management of clients' assets. Regardless of client account size or any other factors, WCFA strongly recommends that clients consult with a tax professional prior to and throughout the investing of assets.

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## Risk of Loss

Investing involves a risk of loss. Clients should be prepared to bear investment loss, including the loss of the original principal. Clients should never presume that future performance of any specific investment or investment strategy will be profitable. Further, there may be varying degrees of risk depending on different types of investments. Clients should know that all investments carry a certain degree of risk ranging from the variability of market values to the possibility of permanent loss of capital. Although portfolios seek principal protection, asset allocation and investment decisions may not achieve this goal in all cases. There is no guarantee a portfolio will meet a target return or an investment objective.

Risks to capital include, but may not be limited to, changes in the economy, market volatility, company results, industry sectors, accounting standards and changes in interest rates. Investments are generally subject to risks inherent in governmental actions, exchange rates, inflation, deflation, and fiscal and monetary policies. Market risks include changes in market sentiment in general and styles of investing. Diversification will not protect an investor from these risks and fluctuations.

Additional risks may include:

- **Market risk:** Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. Stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. Common stock (or its equivalent) is generally exposed to greater risk than preferred stocks and debt obligations of an issuer.

- **Company risk:** There is always a certain level of company or industry specific risk that is inherent in each investment. Although this risk can be reduced through appropriate diversification, it cannot be eliminated. There is the risk that the issuer will perform poorly or have its value reduced based on factors specific to the issuer or its industry. If the issuer experiences credit issues or defaults on debt, the value of the issuer may be reduced.
- **Exchange traded fund and mutual fund risk:** The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will incur additional costs associated with ETFs and mutual funds.
- **Management risk:** Investments managed by us vary with the success and failure of our investment strategies, research, analysis and determination of portfolio securities.
- **Foreign investments risks:** Non-U.S. investments, currency and commodity investments may contain additional risks associated with government, economic, political or currency volatility.
- **Emerging markets risks:** Emerging markets can experience high volatility and risk in the short term.
- **Liquidity risks:** Generally, assets are more liquid if many investors are interested in a standardized product, making the product relatively easy to convert into cash. Specialized investments may have reduced liquidity.
- **Bond risks:** Investments in bonds involve interest rate and credit risks. Bond values change according to changes in interest rates, inflation, credit climate and issue credit quality. Interest rate increases will reduce the value of a bond. Longer term bonds are more susceptible to interest rate variations than shorter term, lower yield bonds.
- **Sector risks:** Investing in a particular sector is subject to cyclical market conditions and changes.
- **Cybersecurity risk.** The computer systems, networks and devices used by us and our service providers employ a variety of protections designed to prevent damage or interruption from computer viruses, network and computer failures and cyberattacks. Despite such protections, systems, networks and devices potentially can be breached. Cyberattacks include, but are not limited to, gaining unauthorized access to digital systems for purposes of corrupting data, or causing operational disruption, as well as denial-of-service attacks on websites. Cyber incidents may cause disruptions and impact business operations, potentially resulting in financial losses, the inability of us or our service providers to trade, violations of privacy and other laws, regulatory fines, reputational damage, reimbursement costs and additional compliance costs, as well as the inadvertent release of confidential information.

Because of the inherent risk of loss associated with investing, we are unable to represent, guarantee or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

## Item 9: Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of us, our business or the integrity of our management or associated persons.

Neither WCFA nor any of our associated persons has any reportable disciplinary events to disclose

## Item 10: Other Financial Industry Activities and Affiliations

WCFA is not a registered broker-dealer, commodity firm, commodity trading advisor, or futures commission merchant, and does not have an application to register for any of the same pending.

WCFA does not recommend investment products in which it receives any form of compensation from the separate account manager or investment product sponsor.

### Recommendations or Selections of Other Investment Advisors and Conflicts of Interest

WCFA solicits the services of TPM to manage certain client accounts. In such circumstances, WCFA receives solicitor fees from the TPM. WCFA acts as the liaison between the client and the TPM in return for an ongoing portion of the advisory fees charged by the TPM. WCFA is responsible for:

- Helping the client complete the necessary paperwork of the TPM;
- Providing ongoing services to the client;
- Updating the TPM with any changes in client status which is provided to WCFA by the client;
- Reviewing the quarterly statements provided by the TPM; and
- Delivering the Form ADV Part 2, Privacy Notice and Solicitors Disclosure Statement of the TPM to the client.

The fee schedule for the TPM with which WCFA has agreements is as follows:

### Morningstar Investment Services (MIS):

<u>Select Stock Basket Strategy Fee Schedule</u>			
<u>Assets Under Management</u>	<u>Total Annual Fee</u>	<u>MIS Fee</u>	<u>WCFA Fee</u>
<u>First \$1MM</u>	<u>1.55%</u>	<u>.55%</u>	<u>1.00%</u>
<u>Next \$4MM</u>	<u>1.50%</u>	<u>.50%</u>	<u>1.00%</u>
<u>Thereafter</u>	<u>1.45%</u>	<u>.45%</u>	<u>1.00%</u>

Annual Minimum MIS Advisory Fee (Custom Series): \$1,375; Annual Minimum MIS Advisory Fee (Strategist Series): \$550.

Clients placed with TPM will be billed in accordance with the TPM's fee schedule which will be disclosed to the client prior to signing an agreement. When referring clients to a TPM, the client's best interest will be the main determining factor of WCFA.

These practices represent conflicts of interest because WCFA is paid a solicitor fee for recommending the TPM and may choose to recommend a particular TPM based on the fee WCFA is to receive. This conflict is mitigated by disclosures, procedures, and our fiduciary obligation to act in the best interest of our clients. Further, Clients are not required to accept any recommendation of a TPM given by WCFA. WCFA will always act in the best interest of the client, and any person providing investment advice on behalf of WCFA must act in the best interests of the client and put that client's interests ahead of the individual's own interests.

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

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### **Code of Ethics Description**

WCFA has adopted a Code of Ethics that sets forth high ethical standards of business and professional conduct which we require our employees to follow. The Code of Ethics outlines proper conduct related to all services provided to clients by the Company and our associated persons, and includes guidelines for compliance with applicable laws and regulations governing our practice. Our goal is to protect our clients' interests at all times and demonstrate our commitment to our fiduciary duties of honesty, good faith and fair dealing.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the e-mail or phone number listed on the cover page of this Brochure.

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### **Personal Securities Transactions and Interests**

Through its professional activities, WCFA and its supervised persons are exposed to potential conflicts of interest and the Code of Ethics contains provisions designed to mitigate certain of these potential conflicts by governing the personal securities transactions of certain of its employees, officers and directors. In particular, the Code of Ethics governs the conduct of certain "access persons" in circumstances where the Company or access persons may desire to purchase or sell securities for their personal accounts that are identical to those recommended by WCFA to its clients. For these purposes, the Code of Ethics defines an "access" person as a supervised person of WCFA that (1) has access to nonpublic information regarding any clients' purchase or sale of securities, (2) has access to nonpublic information regarding the portfolio holdings of any fund the adviser or its control affiliates manage or sponsor, or (3) is involved in making securities recommendations (or has access to such recommendations) to clients that are nonpublic.

Access persons' trades must be executed in a manner consistent with the following principles:

- The interests of client accounts will at all times be placed first.
- All personal securities transactions will be conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility.
- Access persons must not take inappropriate advantage of their positions.
- Preclearance of access persons' transactions in securities in a limited offering or private placement is required.

Access persons must submit quarterly reports regarding securities transactions and newly opened accounts, as well as annual reports regarding holdings and existing accounts. WCFA monitors access persons' personal trading activity at least quarterly to ensure compliance with internal control policies and procedures and our Code of Ethics.

The Code of Ethics does not prevent or prohibit access persons from trading in securities that we may recommend or in which we may invest client assets, but rather prescribes the governing principals relative to the same (see above). As such, it is possible that (1) WCFA or its access persons could recommend to clients, or buy or sell for client accounts, securities in which one or more access persons (including WCFA or its affiliates) has a material financial interest, (2) access persons (including WCFA or its affiliates) could invest in the same securities (or related securities) that we recommend to clients, or (3) WCFA (including its affiliates) and its access persons could recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that one or more access persons (including WCFA or its affiliates) buys or sells the same securities for its own account. This presents a potential conflict in that the access person might seek to benefit himself or herself from this type of trading activity in the same securities, either by trading for personal accounts in advance of client trading activity, or otherwise. All such activity must be in strict adherence with our Code of Ethics and must fundamentally place the clients' interests first. Moreover, it is our policy that neither WCFA nor its associated persons will have priority over a client's account(s) in the purchase or sale of securities.

Neither WCFA nor its associated persons has any material financial interest in client transactions beyond the provision of investment advisory services or other services as disclosed in this Brochure.

WCFA does not engage in principal trading (*i.e.*, the practice of selling stock to advisory clients from our inventory or buying stocks from advisory clients into our inventory). Nor does WCFA engage in agency cross transactions.

WCFA does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, employees may buy or sell securities at the same time they buy or sell securities for clients.

## **Item 12: Brokerage Practices**

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### **Factors Used to Select Broker-Dealers for Client Transactions**

WCFA may recommend the use of a particular broker-dealer or may utilize a broker-dealer of the client's choosing. WCFA will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. WCFA relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by WCFA.

- *Directed Brokerage.* In circumstances where a client directs WCFA to use a certain broker-dealer, WCFA may be unable to negotiate commissions, to obtain volume discounts, and/or block trade, and there may be a disparity in commission charges among clients and conflicts of interest arising from brokerage firm referrals.
- *Best Execution.* Investment advisors who manage or supervise clients' portfolios on a discretionary basis have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. The firm does not receive any portion of the trading fees.
- *Soft Dollar Arrangements.* The Securities and Exchange Commission defines soft dollar practices as arrangement under which products or services other than execution services are obtained by WCFA from or through a broker-dealer in exchange for directing client transactions to the broker-dealer. As permitted by Section 28(e) of the Securities Exchange Act of 1934, WCFA receives economic benefits as a result of commissions generated from securities transactions by the broker-dealer from the accounts of WCFA. These benefits include both proprietary research from the broker and other research written by third parties. A conflict of interest exists when WCFA receives soft dollars. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation to act in the best interest of its clients and the services received are beneficial to all clients.

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### **Aggregating Securities Transactions for Client Accounts**

WCFA is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other clients of WCFA. All clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis.

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

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### **Reviews and Reports**

Account reviews are performed no less frequently than semi-annually by investment advisor representatives of WCFA. Account reviews are performed more frequently when market conditions dictate. Financial Plans are considered complete when recommendations are delivered to the client and a review is done only upon request of client.

Other conditions that may trigger a review of clients' accounts are changes in the tax laws, new investment information, and changes in a client's own situation.

Clients receive written account statements no less than quarterly for managed accounts. Account statements are issued by the custodian. Client receives confirmations of each transaction in account from the custodian and an additional statement during any month in which a transaction occurs.

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

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### **Other Compensation**

WCFA receives a portion of the annual management fees collected by the TPM to whom WCFA refers clients. This situation creates a conflict of interest because WCFA has an incentive to decide what TPM to use because of the higher solicitor fees to be received by WCFA. However, when referring clients to a TPM, the client's best interest will be the main determining factor of WCFA, and each client will have the discretion to not utilize the TPM.

WCFA does not compensate for client referrals.

## **Item 15: Custody**

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### **Account Statements**

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly. Clients are urged to compare the account statements received directly from their custodians to the performance report statements prepared by WCFA.

WCFA is deemed to have constructive custody solely because advisory fees are directly deducted from client's account by the custodian on behalf of WCFA.

## **Item 16: Investment Discretion**

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### **Discretionary Authority for Trading**

When a client hires WCFA to provide discretionary investment advisory services, we have the authority to place trades, buy and sell securities on the client's behalf, determine the amount of the securities to buy and sell, and determine the nature and type of securities to buy and sell without obtaining a client's consent or approval prior to each transaction. In some cases, we will have the authority to hire and fire third-party money managers. Clients who give us discretionary authority will give us a limited power of attorney and/or trading authorization forms to make the above decisions on the client's behalf.

If the client enters into a non-discretionary arrangement with WCFA, we will obtain the client's approval prior to the execution of any transactions in the account(s). With such an arrangement, the client has the unrestricted right to decline to implement advice provided by us on a non-discretionary basis.

**Item 17: Voting Client Securities**

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**Proxy Votes**

Regardless of whether we have discretion over a client's account(s), we will not vote proxies on behalf of any client or respond to any legal notices or class action claims on behalf of a client.

We will instruct the qualified, independent custodian to forward all proxy materials, legal notices and class action information to the client to review. The client should make his or her own informed decision on how to vote or respond to a legal notice. In the event we receive such material, we will forward them directly to the client by mail or by electronic mail (if the client has authorized electronic communication).

**Item 18: Financial Information**

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**Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

WCFA does not have any financial issues that would impair its ability to provide services to clients, and WCFA has not been the subject of a bankruptcy petition at any time. We have no additional financial circumstances to report.