

# Weatherhelm Capital Management LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Weatherhelm Capital Management LLC. If you have any questions about the contents of this brochure, please contact us at (518) 407-3886 or by email at: [clark@weatherhelm.net](mailto:clark@weatherhelm.net). 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 Weatherhelm Capital Management LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Weatherhelm Capital Management LLC's CRD number is: 175019.*

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*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

The material changes in this brochure from the last annual updating amendment of Weatherhelm Capital Management LLC on 03/30/2018 are described below. Material changes relate to Weatherhelm Capital Management LLC's policies, practices or conflicts of interests only.

- Weatherhelm Capital Management LLC has updated their office address. (Cover page)
- Weatherhelm Capital Management LLC now receives soft dollar benefits.
- Weatherhelm Capital Management LLC has updated its fee schedule.
- Weatherhelm Capital Management LLC no longer offers sub-advisory services.
- Weatherhelm Capital Management LLC has added performance-based services.

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

Weatherhelm Capital Management LLC (hereinafter “Weatherhelm”) is a Limited Liability Company organized in the State of New York.

The firm was formed in December 2014, and the principal owner is J. Clark Kastner.

### **B. Types of Advisory Services**

#### ***Portfolio Management Services***

Weatherhelm offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Weatherhelm creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

Weatherhelm evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Weatherhelm will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Weatherhelm seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of Weatherhelm’s economic, investment or other financial interests. To meet its fiduciary obligations, Weatherhelm attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, Weatherhelm’s policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is Weatherhelm’s policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

### ***Consulting Services - Alternative Investment Accounts***

Weatherhelm Capital Management LLC ("Weatherhelm") provides consulting services clients including individuals seeking to hold alternative investments in self-directed non-qualified and qualified retirement accounts ("Alternative Investment Accounts"). With respect to these Alternative Investment Accounts, Weatherhelm's role is purely nondiscretionary and administrative in nature. Weatherhelm does not act as a fiduciary manager of these accounts nor do we buy, sell, transfer or distribute the assets in Alternative Investment Accounts without client instruction. The Account holder and/or his/her authorized representative must select the investment(s) and direct all investment transactions in Alternative Investment Accounts. Weatherhelm neither endorses nor recommends investment in any particular asset held in an Alternative Investment Account and makes no representation or warranty that client selected asset(s) in Alternative Investment Account are either endorsed or approved by any regulatory or supervisory body.

Weatherhelm provides consulting services to clients to structure and organize Alternative Investment Accounts including due diligence of potential custodians and the collection of the information requisite to qualify the asset for inclusion in an Alternative Investment Account, including but not limited to private placement memoranda, prospectuses, operating agreements, and subscription agreements as appropriate. Once the Alternative Investment Account is opened and configured and the book entry of client-selected assets are made, Weatherhelm provides clients with ongoing administration and monitoring of custody services and regular reporting of asset valuations received from third-parties. Weatherhelm does not appraise or value assets held in Alternative Investment Accounts.

### ***Selection of Other Advisers***

Weatherhelm may direct clients to third-party investment advisers to manage all or a portion of the client's assets. Before selecting other advisers for clients, Weatherhelm will always ensure those other advisers are properly licensed or registered as an investment adviser. Weatherhelm conducts due diligence on any third-party investment adviser, which may involve one or more of the following: phone calls, meetings and review of the third-party adviser's performance and investment strategy. Weatherhelm then makes investments with a third-party investment adviser by referring the client to the third-party adviser. These investments may be allocated either through the third-party adviser's fund or through a separately managed account managed by such third-party adviser on behalf of Weatherhelm's client. Weatherhelm will review the ongoing performance of the third-party adviser as a portion of the client's portfolio.

### ***Pension Consulting Services***

Weatherhelm offers ongoing consulting services to pension or other employee benefit plans (including but not limited to 401(k) and Cash Balance Defined Benefit Plans) based on the demographics, goals, objectives, time horizon, and/or risk tolerance of the plan's participants.

### ***Financial Planning***

Weatherhelm offers financial planning services. Financial plans and financial planning may include but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

### ***Services Limited to Specific Types of Investments***

Weatherhelm generally limits its investment advice to mutual funds, fixed income securities, insurance products including annuities, equities, hedge funds, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds, commodities and non-U.S. securities. Weatherhelm may use other securities as well to help diversify a portfolio when applicable.

## **C. Client Tailored Services and Client Imposed Restrictions**

Weatherhelm will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by Weatherhelm on behalf of the client. Weatherhelm may use "model portfolios" together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent Weatherhelm from properly servicing the client account, or if the restrictions would require Weatherhelm to deviate from its standard suite of services, Weatherhelm reserves the right to end the relationship.

In addition to risk tolerance profiles, Weatherhelm uses a liability driven investment (LDI) process which involves quantifying cash flow needs and matching assets against liabilities while endeavoring to take the least amount of risk necessary to meet client goals.

## **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. Weatherhelm does not participate in any wrap fee programs.



## **E. Assets Under Management**

Weatherhelm has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$27,568,936.00	\$2,758,648.00	December 2018

## **Item 5: Fees and Compensation**

### **A. Fee Schedule**

#### ***Asset-Based Fees for Portfolio Management***

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
\$5,000 - \$100,000	2.00%
\$100,001- \$1,000,000	1.20%
\$1,000,001 - \$2,000,000	1.00%
\$2,000,001 and up	0.72% Negotiable

These fees are generally negotiable, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of Weatherhelm's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 3 days' written notice.

Weatherhelm uses an average of the daily balance in the client's account throughout the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

#### ***Consulting Services Fees- Alternative Investment Accounts***

Weatherhelm will negotiate a fee for these services which will be billed monthly in arrears. The amount of the fee will be fixed on a monthly basis and not based upon AUM which can be difficult to measure with esoteric assets. The fee will vary depending on the size and complexity of the Alternative Investment Account in question and the frequency and amount of ongoing reporting required by the client.

### ***Selection of Other Advisers Fees***

Weatherhelm will receive its standard fee in addition to the fee paid to the third-party adviser. This relationship will be memorialized in each contract between Weatherhelm and each third-party adviser. The fees will not exceed any limit imposed by any regulatory agency. The notice of termination requirement and payment of fees for third-party investment advisers will depend on the specific third-party adviser selected.

These fees are negotiable.

Weatherhelm may engage in the selection of third-party money managers but does not have any such arrangements in place at this time. This service may be canceled with 3 days' notice.

### ***Pension Consulting Services Fees***

#### ***Asset-Based Fees for Pension Consulting***

Total Assets Under Management	Annual Fee
All Assets	1.20%

These fees are generally negotiable, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract.

Clients may terminate the agreement without penalty for a full refund of Weatherhelm's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 3 days' written notice. Weatherhelm uses an average of the daily balance in the client's account throughout the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

### ***Performance-Based Portfolio Management Fees***

Total Assets	Annual Management Fee (on all assets managed)	Annual Performance Fee (on capital appreciation)
\$5,000 - \$100,000	2.00%	20%
\$100,001- \$1,000,000	1.20%	20%
\$1,000,001 - \$2,000,000	1.00%	20%
\$2,000,001 and up	0.72% Negotiable	20%

Qualified Clients will pay an annual fee of a performance of assets under management along with a 20% performance fee based on capital appreciation. If the portfolio rises in

value, then the client will pay 20% on that increase in value, but if the portfolio drops in value, then the client will not incur a new performance fee until the portfolio reaches the last highest value, adjusted for withdrawals and deposits, which is generally known as a "high water mark."

### ***Financial Planning Fees***

Clients may terminate the agreement without penalty for a full refund of Weatherhelm's fees within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

### ***Hourly Fees***

The hourly fee for these services is \$380. Fees are charged in arrears upon completion. These fees are negotiable.

## **B. Payment of Fees**

### ***Payment of Asset-Based Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a monthly basis. Fees are paid in arrears.

### ***Payment of Consulting Services Fees- Alternative Investment Accounts***

Consulting fees for Alternative Investment Accounts are invoiced directly in advance on a quarterly basis. Clients may terminate the agreement without penalty for a full refund of Weatherhelm's fees within five business days. Thereafter, clients may terminate the Investment Advisory Contract generally with 3 days' written notice.

### ***Payment of Asset-Based Pension Consulting Fees***

Asset-based pension consulting fees are withdrawn directly from the client's accounts with client's written authorization on a monthly basis. Fees are paid in arrears.

### ***Payment of Selection of Other Advisers Fees***

The timing, frequency, and method of paying fees for selection of third-party managers will depend on the specific third-party adviser selected.

### ***Payment of Performance-based Fees***

Performance-based fees are invoiced and billed directly to the client. Fees are paid quarterly in arrears.

### ***Payment of Financial Planning Fees***

Financial planning fees are invoiced directly and may be paid via check, ACH or wire transfer.

Hourly financial planning fees are paid in arrears upon completion.

### **C. Client Responsibility for Third Party Fees**

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Weatherhelm. Please see Item 12 of this brochure regarding broker-dealer/custodian.

### **D. Prepayment of Fees**

Weatherhelm collects its fees in arrears. It does not collect fees in advance.

Weatherhelm collects Consulting fees for Alternative Investment Accounts in advance. Refunds for fees paid in advance will be returned within fourteen days to the client via check or return deposit back into the client's account.

### **E. Outside Compensation for the Sale of Securities to Clients**

Neither Weatherhelm nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

Weatherhelm manages accounts that are billed on performance-based fees (a share of capital gains on or capital appreciation of the assets of a client) as well as accounts that are NOT billed on performance-based fees. Managing both kinds of accounts at the same time presents a conflict of interest because Weatherhelm or its supervised persons have an incentive to favor accounts for which Weatherhelm and its supervised persons receive a performance-based fee. Weatherhelm addresses the conflicts by ensuring that clients are not systematically advantaged or disadvantaged due to the presence or absence of performance-based fees. Weatherhelm seeks best execution and upholds its fiduciary duty for all clients.

Clients that are paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

## Item 7: Types of Clients

Weatherhelm generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans
- ❖ Charitable Organizations
- ❖ Other Investment Advisers

### *Minimum Account Size for Portfolio Management*

There is an account minimum of \$5,000, which may be waived by Weatherhelm in its discretion.

### *Minimum Account Size for Pension Consulting*

There is an account minimum of \$250,000, which may be waived by Weatherhelm in its discretion.

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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

Weatherhelm's methods of analysis include fundamental analysis, technical analysis, quantitative analysis and modern portfolio theory.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

## *Investment Strategies*

Weatherhelm uses options trading (including covered options, uncovered options, or spreading strategies).

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### *Methods of Analysis*

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

**Quantitative Model Risk:** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

**Modern Portfolio Theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

## *Investment Strategies*

Weatherhelm's use of options trading involves risks separate and apart from the option's underlying securities. Clients agree to review and understand the Characteristics and Risks of Standardized Options booklet which is provided to all clients upon account opening and are aware that there are special risks related to the use of options.

The option strategy most commonly employed by Weatherhelm is the covered call strategy. The writer of a covered call forgoes the opportunity to benefit from an increase in the value of the underlying interest above the option price but continues to bear the risk of a decline in the value of the underlying interest. However, that loss will be wholly or partially offset by the premium received when the option was sold.

Another option strategy typically employed by Weatherhelm is cash-secured put writing. The writer of a put option bears a risk of loss in the value of the underlying interest declines below the exercise price, and such loss could be substantial if the decline is significant. However, this loss will be less than that of a simple long position in the underlying interest as any loss will be reduced by the amount of premium received when the put option is sold. A cash-secured put writer is not subject to any additional margin requirements regardless of what happens to the value of the underlying interest. In the meantime, the option writer may earn interest by having the cash securing the put invested in a short-term debt instrument- for example, in a Treasury bill. A cash-secured put writer is still subject to a risk of loss if the value of the underlying interest declines.

A third option strategy employed by Weatherhelm from time-to-time is the purchase of puts on a market index or ETF as a basket overlay hedge to a portfolio of individual equities. An option holder runs the risk of losing the entire amount paid for the option in a relatively short period of time. As such, Weatherhelm will never invest more than 3% of a client's account in long option positions. This reflects the nature of a long option position as a wasting asset which becomes worthless when it expires if not profitably exercised or sold beforehand.

Weatherhelm does not engage in writing uncovered or "naked" options and uses options to generally increase the income and/or reduce the overall risk of the portfolio when compared to an outright position in the underlying securities. Selection of Other Advisers: Although Weatherhelm will seek to select only money managers who will invest clients' assets with the highest level of integrity, Weatherhelm's selection process cannot ensure that money managers will perform as desired and Weatherhelm will have no control over the day-to-day operations of any of its selected money managers. Weatherhelm would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulator breach or fraud.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

Weatherhelm's use of options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by central banks which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Hedge Funds** often engage in leveraging and other speculative investment practices that may increase the risk of loss; can be highly illiquid; are not required to provide periodic



pricing or valuation information to investors; May involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; and often charge higher fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

**Commodities** are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Non-U.S. securities** present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither Weatherhelm nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither Weatherhelm nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

J. Clark Kastner is a jurist consultant / law clerk and from time to time, may offer clients encountered during those activities advice or products and these legal clients may become clients of Weatherhelm. Clients encountered in a legal setting should be aware that discussions undertaken, and advice rendered may not involve the typical attorney-client privilege due in part to special affirmative reporting requirements incumbent on those who work in the Securities industry. Weatherhelm always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of Weatherhelm in connection with such individual's activities outside of Weatherhelm.

J. Clark Kastner is an independent licensed insurance agent, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Weatherhelm always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of Weatherhelm in connection with such individual's activities outside of Weatherhelm.

Patrick Meyer does passive real estate investing.

### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

Weatherhelm may direct clients to third-party investment advisers to manage all or a portion of the client's assets. Clients will pay Weatherhelm its standard fee in addition to the standard fee for the advisers to which it directs those clients. This relationship will be

memorialized in each contract between Weatherhelm and each third-party advisor. The fees will not exceed any limit imposed by any regulatory agency. Weatherhelm will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. Weatherhelm will ensure that all recommended advisers are licensed, or notice filed in the states in which Weatherhelm is recommending them to clients.

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

### **A. Code of Ethics**

Weatherhelm has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Weatherhelm's Code of Ethics is available free upon request to any client or prospective client.

### **B. Recommendations Involving Material Financial Interests**

Weatherhelm does not recommend that clients buy or sell any security in which a related person to Weatherhelm or Weatherhelm has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of Weatherhelm may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Weatherhelm to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Weatherhelm will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of Weatherhelm may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Weatherhelm to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they

provide to clients. Such transactions may create a conflict of interest; however, Weatherhelm will never engage in trading that operates to the client's disadvantage if representatives of Weatherhelm buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on Weatherhelm's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and Weatherhelm may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in Weatherhelm's research efforts. Weatherhelm will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

Weatherhelm recommends Interactive Brokers LLC.

#### ***1. Research and Other Soft-Dollar Benefits***

Weatherhelm has access to research, products, or other services from its broker/dealer in connection with client securities transactions ("soft dollar benefits") consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended, and may consider these benefits in recommending brokers. There can be no assurance that any client will benefit from any soft dollar research or other benefits. Weatherhelm benefits by not having to produce or pay for the research, products or services, and Weatherhelm will have an incentive to recommend a broker dealer based on receiving research or services. Clients should be aware that Weatherhelm's acceptance of soft dollar benefits may result in higher commissions charged to the client.

#### ***2. Brokerage for Client Referrals***

Weatherhelm receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

Weatherhelm may permit clients to direct it to execute transactions through a specified broker-dealer. If a client directs brokerage, then the client will be required to acknowledge in writing that the client's direction with respect to the use of brokers supersedes any authority granted to Weatherhelm to select brokers; this direction may

result in higher commissions, which may result in a disparity between free and directed accounts; the client may be unable to participate in block trades (unless Weatherhelm is able to engage in “step outs”); and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

## **B. Aggregating (Block) Trading for Multiple Client Accounts**

If Weatherhelm buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, Weatherhelm would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. Weatherhelm would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

# **Item 13: Reviews of Accounts**

## **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client accounts for Weatherhelm's advisory services provided on an ongoing basis are reviewed at least monthly by J. Clark Kastner, Managing Director / CIO with regard to clients' respective investment policies and risk tolerance levels. All accounts at Weatherhelm are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by J. Clark Kastner, Managing Director / CIO. There is only one level of review for financial planning, and that is the total review conducted to create the financial plan.

## **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, Weatherhelm's services will generally conclude upon delivery of the financial plan.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of Weatherhelm's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. Weatherhelm will also provide at least monthly a separate written statement to the client.

Each financial planning client will receive the financial plan upon completion.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

Weatherhelm does not receive any economic benefit, directly or indirectly from any third party for advice rendered to Weatherhelm's clients.

### **B. Compensation to Non – Advisory Personnel for Client Referrals**

Weatherhelm may, via written arrangement, retain third parties to act as solicitors for Weatherhelm's investment management services. All compensation with respect to the foregoing will be fully disclosed to each client to the extent required by applicable law. Weatherhelm will ensure each solicitor is properly registered in all appropriate jurisdictions. All such referral activities will be conducted in accordance with Rule 206(4)-3 under the Advisers Act, where applicable.

## **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, Weatherhelm will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

Weatherhelm provides discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, Weatherhelm generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, Weatherhelm's discretionary authority in making these determinations may be limited by

conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to Weatherhelm.

### **Item 17: Voting Client Securities (Proxy Voting)**

Weatherhelm will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian, or in the alternative, may appoint an independent third-party proxy voting service. Clients should direct all proxy questions to the issuer of the security.

### **Item 18: Financial Information**

#### **A. Balance Sheet**

Weatherhelm neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

#### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither Weatherhelm nor its management has any financial condition that is likely to reasonably impair Weatherhelm's ability to meet contractual commitments to clients.

#### **C. Bankruptcy Petitions in Previous Ten Years**

Weatherhelm has not been the subject of a bankruptcy petition in the last ten years.