

**FORM ADV PART 2A: Firm Brochure**

**Walsh Financial Consulting**

**10732 Fallbrook Way  
Oakland, CA 94605**

**CRD Number 168305**

**March 31, 2022**

This Brochure provides information about the qualifications and business practices of Walsh Financial Consulting ("WFC"). If you have any questions about the contents of this Brochure, please contact us at (510) 457-8742 or email [mark@walshfc.com](mailto:mark@walshfc.com). You may also visit our website at [www.walshfc.com](http://www.walshfc.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.

WFC is a registered investment adviser. Registration of an investment adviser does not imply that WFC or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business. The oral and written communications of an investment adviser provide you with information about which you determine to hire or retain an investment adviser.

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

**Item 2 - Material Changes**

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**March 2022:**

(1) No material changes.

**Item 3 - Table of Contents**

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Item 2 - Material Changes	2
Item 3 - Table of Contents	3
Item 4 - Advisory Business	4
Item 5 - Fees and Compensation	6
Item 6 - Performance-Based Fees	9
Item 7 - Types of Clients	9
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss	10
Item 9 - Disciplinary Information	12
Item 10 - Other Financial Industry Activities and Affiliations	12
Item 11 - Code of Ethics, Participation/Interest in Client Transactions, Personal Trading	13
Item 12 - Brokerage Practices	14
Item 13 - Review of Accounts	15
Item 14 - Client Referrals and Other Compensation	15
Item 15 - Custody	16
Item 16 - Investment Discretion	16
Item 17 - Voting Client Securities	16
Item 18 - Financial Information	16

**Item 4: Advisory Business**

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**A. Description of Firm:**

Walsh Financial Consulting ("WFC", "the Firm", "we", "us" or "our") conducts business as a DBA under its legal name Active Assets Corporation ("AAC") under the laws of the State of California. WFC has been in business since 2010. Its principal place of business is in Oakland, CA.

Mark Walsh is the sole owner. He is responsible for making all investment decisions.

**B. Types of Services Offered:****Financial Consulting Services**

We provide financial consulting services to corporations and government agencies.

**Investment Consulting Services**

We serve government agencies to help them manage their treasury investments and operations. These services are typically defined by our clients. Currently, it includes staff augmentation services in the areas of cash management, and quarterly reviews of local and national banks for their financial performance and stability.

**Investment Advisory Services**

To suit the needs of our clients, we offer investment advisory services on both a discretionary and non-discretionary basis.

On a discretionary basis, WFC provides investment advisory services to its high net worth individuals and families using separately managed accounts. WFC invests client funds across asset classes globally, principally in publicly traded equities and bonds (including investment grade, high yield, and government bonds).

Our investment advisory services are tailored to meet each client's individual goals & objectives, time horizon, and risk tolerance levels. WFC completes an Investor Suitability Form for each client, which outlines the client's current situation (income, assets, and risk tolerance) 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: (1) recommendation of investment & portfolio strategy, (2) asset managers, (3) asset allocation, (4) risk tolerance, and (5) regular portfolio monitoring.

The recommendation of the investment strategy and asset managers are approved in writing by each client.

**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 estate planning.

**General Notice**

In performing its services, WFC relies upon the information received from its client or from their other professional legal, accounting and tax advisors, and is not required to independently verify such information. Clients must promptly notify us of any change in their financial situation or investment objectives that would necessitate a review or revision of the client's portfolio and/or financial plan.

**Termination of Agreement**

Clients may terminate their agreement at any time upon written notice to the Firm. The Firm does not assess any fees related to termination but will be entitled to all fees earned up to the date of termination.

**C. Tailored Services**

WFC focuses on providing active investment strategies to its clients. Other strategies may be considered, if appropriate, to meet an individual client's needs.

If reasonable (i.e. not overly cumbersome) and offered by an asset manager, WFC provides clients the ability to impose restrictions on investing in certain securities or types of securities based on their religious beliefs and values.

**D. Wrap Fee Programs**

WFC does not participate in any wrap fee programs.

**E. Assets Under Management**

As of March 31, 2022, our regulatory assets under management include the following:

<b>Assets Under Management (AUM)</b>	<b>As of 3/31/2022</b>
Discretionary AUM	\$0
Non-discretionary AUM	\$0
Total AUM	\$0
Consulting AUM	\$112,000,000
Total AUM & Consulting AUM	\$112,000,000

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

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### **A. Investment Management Fees**

While at times WFC may negotiate rates other than specified below, the following schedule lays out WFC's investment management fees, which are charged monthly in arrears. The fee structure is outlined below:

<b>AUM</b>	<b>Client Fees</b>
\$250K - \$1M	1.50%
\$1M - \$5M	1.25%
\$5M or more	1.00%

Investment management fees are charged each month in arrears based on the average daily market value of the assets in the client account (including net unrealized appreciation or depreciation of investments and cash, cash equivalents and accrued interest).

In addition to paying investment management fees, client accounts will also be subject to other investment expenses such as custodial charges, brokerage fees, other transaction costs, commissions and related costs; interest expenses; taxes, duties and other governmental charges; transfer and registration fees or similar expenses; costs associated with foreign exchange transactions; other portfolio expenses; and costs, expenses and fees associated with products or services that may be necessary or incidental to such investments or accounts. Client assets may be invested in ETFs or other registered investment companies. In these cases, the client will bear its pro rata share of the investment management fee and other fees of the fund, which are in addition to any fees or other compensation paid to WFC. Please refer to Item 12 of this Firm Brochure for a discussion of WFC's brokerage practices.

Lower fees from comparable services may be available from other sources.

### **Financial Planning Fees**

Financial Planning Services fees may be charged as a fixed fee, typically ranging from \$0 to \$5,000, depending on the nature and complexity of each client's circumstances. Fees for Financial Planning Services are due and payable upon delivery of the financial plan.

### **Consulting Fees**

Consulting services fees can vary based on the complexity and length of services provided. Fees, in general, will be charged a rate of up to \$250 per hour. The length of time it will take to complete the advisory service will depend on the nature and complexity of the individual client's personal circumstances. An estimate for total hours will be determined at the start of the advisory relationship. WFC will invoice the client monthly, in arrears, for all work that has been conducted by WFC over the course of the previous month.

**B. Payment Method**

There are two options a client may select to pay WFC's advisory services fees:

**Direct Debiting**

Each month, WFC will notify the client's qualified custodian of the amount of the fee due and payable to WFC pursuant to the firm's fee schedule and advisory agreement. The qualified custodian will not validate or check WFC's fees, its corresponding calculation or the assets on which the fee is based unless the client has retained their services to do so. With the client's pre-approval, the qualified custodian will "deduct" the fee from the client's account, or if the client has more than one account from the account the client has designated to pay WFC's advisory fees.

Each month, the client will receive a statement directly from the qualified custodian showing all transactions, positions and credits/debits into or from the client's account. Statements sent after quarter end will also reflect the advisory fee paid by the client to WFC.

**Billing**

Each month, WFC will issue the client an invoice for the firm's services and the client will pay WFC by check or wire transfer within 30 days of the date of the invoice, or as negotiated and documented in the client's advisory agreement.

**C. Additional Fees and Expenses****Mutual Fund and Exchange Traded Fund Fees**

All fees paid to WFC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the services of WFC. In that case, the client would not receive the services provided by WFC which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives.

To the extent that client assets are invested in money market funds or cash positions, the fees for monitoring those assets are in addition to the fees included in the internal expenses of those funds paid to their own investment managers, which are fully disclosed in each fund's prospectus. Accordingly, a client should review both the fees charged by the funds and the fees charged by WFC to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Trading and Other Costs**

All fees paid to WFC for investment advisory services are separate and distinct from transaction fees charged by broker dealers associated with the purchase and sale of equity securities and options. In addition, fees do not include the services of any co-fiduciaries, accountants, broker dealers or attorneys. Please see Item 12 below entitled "Brokerage Practices" for additional information.

**D. Termination and Refunds**

A client has the right to terminate the portfolio management agreement without penalty within five (5) business days after entering into such agreement. In addition, the investment management agreement may be canceled at any time, by either party, for any reason upon ten (10) days' prior written notice. If an account is terminated during a calendar quarter, fees will be adjusted *pro rata* based upon the number of calendar days in the calendar quarter that the advisory agreement was effective. When possible, WFC will credit a client's account for the amount of the refund. Otherwise, WFC will send a check to the client for the amount of the refund within 14 business days.

**E. Additional Compensation**

Through its fully independent insurance agency, Walsh Insurance & Financial Services Agency (WIFSA), WFC offers insurance products and services to its clients. WIFSA is not beholden or captive to any insurance company or agency. Through the sale of insurance products and services WIFSA earns commission-based compensation for selling insurance products. It may, from time to time, also earn incentive awards, increased bonus payments or seminars/trips treated as earned compensation for the recommendation of insurance products from insurance carriers. Insurance commissions earned are separate and in addition to WFC's advisory fees. Clients should be aware that insurance products provide commissions to the agent and agency. Because of this commission structure the sale of insurance products create an inherent conflict of interest between an agent and clients. Clients are under no obligation, contractually or otherwise, to purchase insurance products through any individual affiliated with WIFSA or WFC in their capacities as insurance agents.

**F. Important Additional Information****Fees Negotiable**

WFC retains the right to modify fees, in its sole and absolute discretion, on a client-by-client basis based on the size, complexity and nature of the advisory services provided.

**Fee Offset**

If WFC utilizes sub-advisers to manage all or a portion of any client's assets, any sub-advisory fees incurred through the use of the sub-adviser will be offset by an equal reduction in WFC's



portfolio management services fee. In other words no client will pay any additional fees of WFC to use any sub-adviser(s).

### **Performance Fee Restrictions / CPA Prohibitions**

WFC does not charge performance-based fees or other fees based on a share of capital gains or capital appreciation of the assets of a client and therefore has no economic incentive to manage clients' portfolios in any way other than what is in their best interests.

In order to maintain their independence, investment adviser representatives of WFC that are also Certified Public Accountants may not enter into agreements that charge performance fees.

### **Cash Management**

Cash balances in client accounts are invested in money market mutual funds. These cash balances are included in the account market value for the computation of the investment management fee. The designated asset manager will maintain cash balances to meet foreseeable short-term client cash needs, as a temporary repository pending investment in other securities, or as a defensive position when market conditions are considered adverse. High cash balances may be maintained for new clients whose accounts initially consist of high cash positions as cash is gradually invested.

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

WFC does not accept performance-based fees or other fees based on a share of capital gains or capital appreciation of a client's assets.

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

WFC generally provides investment advisory, financial planning, and/or consulting services to the following types of clients:

- Individuals
- High-net-worth individuals
- Corporation or business entities
- Non-profit organizations
- Government entities
- Trusts
- Charitable foundations
- Pensions or profit-sharing plans

**Minimum Account Size**

WFC requires a minimum account size of \$250,000 to participate in its service offering. Exceptions may be made when considered appropriate.

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

The Firm uses fundamental and technical analysis as methods of analysis for making its investment recommendations.

**Investment Strategies**

Specific strategies WFC expects to employ include (but are not limited to): investing in capital efficient companies; macro deep value investments, which are characterized by depressed valuations and severely negative investor sentiment; thematic investments, characterized by powerful, under-appreciated macro or demographic tailwinds; special situations investments, characterized by the existence of value as well as a catalyst to unlock it; distressed asset investments; and investments for yield or income.

**Risk of Loss**

All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. These risks include market risk, security-specific risk, counterparty risk, legal and regulatory risk and key-man risk. Although we manage assets in a manner consistent with client risk tolerances, there can be no guarantee that our efforts will be successful. The client should be prepared to bear the risk of loss.

The following are certain material risks involved in our investment strategy. This list does not purport to be a complete enumeration or explanation of the risks associated with our investment strategy.

**Equity Securities**

WFC will invest client assets in equity securities. The value of equity securities and equity derivatives generally varies with the performance of the issuer and movements in the equity markets. As a result, the clients may suffer losses if WFC causes them to invest in equity instruments of issuers whose performance diverges from WFC's expectations or if equity markets generally move in a single direction and WFC has not caused the clients to hedge against such a general move. The clients also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

### **Special Situation Investments**

We may invest on behalf of client in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the client of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, we may be required to sell the investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which we may invest, there is a potential risk of loss by the client of their entire investment in such companies.

### **Small to Medium Capitalization Companies**

WFC may invest a portion of client assets in the stocks of companies with small- to medium-sized market capitalizations. While we believe these investments often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

### **Investments in Undervalued Assets**

WFC may invest in undervalued assets. The identification of investment opportunities in undervalued assets is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued assets offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the client's investments may not adequately compensate clients for the business and financial risks assumed.

Clients may be forced to sell, at a substantial loss, assets that are not, in fact, undervalued. In addition, clients may be required to hold such assets for a substantial period of time before realizing their anticipated value. During this period, a portion clients' assets would be committed to the investments purchased, possibly preventing clients from investing in other opportunities. In addition, clients may finance such purchases with borrowed funds and thus will have to pay interest during such waiting period.

### **Hard Assets**

The production and marketing of hard assets may be affected by actions and changes in governments. In addition, hard assets and hard asset securities may be cyclical in nature.

During periods of economic or financial instability, hard asset securities may be subject to broad price fluctuations, reflecting volatility of energy and basic materials prices and possible instability of supply of various hard assets. In addition, hard asset companies may also be subject to the risks associated with extraction of natural resources as well as the risks of the hazards associated with natural resources, such as fire, drought, and increased regulatory and environmental costs. Hard asset securities may also experience greater price fluctuations than the relevant hard asset.

### **Reliance on Publicly-Available Research and Commentary from Independent Financial Research Firms**

WFC will make investment decisions and recommendations based in part on investment research and commentary included in publications will be received by WFC on the same basis as other subscribers. As such, the success of the client accounts will depend in part upon the skill and expertise of the personnel involved in researching and preparing independent financial research. There is a risk that investments discussed in independent financial publications may prove unsuccessful and that a client account could lose money by investing in securities discussed by these publications. There is also a risk that, because WFC receives these publications on the same basis as other subscribers, a client account may not be able to execute trades in securities discussed in such publications in the quantities, at the times, and/or at the prices desired by WFC; this could result in reduced returns or losses for a client account. Additionally, there is the risk that the personnel involved in researching and preparing such publications may not remain employed by these research firms, and the loss of one or more such persons could have a substantial impact on the quality of the research and commentary contained in these publications.

### **Stop losses: market exit and re-entry points**

For risk management purposes, WFC employs stop losses. Stop losses may be placed with our custodian /broker-dealer (as a hard stop loss) or maintained internally (as a soft stop loss). The determination of stop loss exit and re-entry points may vary based on market conditions, and individual client risk tolerances. The use of market exit and re-entry points is subjective, and subject to change based on many factors. While the use of stop losses are meant to protect client accounts from significant losses due to market movements, they could also result in clients missing out of potential gains in a market recovery. Stop limits, which designate a specific price for exit or re-entry, may not be executed in strong market movements that gap up or down.

### **Item 9: Disciplinary Information**

WFC does not have any disciplinary history, nor is it subject to any disciplinary disclosures.

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

Neither WFC nor its members are registered as a Futures Commission Merchant (FCM), Commodity Pool Operator (CPO), or a Commodity Trading Advisor (CTO).

WFC may refer CPAs and/or their clients to other professionals such as attorneys for estate planning, complicated tax situations, or other matters, with whom WFC has no affiliation.

WFC DOES NOT HAVE SIGNATORY AUTHORITY OVER ANY CLIENT'S CHECKING ACCOUNTS.

### **A. Broker-Dealer Registration and Registered Representatives**

WFC is not registered, nor does it have an application pending to register, as a broker-dealer. No management person is registered, nor does any management person have an application pending to register, as a registered representative of a broker-dealer.

### **B. Futures and Commodity Registration**

WFC is not registered, nor does it have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading adviser.

### **C. Financial Industry Affiliations**

Certain persons providing investment advice on behalf of WFC are also licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products. They may, from time to time, also earn incentive awards, increased bonus payments or seminars/trips treated as earned compensation for the recommendation of insurance products. Insurance commissions earned by these related persons are separate and in addition to WFC's advisory fees. While these individuals endeavor at all times to put the interest of the clients first as part of WFC's fiduciary duty, clients should be aware that this practice presents a conflict of interest because individuals providing investment advice on behalf of the firm who are also insurance agents have an incentive to recommend products to clients for the purpose of generating commissions, rather than solely based on client needs. Clients are under no obligation, contractually or otherwise, to purchase insurance products through any individual affiliated with WFC in their capacities as insurance agents.

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

### **Code of Ethics**

WFC has adopted a Code of Ethics to prevent violations of federal securities laws. Our Code of Ethics is predicated on the principle that WFC owes a fiduciary duty to its clients. Accordingly, WFC expects all employees to act with honesty, integrity and professionalism and to adhere to federal securities laws. All officers, managers, members and employees of WFC and any other person who provides advice on behalf of WFC and is subject to WFC's control and supervision are required to adhere to the Code of Ethics. At all times, WFC and its employees must (i) place client interests ahead of WFC's; (ii) engage in personal investing that is in full compliance with WFC's Code of Ethics; and (iii) avoid taking advantage of their position. A copy of WFC's Code of Ethics is available to any client or prospective client upon

request. For a copy, please contact our Chief Compliance Officer, Mark Walsh, at [mark@walshfc.com](mailto:mark@walshfc.com) or (510) 457-8742.

### **Prohibition on Use of Insider Information**

WFC has also adopted policies and procedures to prevent the misuse of “insider” information. A copy of WFC’s Insider Trading policies and procedures is available to any client or prospective client upon request. For a copy of WFC’s Insider Trading policies and procedures, please contact Mark Walsh, Chief Compliance Officer, at 510-457-8742.

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

WFC or individuals associated with WFC may buy, sell, or hold in their personal accounts the same securities that WFC recommends to its clients and in accordance with WFC’s internal compliance procedures such trades will occur simultaneously with or after trades placed on behalf of clients. No person associated with WFC shall prefer his or her own interest to that of any client. Personal trades in securities being purchased or sold for clients may only be made simultaneously with or after trades are made for clients. WFC personnel may not anticipate trades to be placed for clients.

### **Item 12: Brokerage Practices**

The custodian was chosen based on financial soundness, reputation for excellent client service, its relatively low transaction fees, and access to an extensive holding of mutual funds (load and no-load), stocks, bonds and ETFs.

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

WFC receives no research, product or service -- other than execution -- from a broker-dealer or third party in connection with client securities transactions (“soft dollar benefits”).

### **Brokerage for Client Referrals**

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

### **Clients Directing Which Broker/Dealer/Custodian To Use**

WFC will not allow clients to direct WFC to use a specific broker-dealer to execute transactions. Clients must use WFC recommended custodian (broker-dealer). Not all investment advisors require their clients to direct brokerage. By requiring clients to use our specific custodian, WFC may be unable to achieve most favorable execution of client transactions and this may cost clients more money over using a lower-cost custodian.

## Aggregate (Block) Trading for Multiple Client Accounts

WFC does not perform block trading of clients' accounts.

### Item 13: Review of Accounts

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#### Portfolio Management Services

##### Reviews

While the underlying securities within Portfolio Management Services accounts are continuously monitored, these accounts are reviewed no less frequently than quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines, ensuring that the structure of the portfolio is coordinated with these objectives. In addition, investment returns will be measured against the appropriate benchmarks in each asset class. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

##### Reports

Clients will receive at least quarterly (typically monthly) account statements from their custodian(s). Clients will receive annual reports directly from their custodian(s). Confirmation statements will be issued for all trading activity. Reports will include portfolio holdings, dates and amounts of transactions, and current and prior statement values.

#### Financial Planning and Consulting Services

These client accounts will be reviewed as contracted for at the inception of the advisory relationship. All client accounts are reviewed by Mark Walsh, President & Founder.

### Item 14: Client Referrals and Other Compensation

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#### A. Economic Benefits

WFC does not receive any economic benefits such as sales awards or other prizes from any non-client for providing investment advisory services to the firm's clients.

#### B. Client Referrals

From time to time, WFC may retain solicitors to refer clients to WFC. If a client is introduced to WFC by a solicitor, WFC may pay that solicitor a referral fee in accordance with the all requirements of the Investment Advisers Act, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from WFC's portfolio management fee, and **shall not result in any additional charge to the client**. If the client is introduced to WFC by a solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of

their solicitor relationship with WFC, and shall provide each prospective client with a copy of this ADV 2A Brochure together with a copy of the written disclosure statement disclosing the terms of the solicitation arrangement between WFC and the solicitor, including the compensation to be received by the solicitor for the referral.

### **Item 15: Custody**

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WFC does not take custody of client accounts at any time. Custody of client's accounts is held primarily at the custodian. Client will receive account statements from the custodian and should carefully review those statements. Each time a fee is directly deducted from client's account, the approved asset manager concurrently: (a) sends the qualified custodian an invoice or statement of the amount of the fee to be deducted from the client's account; and (b) sends the client an invoice or statement itemizing the fee. Itemization includes the formula used to calculate the fee, the value of the assets under management on which the fee is based, and the time period covered by the fee.

### **Item 16: Investment Discretion**

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WFC will only have discretionary authority over a client's assets if written approval is provided by a client. WFC requires that it be provided with written approval (i) to use an asset manager for the client's account and (ii) to use certain strategies in which to invest the assets in the client's account. Clients may change or amend these approvals as required. All such amendments shall be submitted in writing.

### **Item 17: Voting Client Securities**

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WFC 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. Clients should direct all proxy questions to the issuer of the security.

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

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WFC does not require or solicit prepayment of management fees from clients six months or more in advance. There are no adverse conditions related to the Firm's finances that are likely to impair its ability to meet its contractual commitments to its clients. The Firm has not been the subject of a bankruptcy filing in the last ten years.