

# Edge Wealth Management, LLC

SEC File Number: 801 – 67345

ADV Part 2A, Brochure

Dated: February 19, 2024

Contact: Matthew Weinberg, Chief Compliance Officer  
805 Third Avenue, Floor 12  
New York, New York 10022  
[www.EdgeWealth.com](http://www.EdgeWealth.com)

This Brochure provides information about the qualifications and business practices of Edge Wealth Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (212) 682-0133 or [matthew.weinberg@edgewealth.com](mailto:matthew.weinberg@edgewealth.com). 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 Edge Wealth Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

References herein to Edge Wealth Management, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

## **Item 2           Material Changes**

There have been no material changes to this ADV Part 2A Brochure since the February 7, 2023, annual update filing.

## **Item 3           Table of Contents**

Item 1	Cover Page.....	1
Item 2	Material Changes .....	2
Item 3	Table of Contents .....	2
Item 4	Advisory Business .....	3
Item 5	Fees and Compensation.....	6
Item 6	Performance-Based Fees and Side-by-Side Management .....	7
Item 7	Types of Clients.....	7
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss .....	7
Item 9	Disciplinary Information .....	14
Item 10	Other Financial Industry Activities and Affiliations .....	14
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading..	14
Item 12	Brokerage Practices .....	15
Item 13	Review of Accounts .....	18
Item 14	Client Referrals and Other Compensation .....	18
Item 15	Custody .....	19
Item 16	Investment Discretion .....	19
Item 17	Voting Client Securities .....	19
Item 18	Financial Information .....	20

## **Item 4      Advisory Business**

- A. Edge Wealth Management, LLC ("Edge") is a New York limited liability company formed and registered as an investment adviser in 2006. Matthew Weinberg is Edge's principal owner, Managing Member, and Chief Compliance Officer.
- B. Edge offers discretionary investment advisory services to its clients, who generally include individuals, trusts, estates, and charitable organizations. Edge may also provide limited financial planning and consulting services to its investment advisory clients about investment and non-investment related matters that are ancillary to the investment management process.

### **INVESTMENT ADVISORY SERVICES**

Edge offers discretionary investment advisory services on a fee basis. Before engaging Edge to provide investment advisory services, clients are required to enter into an "Investment Advisory Agreement" with Edge setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client. Edge's annual investment advisory fee is based on a percentage of the market value of the assets placed under management.

Edge tailors its services to the individual needs of its clients by collaborating with each client to establish an appropriate investment profile and strategy, and then seeks to manage the portfolio accordingly. Edge's annual investment advisory fee compensates for investment advisory services and limited financial planning and consulting services that are ancillary to the investment management process that Edge may choose to provide in its sole discretion. These limited financial planning and consulting services may include the preparation of cash flow and net worth statements, risk tolerance analyses, retirement needs analyses, Monte Carlo analyses, 401(k) / retirement plan asset allocation analyses, and educational funding analyses. While Edge believes it is important for clients to address these issues on an ongoing basis, the investment advisory fee will remain the same regardless of whether clients choose to pursue those services.

To begin the investment advisory engagement, an investment adviser representative will first coordinate with the client to develop investment objectives considering the client's age, investment goals, time horizon, financial circumstances, tax situation, investment experience, risk tolerance, investment limitations, trading restrictions, or other unique circumstances. Edge will then allocate the client's investment assets consistent with the designated investment objectives. Once allocated, Edge provides ongoing monitoring and review of account performance and asset allocation as compared to client investment objectives and may periodically execute account transactions based on those reviews or other triggering events.

### **MISCELLANEOUS**

Limitations of Financial Planning and Consulting / Non-Investment Implementation Services. To the extent specifically requested by the client, Edge may provide limited financial planning and consulting services regarding non-investment related matters, such as estate planning, tax planning, and insurance.

Neither Edge nor any of its representatives serves as an attorney or accountant, and no portion of Edge's services should be construed as legal or accounting services. Unless specifically agreed in writing, neither Edge nor its representatives are responsible to implement financial planning or consulting advice or provide ongoing monitoring of financial planning and consulting advice. Clients are solely responsible to revisit that advice with Edge, if desired. Upon specific client request, Edge may recommend the services of other professionals for certain non-investment implementation purposes (such as attorneys, accountants, or insurance agents.), including Edge's representative, Brett Rosen, in his separate individual capacity as a licensed insurance agent as discussed in Item 10.C. below. The recommendation that a client purchase an insurance product through Mr. Rosen presents a conflict of interest, because it could be made based upon commissions to be received rather than a client's particular need. When Mr. Rosen sells an insurance product on a commission basis, Edge does not charge an advisory fee in addition to the commissions paid by the client for such product. Clients are under no obligation to engage the services of any recommended professional, who are solely responsible for the quality and competency of the services they provide. The client retains absolute discretion over all financial planning and consulting / non-investment implementation decisions and is free to accept or reject any recommendation from Edge in that respect.

Client Obligations. Edge is not required to verify any information that it receives from the client or from the client's designated professionals as necessary to provide its services and is expressly authorized to rely thereon. Clients are responsible to promptly notify Edge if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Edge's previous recommendations and services.

Retirement Plan Rollovers – No Obligation / Conflict of Interest. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Edge recommends that a client roll over their retirement plan assets into an account to be managed by Edge, such a recommendation creates a conflict of interest if Edge will earn a new (or increase its current) advisory fee because of the rollover. No client is under any obligation to roll over retirement plan assets to an account managed by Edge.

ERISA / IRC Fiduciary Acknowledgment. When Edge provides investment advice to a client regarding the client's retirement plan account or individual retirement account, it does so as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("IRC"), as applicable, which are laws governing retirement accounts. Because the way Edge makes money creates some conflicts with client interests, Edge operates under a special rule that requires it to act in the client's best interest and not put its interests ahead of the client's. Under this special rule's provisions, Edge must: meet a professional standard of care when making investment

recommendations (give prudent advice); never put its financial interests ahead of the client's when making recommendations (give loyal advice); avoid misleading statements about conflicts of interest, fees, and investments; follow policies and procedures designed to ensure that Edge gives advice that is in the client's best interest; charge no more than is reasonable for Edge's services; and give the client basic information about conflicts of interest.

Asset Aggregation / Reporting Services. Edge may provide clients access to reporting services through one or more third-party aggregation / reporting platforms that can reflect all the client's investment assets, including those investment assets that the client has not engaged Edge to manage (the "Excluded Assets"). Edge's service for the Excluded Assets is strictly limited to reporting, and specifically excludes investment management or implementation. Because Edge does not have trading authority for the Excluded Assets, the client (and/or another investment professional), and not Edge, will be exclusively responsible for implementing any recommendations for the Excluded Assets. Further, the client and/or their other advisors that maintain trading authority, and not Edge, will be exclusively responsible for the investment performance or related activity (such as timing and trade errors) pertaining to the Excluded Assets. The third-party aggregation / reporting platforms may also provide access to financial planning information and applications, which should not be construed as services, advice, or recommendations provided by Edge. Accordingly, Edge will not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the third-party reporting platforms without Edge's participation or oversight.

Portfolio Trading Activity / Inactivity. As part of its investment advisory services, Edge will review client portfolios on an ongoing basis to determine if any trades are necessary based upon numerous factors, including but not limited to investment performance, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when Edge determines that trades within a client's portfolio are neither necessary nor prudent. Clients nonetheless remain subject to the fees described in Item 5 during periods of portfolio trading inactivity.

- C. Edge provides investment advisory services specifically tailored to the needs of each client. Before providing investment advisory services, an investment adviser representative will ascertain each client's investment objectives. Edge will then allocate investment assets consistent with the designated investment objectives. The client may impose reasonable restrictions, in writing, on Edge's services.
- D. Edge does not participate in a wrap fee program.
- E. As of December 31, 2023, Edge had \$748,694,050 in assets under management on a discretionary basis.

## **Item 5            Fees and Compensation**

- A. Clients can engage Edge to provide discretionary investment advisory services on a fee basis under the following terms and conditions. Edge's annual investment advisory fee will be based upon a percentage (%) of the market value of the assets placed under Edge's management (generally between 0.25% and 1%) in accordance with the fee schedule reflected on the Investment Advisory Agreement between Edge and the client.

Edge's investment advisory fee is negotiable at Edge's discretion, depending upon objective and subjective factors including but not limited to: the amount of assets to be managed, portfolio composition, the scope and complexity of the engagement, the anticipated number of meetings and servicing needs, related accounts, future earning capacity, anticipated future additional assets, the professionals providing the services, prior relationships with Edge or its representatives, and negotiations with the client. Edge may also determine to aggregate account values for related clients (such as spouses and minor children sharing the same residence) for the purpose of reducing the overall fee. As a result of these factors, similarly situated clients could pay different fees which correspondingly impacts a client's net account performance, and the services to be provided by Edge to any particular client could be available from other advisers at lower fees.

Edge may maintain cash and cash equivalent positions (such as money market funds) for defensive and liquidity purposes. Unless otherwise agreed in writing, all such cash positions are included as part of assets under management for purposes of calculating Edge's advisory fee. A client can advise Edge not to maintain (or to limit the amount of) cash holdings in the client's account.

- B. Clients may elect to have Edge's advisory fees deducted from their custodial account. Both Edge's Investment Advisory Agreement and the custodial/ clearing agreement may authorize the custodian to debit the account for Edge's investment advisory fee and to directly remit that management fee to Edge in compliance with regulatory procedures. In the limited event that Edge bills the client directly, payment is due upon receipt of Edge's invoice. Edge's annual investment advisory fee is prorated and paid quarterly, in arrears, based upon the market value of the assets weighted for inflows and outflows on the last business day of the previous quarter.
- C. Unless a client's circumstances dictate otherwise, Edge generally recommends that Charles Schwab and Co., Inc. and its affiliates ("Schwab") serve as the broker- dealer/custodian for client investment management assets. Broker-dealers charge transaction fees for executing certain securities transactions according to their fee schedule and they or their affiliated or unaffiliated custodians impose additional charges for custodial services and other fees associated with maintaining the client's account. The amount of the commissions and transaction fees may vary depending upon the following factors: the broker-dealer/custodian utilized; the amount of assets under management or custodied; the type of asset (e.g., equity, ETF, mutual fund, fixed income product); and whether clients receive their account statements electronically or by hard copy. Without limiting the foregoing, clients may be required to pay certain charges and administrative fees related to their investment advisory accounts, including, but

not limited to transaction charges (including mark-ups and mark-downs) resulting from trades executed through or with a broker-dealer other than the designated broker-dealer/custodian, transfer taxes, transfer or wiring fees, odd lot differentials, exchange fees, interest charges, American Depository Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with regard to client accounts. For mutual fund and ETF purchases, clients will incur charges imposed by the respective fund, which represent the client's pro rata share of the fund's management fee and other fund expenses. These fees and expenses are described in each fund's prospectus or other offering documents. The fees charged by the applicable broker-dealer/custodian, and the charges imposed by mutual funds and ETFs, are separate from and in addition to Edge's advisory fee referenced in this Item 5. Edge does not share in any portion of those fees or expenses.

- D. Edge's annual investment advisory fee is prorated and paid quarterly, in arrears, based upon the market value of the assets weighted for inflows and outflows on the last business day of the previous quarter. The Investment Advisory Agreement between Edge and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. Upon termination, Edge will bill or debit the client account for the pro-rated portion of the unpaid advisory fee paid based upon the number of days services were provided during the billing quarter.
- E. Neither Edge nor its representatives accept compensation from the sale of securities or other investment products.

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

Neither Edge nor any supervised person of Edge accepts performance-based fees.

## **Item 7            Types of Clients**

Edge's clients generally include individuals, high net worth individuals, charitable organizations, insurance companies, trusts and estates. Edge does not require a minimum asset level or minimum annual fee for investment advisory services.

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

- A. Edge primarily uses a "fundamental" method of security analysis, which is analysis performed on historical and present data, with the goal of making financial forecasts. Edge may utilize the following investment strategies when implementing investment advice given to clients:
  - Long Term Purchases (securities held at least a year); and
  - Short Term Purchases (securities sold within a year)

Investment Risk in General. Investing in securities involves risk of loss that clients should be prepared to bear, including the complete loss of principal investment. Past performance does not guarantee future results. Different types of investments involve varying degrees of risk, and it should not be assumed that

future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Edge) will be profitable or equal any specific performance levels. Investment strategies such as asset allocation, diversification, or rebalancing do not assure or guarantee better performance and cannot eliminate the risk of investment losses. There is no guarantee that a portfolio employing these or any other strategy will outperform a portfolio that does not engage in these strategies.

- B. Edge's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis Edge must have access to current/new market information. Edge has no control over the dissemination rate of market information; therefore, unbeknownst to Edge, certain analyses may be compiled with outdated market information, severely limiting the value of Edge's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Edge's primary investment strategies - Long Term Purchases and Short-Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment period to potentially develop but, because of more frequent trading, may incur higher transactional costs when compared to a longer-term investment strategy.

Options / Covered Calls. In limited circumstances and typically upon specific client request, Edge may also implement or recommend options transactions, which involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Although the intent of the options-related transactions that may be implemented by Edge is to hedge against principal risk, certain of the options-related strategies (i.e., straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Therefore, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies.

The most common options strategy that Edge would employ for clients is to sell "covered calls" on individual stock positions when clients holding concentrated positions seek to reduce their position, to enhance the income they receive from the stock, or both. The primary risk to sellers of covered call options is that it may limit the gains on the value of the stock before the option expires. Another risk is if the stock price declines below the breakeven point, which is the purchase price of the stock minus the option premium received. Although stock prices can only fall to zero, this is still 100% of the amount invested. Before implementing any investment strategy that involves options, clients must be approved for options by the custodian. For detailed information on the use of options and option



strategies, please be sure to read carefully the Option Clearing Corp.'s Option Disclosure Document, which can be found at: <http://www.optionsclearing.com/components/docs/riskstoc.pdf>. Considering these enhanced risks, client may direct Edge, in writing, not to employ any options strategies for their accounts.

Margin / Securities Based Loans. Edge does not recommend the use of margin for investment purposes. However, for engagements in which a client determines to take a new margin loan that collateralizes a portion of the assets that Edge has been managing, Edge's investment advisory fee will be computed based upon the full value of the assets, without deducting the amount of the margin loan.

Without limiting the above, upon specific client request and generally in a financial planning context, Edge may help clients evaluate and establish a margin or securities based loan (collectively, "SBL") with the client's broker-dealer/custodian or their affiliated banks (each, an "SBL Lender") to access cash flow. As compared to real estate-backed loans, SBLs can provide access to funds in a shorter time, provide greater repayment flexibility, and may also result in the borrower receiving certain tax benefits. Clients interested in learning more about the potential tax benefits of SBLs should consult with an accountant or tax advisor. The terms and conditions of each SBL are contained in a separate agreement between the client and the SBL Lender selected by the client, which terms and conditions may vary from client to client. SBLs are not suitable for all clients and are subject to certain risks, including but not limited to: increased market risk, increased risk of loss, especially in the event of a significant downturn; liquidity risk; the potential obligation to post collateral or repay the SBL if the SBL Lender determines that the value of collateralized securities is no longer sufficient to support the value of the SBL; the risk that the SBL Lender may liquidate the client's securities to satisfy its demand for additional collateral or repayment / the risk that the SBL Lender may terminate the SBL at any time. Before agreeing to participate in SBL programs, clients should carefully review the applicable SBL agreement and all risk disclosures provided by the SBL Lender including the initial margin and maintenance requirements for the specific program in which the client enrolls, and the procedures for issuing "margin calls" and liquidating securities and other assets in the client's accounts.

If Edge recommends that a client apply for SBLs instead of selling securities that Edge manages for a fee to meet liquidity needs, the recommendation presents an ongoing conflict of interest because selling those securities (instead of leveraging those securities to access SBLs) would reduce the amount of assets to which Edge's investment advisory fee is applied, and thereby reduce the amount of investment advisory fees collected by Edge. Likewise, the same ongoing conflict of interest is present if a client determines to apply for SBLs on their own initiative. These ongoing conflicts of interest would persist as long as Edge has an economic disincentive to recommend that the client terminate the use of SBLs. If the client were to invest any portion of the SBL proceeds in an account that Edge manages, Edge could receive an advisory fee on the invested amount depending upon when the fee is calculated, which could compound this conflict of interest. If a client accesses an SBL through its relationship with Edge and the client's relationship with Edge is terminated, clients may incur higher (retail) interest rates on the outstanding loan balance. Clients are not under any obligation to employ the use of SBLs, and are solely responsible for determining

when to use, reduce, and terminate the use of SBLs. Although Edge seeks to disclose all conflicts of interest related to its recommended use of SBLs and related business practices, there may be other conflicts of interest that are not identified above. Clients are therefore reminded to carefully review the applicable SBL agreement, and all risk disclosures provided by the SBL Lender as applicable.

Cybersecurity Risk. The information technology systems and networks that Edge and its third-party service providers use to provide services to Edge's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Edge's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and Edge are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost, and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although Edge has established its systems to reduce the risk of cybersecurity incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that Edge does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

- C. Currently, Edge primarily allocates client investment assets among various individual equities and fixed income securities, mutual funds, ETFs, exchange traded notes ("ETNs"), publicly traded real estate investment trusts ("REITs"), and non-agency mortgage-backed securities, cash, and cash equivalents on a discretionary basis in accordance with the client's designated investment objectives. In certain limited circumstances, Edge may implement or recommend the use of options strategies (as indicated above) and Master Limited Partnerships. While each type of security has its own unique set of risks, the following provides a non-exhaustive description of the risks commonly associated with investing in the types of securities in which Edge invests client assets:

Market Risk. The price of a security may drop in reaction to tangible and intangible events and conditions. This type of risk may be caused by external factors (such as economic or political factors) but may also be incurred because of a security's specific underlying investments. Additionally, each security's price can fluctuate based on market movement, which may or may not be due to the security's operations or changes in its true value. For example, political, economic, and social conditions may trigger market events which are temporarily negative, or temporarily positive.

Unsystematic Risk. Unsystematic risk is the company-specific or industry-specific risk in a portfolio that the investor bears. Unsystematic risk is typically addressed through diversification. However, as indicated above, diversification does not or guarantee better performance and cannot eliminate the risk of investment losses.

Value Investment Risk. Value stocks may perform differently from the market as a whole and following a value-oriented investment strategy may cause a portfolio to underperform growth stocks.

Growth Investment Risk. Prices of growth stocks tend to be higher in relation to their companies' earnings and may be more sensitive to market, political and economic developments than other stocks, making their prices more volatile.

Small Company Risk. Securities of small companies are often less liquid than those of large companies and this could make it difficult to sell a small company security at a desired time or price. As a result, small company stocks may fluctuate more in price. In general, small capitalization companies are more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.

Commodity Risk. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs, and international economic, political, and regulatory developments.

Foreign Securities and Currencies Risk. Foreign securities prices may decline or fluctuate because of: (i) economic or political actions of foreign governments, and/or (ii) less regulated or liquid securities markets. Investors holding these securities are also exposed to foreign currency risk (the possibility that foreign currency will fluctuate in value against the U.S. dollar).

Interest Rate Risk. Fixed income securities and fixed income-based securities are subject to interest rate risk because the prices of fixed income securities tend to move in the opposite direction of interest rates. When interest rates rise, fixed income security prices tend to fall. When interest rates fall, fixed income security prices tend to rise. In general, fixed income securities with longer maturities are more sensitive to these price changes.

Inflation Risk. When any type of inflation is present, a dollar at present value will not carry the same purchasing power as a dollar in the future, because that purchasing power erodes at the rate of inflation.

Reinvestment Risk. Future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate), which primarily relates to fixed income securities.

Credit Risk. The issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and impact performance. Credit risk is considered greater for fixed income securities with ratings below investment grade. Fixed income securities that are below investment grade involve higher credit risk and are considered speculative.

Call Risk. During periods of falling interest rates, a bond issuer will call or repay a higher-yielding bond before its maturity date, forcing the investment to reinvest in bonds with lower interest rates than the original obligations.

Regulatory Risk. Changes in laws and regulations from any government can change the market value of companies subject to such regulations. Certain industries are more susceptible to government regulation. For example, changes in zoning, tax structure or laws may impact the return on these investments.

Cash and Cash Equivalent Risk. Investments in cash or cash equivalent positions (such as but not limited to money market funds) may cause a client to miss advances in the markets, and Edge's investment advisory fee may exceed the interest income from a cash equivalent position such as a money market fund. Edge's advisory fee could exceed the interest income from holding cash or cash equivalents. Clients can advise Edge not to maintain (or to limit the amount of) cash or cash equivalent positions in their account.

Mutual Fund Risk. Mutual funds are operated by investment companies that raise money from shareholders and invest it in stocks, bonds, and/or other types of securities. Each fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. Mutual funds charge a separate management fee for their services, so the returns on mutual funds are reduced by the costs to manage the funds. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market. Mutual funds come in many varieties. Some invest aggressively for capital appreciation, while others are conservative and are designed to generate income for shareholders. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

Exchange Traded Fund Risk. ETFs are marketable securities that are designed to track, before fees and expenses, the performance or returns of a relevant index, commodity, bonds, or basket of assets, like an index fund. Unlike mutual funds, ETFs trade like common stock on a stock exchange. ETFs experience price changes throughout the day as they are bought and sold. In addition to the general risks of investing, there are specific risks to consider with respect to an investment in ETFs, including, but not limited to: (i) an ETF's shares may trade at a market price that is above or below its net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

Digital Asset-based Securities. Edge does not recommend or invest client assets directly in virtual currencies, blockchain assets, crypto-currencies, and digital coins and tokens (collectively, "Digital Assets") for the reasons described below. However in limited circumstances upon specific client request, Edge may indirectly invest client assets in Digital Assets through corresponding exchange-traded securities. Digital Assets themselves present unique and substantial investment risk, including but not limited to volatility, regulatory uncertainty, technological challenges, and cybersecurity risk. Digital Assets are not backed by a central bank or a national, supra-national or quasi-national organization, any hard assets, human capital, or other form of credit. Rather, Digital Assets exist on an online, peer-to-peer, distributed network that acts as a public and immutable

record of all transactions in the underlying digital currency. Digital Asset value is determined by supply and demand factors, the number of merchants that accept it, and/or the value that various market participants place on it through their mutual agreement, barter, or transactions. Digital Assets have experienced historical price volatility and may continue to rapidly fluctuate in market price. This volatility not only presents a direct risk to the Digital Asset investor, but it makes it less likely for Digital Assets to be accepted as a form of payment in the marketplace. Market perception, development of competing digital assets, changes in government regulation, adverse incidents relating to one or more Digital Assets, inflation rates, interest rate movements, and general economic and political conditions can all influence price volatility. Further, the lack of centralized pricing source for Digital Assets may pose valuation challenges. Digital Asset networks also face technological challenges that can lead to high fees or slow transaction settlement times. If the Digital Asset award for mining or validating blocks and transaction fees for recording transactions on a digital network are not sufficiently high to incentivize miners or validators, they may cease expanding processing power or demand high transaction fees, which could negatively impact the value of Digital Assets. The cryptography underlying certain Digital Assets could be flawed or ineffective, or developments in mathematics and technology, including advances in digital computing, algebraic geometry, and quantum computing, could result in such cryptography becoming ineffective. In any of these circumstances, a malicious actor may be able to abscond with an investor's Digital Assets. Further, entities that custody or facilitate the transfers or trading of digital assets have been and may continue to be subjected to cybersecurity attacks, which can lead to significant theft of Digital Assets.

Master Limited Partnerships. In certain limited circumstances Edge may also implement or recommend the use of Master Limited Partnerships ("MLPs"), which are subject to many risks including those that differ from the risks involved in an investment in the common stock of a corporation. Holders of MLP units have limited control and voting rights on matters affecting the partnership. Holders of units issued by an MLP are exposed to a possibility of liability for all of the obligations of that MLP in the event that a court determines that the rights of the holders of MLP units to vote to remove or replace the general partner of that MLP, to approve amendments to that MLP's partnership agreement, or to take other action under the partnership agreement of that MLP would constitute "control" of the business of that MLP, or a court or governmental agency determines that the MLP is conducting business in a state without complying with the partnership statute of that state. Holders of MLP units are also exposed to the risk that they will be required to repay amounts to the MLP that are wrongfully distributed to them. In addition, the value of an investment in an MLP will depend largely on the MLP's treatment as a partnership for U.S. federal income tax purposes. Finally, MLP interests may not be as liquid as other more commonly traded equity securities.

REITs and Mortgage-Backed Securities. Real estate investment trusts ("REITs") and mortgage-backed securities are subject to risks generally associated with investing in real estate, such as: (i) declines in the value of real estate, (ii) adverse general and local economic conditions, (iii) lack of availability of mortgage funds, (iv) changes in interest rates, and (v) environmental problems. Mortgage-backed securities are subject to prepayment risk, which can limit gains due to declining interest rates, and increase losses due to rising rates. REITs are

subject to certain other risks related specifically to their structure and focus such as: dependency upon management skills; limited diversification; the risks of locating and managing financing for projects; heavy cash flow dependency; possible default by borrowers; the costs and potential losses of self-liquidation of one or more holdings; the possibility of failing to maintain exemptions from securities registration; and, in many cases, relatively small market capitalization, which may result in less market liquidity and greater price volatility.

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

Edge and its Management Persons have not been the subject of any disciplinary actions.

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

- A. Neither Edge nor its representatives are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Edge, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Licensed Insurance Agent. Edge's representative, Brett Rosen, is a licensed insurance agent in his separate and individual capacity. Mr. Rosen may recommend the purchase of certain insurance-related products on a commission basis. The recommendation by Edge or Mr. Rosen that a client purchase an insurance commission product from Mr. Rosen presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Mr. Rosen. Clients are reminded that they may purchase insurance products recommended by Edge through other, non-affiliated insurance agents.
- D. Edge does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. Edge maintains an investment policy relative to personal securities transactions. This investment policy is part of Edge's overall Code of Ethics, which serves to establish a standard of business conduct for all of Edge's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Edge also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Edge or any person associated with Edge.

- B. Neither Edge nor any related person of Edge recommends, buys, or sells for client accounts, securities in which Edge or any related person of Edge has a material financial interest.
- C. Edge and/or representatives of Edge may buy or sell securities that are also recommended to clients. This practice may create a situation where Edge and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation presents a conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Edge did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of Edge’s clients) and other potentially abusive practices. Edge has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Edge’s “Access Persons.” Edge’s securities truncation policy requires that Access Person of Edge must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date Edge selects; provided, however that at any time that Edge has only one Access Person, he or she will not be required to submit any securities report described above.
- D. Edge and/or representatives of Edge may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Edge and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation presents a conflict of interest. As indicated above in Item 11.C, Edge has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Edge’s Access Persons.

## **Item 12      Brokerage Practices**

- A. If a client requests that Edge recommend a broker-dealer/custodian for execution or custodial services, Edge generally recommends that investment management accounts be maintained at Schwab. Before engaging Edge to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with Edge setting forth the terms and conditions under which Edge will manage the client’s assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian. Depending on which broker-dealer/custodian clients select to maintain their account, they may experience differences in customer service, transaction timing, the availability of sweep account vehicles and money market funds, and other aspects of investing that could cause differences in account performance.

When seeking “best execution,” from a broker-dealer, the determinative factor is not always the lowest possible cost, but whether the transaction represents the best qualitative execution when considering the full range of a broker-dealer’s services including the value of research provided, execution capability, commission rates, and responsiveness. Although Edge cannot guarantee that clients will always experience the best possible execution available, Edge seeks to recommend a broker-dealer/custodian that will hold client assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services.

Edge considers a wide range of factors when recommending a broker-dealer/custodian, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody);
- Capability to execute, clear and settle trades (buy and sell securities for client accounts);
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- Breadth of available investment products (stocks, bonds, mutual funds, ETFs, etc.);
- Quality of services (including research);
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices;
- Reputation, financial strength, and stability; and
- Prior service to Edge and its other clients.

Schwab is compensated for its services according to its fee schedule, generally by charging clients commissions or other fees on trades that it executes or that settle into their Schwab account. Although Edge will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for all client account transactions. The fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Edge’s investment advisory fees. In an attempt to minimize client trading costs, Edge directs Schwab to execute most if not all trades for client accounts. When doing so, Edge has determined that having Schwab execute most trades is consistent with the duty to seek “best execution” of client trades.

1. Research and Other Benefits. While Edge does not receive traditional “soft dollar benefits,” Edge and by extension, its clients receive access to certain institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to retail customers. Schwab also makes various support services available to Edge. Some of those services help Edge manage or administer its clients’ accounts; while others help it manage and grow its business. Schwab’s support services generally are available on an unsolicited basis (Edge does not have to request them) and at no charge to Edge.

Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which Edge might not otherwise have access or that would require a significantly higher minimum initial investment by its clients. These services benefit Edge’s clients and their accounts. Schwab also makes other products and services available to Edge that benefits Edge but may only indirectly benefit its clients or their accounts, such as investment research developed by Schwab



or third parties that Edge may use to service clients' accounts. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements);
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- Provide pricing and other market data;
- Facilitate payment of our fees from other clients' accounts; and
- Assist with back-office functions, recordkeeping, and client reporting.

Schwab may offer other services intended to help Edge manage and further develop its business. These services include:

- Educational conferences and events;
- Consulting on technology, compliance, legal and business needs;
- Publications and conferences on practice management and business succession; and
- Access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to Edge. Schwab may discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab can also provide occasional business meals and entertainment for Edge's personnel.

Edge's Interest in Schwab's Services and Benefits and Related Conflict of Interest. The availability of the services and products described above that Edge receives from Schwab (the "Services and Products") provides Edge with an advantage, because Edge does not have to produce or purchase them. However, Edge does not have to pay Schwab or any other entity for Services and Products that Schwab provides. Edge's clients do not pay more for investment transactions executed or assets maintained at Schwab as a result of this arrangement. The receipt of Services and Products is not contingent upon Edge committing any specific amount of business to Schwab in trading commissions or assets in custody. There is no corresponding commitment made by Edge to Schwab or any other entity to invest any specific amount or percentage of client assets in any specific securities or investment products as a result of the above. However, this arrangement nonetheless incentivizes Edge to recommend that clients maintain their account with Schwab, based on its interest in receiving Schwab's services that benefit its business rather than based on clients' interest in receiving the best value in custody services and the most favorable execution of their transactions. This presents a conflict of interest. When making such a recommendation, however, Edge does so when it reasonably believes that recommending Schwab to serve as broker-dealer/custodian is in the best interests of its clients. It is primarily supported by the scope, quality, and price of Schwab's services and not Schwab's services that benefit only Edge.

2. Brokerage for Client Referrals. Edge does not receive referrals from broker-dealers.

3. Directed Brokerage. Edge does not generally accept directed brokerage arrangements (when a client requires that account transactions be executed through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Edge will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Edge. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. If the client directs Edge to execute securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to execute account transactions through alternative clearing arrangements that may be available through Edge. Higher transaction costs adversely impact account performance. Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.
- B. Edge will generally execute account transactions for each client independently unless Edge decides to purchase or sell the same securities for several clients at approximately the same time. Edge may (but is not obligated to) combine or "batch" such orders to seek best execution, to negotiate more favorable commission rates, or to equitably allocate differences in prices and commissions or other transaction costs among Edge's clients, which might have been obtained if the orders were placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Edge will not receive any additional compensation or remuneration as a result of such aggregation.

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

- A. Edge's Principals and representatives perform account reviews on an ongoing basis. Clients should advise Edge of any changes in their investment objectives and/or financial situation, and Edge generally encourages clients to review investment objectives and account performance with Edge on an annual basis.
- B. Edge may conduct account reviews on an-other-than-periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Edge may also provide a written periodic report summarizing account activity and performance.

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

- A. Edge receives economic benefits from Schwab including support services and products without cost or at a discount. Edge's clients do not pay more for investment transactions effected and/or assets maintained at Schwab because of this arrangement. There is no corresponding commitment made by Edge to

Schwab or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products because of the above arrangement.

- B. Neither Edge nor any related person of Edge directly or indirectly compensates anyone except advisory affiliates for client referrals.

#### **Item 15 Custody**

Edge will have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. The account custodian does not verify the accuracy of Edge's advisory fee calculation.

Clients are provided, at least quarterly, with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Edge may also provide a written periodic report summarizing account activity and performance. If Edge provides clients with periodic account statements or reports, it suggests that clients compare that statement or report with the account statements received from the account custodian. Edge's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

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

The client can determine to engage Edge to provide investment advisory services on a discretionary basis. Before Edge assumes discretionary authority over a client's account, the client will be required to execute Investment Advisory Agreement, naming Edge as the client's attorney and agent in fact, granting Edge full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage Edge on a discretionary basis may, at any time, impose restrictions, in writing, on Edge's discretionary authority (e.g., limit the types/amounts of securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Edge's use of margin or cash balances, etc.).

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

- A. Unless the client directs otherwise in writing, Edge is responsible for voting client proxies. However, the client will maintain exclusive responsibility for all legal proceedings or other type events pertaining to the account assets, including, but not limited to, class action lawsuits. Edge will vote proxies in accordance with its Proxy Voting Policy, a copy of which is available upon request. Edge will monitor corporate actions of individual issuers and investment companies consistent with Edge's fiduciary duty to vote proxies in the best interests of its clients. Although the factors which Edge will consider when determining how it will vote differ on a case-by-case basis, they may, but are not limited to, include a review of recommendations from issuer management, shareholder proposals, cost effects

of such proposals, effect on employees and executive and director compensation. With respect to individual issuers, Edge may be solicited to vote on matters including corporate governance, adoption, or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. With respect to investment companies (e.g., mutual funds), Edge may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. Edge will maintain records pertaining to proxy voting as required pursuant to Rule 204-2 (c)(2) under the Advisers Act. Copies of Rules 206(4)-6 and 204-2(c)(2) are available upon written request. In addition, information pertaining to how Edge voted on any specific proxy issue is also available upon written request. Requests should be made by contacting Edge's Chief Compliance Officer, Matthew Weinberg.

- B. As indicated above, Edge maintains the authority to vote client proxies.

## **Item 18      Financial Information**

- A. Edge does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. Edge is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Edge has not been the subject of a bankruptcy petition.

Edge's Chief Compliance Officer, Matthew Weinberg, is available to address any questions about this Brochure and any conflicts of interest presented.