

## Item 1: Cover Page



### **ADV Part 2A – Firm Brochure**

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**<https://privatewealth.com>**

**October 11, 2024**

This Form ADV Part 2A (“Brochure”) provides information about the qualifications and business practices of Private Wealth Asset Management, LLC (“Private Wealth,” “we,” “us,” or “the Firm”). If you have any questions about the contents of this Brochure, please contact us at 888-611-7926 or by email [kimc@privatewealth.com](mailto:kimc@privatewealth.com). The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration of an investment adviser does not imply any specific level of skill or training. This Brochure provides information about the firm to assist you in determining whether to retain the Firm.

Additional information about Private Wealth is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching our CRD number 315819.

## Item 2: Material Changes

This Brochure provides you with a summary of Private Wealth's advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This item (Item 2) is used to provide our clients with a summary of new and/or updated information. Please note that in addition to minor edits throughout this Brochure, the “material changes” made to this Brochure since our last delivery or posting of the Brochure on the SEC’s public disclosure website (“IAPD”) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) are set forth below:

1. Item 4 has been amended to reflect change in Ownership, to include DOL Disclosures and a section on the Investment Committee, and the Assets Under Management has been updated.
2. Item 5 has been amended to remove references to non-advisory services.
3. Item 8 has been amended to include disclosures related to the utilization of Margin Accounts.
4. Item 10 has been amended to reflect certain non-advisory services, and a section titled Client Investment was added.
5. Item 14 Affiliated Insurance Company has been amended.
6. Item 15 was amended to address Standing Letters of Authorizations.
7. Item 19 was amended to include our Summary Business Continuity Plan.

Clients and prospective clients can always receive the most current Brochure for Private Wealth at any time by contacting their Investment Advisor Representative or contacting the Chief Compliance Officer, Kimberly Cappellano at [kimc@privatewealth.com](mailto:kimc@privatewealth.com).

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## Item 4: Advisory Business

### Firm Description

Private Wealth was founded on June 28, 2021, and became an SEC Registered Investment Advisor on August 12, 2021. PWAM Advisor Partners, LLC is the principal owner of Private Wealth. Additionally, Omaha Capital 19, LLC owns a 20% interest in Private Wealth, and Garage Row OZ, LLC owns almost a 6% interest in Private Wealth.

### Types of Services

As described further in this section, the Firm offers a variety of services, including investment advisory and non-investment advisory services. These services are provided to individuals (including high net worth individuals), family offices, trusts, estates, philanthropic and non-profit organizations, and other types of business entities (referred to as “client,” “you,” or “your” hereafter). How we are compensated for these services is described in detail in Item 5 of this Disclosure Brochure.

### Investment Advisory Services

Investment Advisory Services are provided based on the client’s specific needs within the scope of the services provided as discussed above. A review of the information provided by the client regarding the client’s current financial situation, goals, and risk tolerances will be performed and advice will be provided that is in line with available information. Clients can place restrictions on investing in certain securities positions or types by notifying the Firm either in writing or orally.

We provide the following Investment Advisory Services to our clients:

- i. Investment Management Services (discretionary and non-discretionary).
- ii. Wealth Management Services, and
- iii. Selection of Other Advisors.

These services are collectively referred to as our “Investment Advisory Services.” A description of the fees associated with these Investment Advisory Services can be found in Item 5.

### Investment Management Services

Private Wealth provides Investment Management Services to our clients primarily on a discretionary basis, however we also provide Investment Management Services on a non-discretionary basis. Please refer to Item 16, for further discussion on what investment discretion means. In providing Investment Management Services, and as described in more detail in Item 8, Private Wealth uses a number of methods to craft its investment models, including quantitative, fundamental, technical, and economic analysis. Prior to providing Investment Management Services, each client is required to enter into an agreement with us regardless of whether services are provided on a discretionary or non-discretionary basis. Further details about the services provided to each client are detailed in these agreements.

Private Wealth assesses a client’s current holdings and ensures alignment with both short and long-term goals, risk tolerance and other investment objectives. The Firm performs ongoing reviews of investment performance and portfolio exposure to market conditions. Accordingly, the Firm is authorized to perform various functions without further approval from the client, such as the determination of securities to be purchased or sold without prior permission from the client for each transaction. All trades are made in the best interest of the client as part of Private Wealth’s fiduciary duty. However, risk is inherent to any investing strategy and model. Therefore, Private Wealth does not guarantee any results or returns.

*Discretionary Investment Management Services:* The client grants Private Wealth to have full power and authority and sole discretion to, among other things, direct the custodian to invest and reinvest or sell the client assets and to direct the custodian to exercise or abstain from exercising any options, privileges or rights held as part of the client's account. Further discretion grants us the right to retain and allocate all or a portion of the client's assets to sub-advisers and third-party asset managers.

*Non-Discretionary Investment Management Services:* Private Wealth shall supervise and direct the investments of and for the client account, subject to the objectives, limitations, and restrictions listed in the client's directions but has not authority to trade the account without the direction of the client.

Any information presented in a financial plan regarding potential tax considerations is not intended as tax advice and should not be relied upon for the purpose of avoiding any tax penalties. Our Firm and our financial advisors do not offer tax or legal advice. You should discuss any tax or legal matters with the appropriate professional.

### Wealth Management Services

The Firm may provide clients with Wealth Management Services which is advice related to the client's financial circumstances and objectives. Such services may include investment analysis and recommendations based on the client's objectives, goals, and financial situation; however, recommendations of specific securities or asset management strategies will not be part of the plan. The scope of Wealth Management Services to be provided to the client will be customized based on the needs of the client and will be detailed in the agreement between the client and us.

A description of the fees associated with these Wealth Management Services can be found in Item 5.

### Selection of Other Advisors

As part of our investment advisory services, we may recommend that you use the services of a third-party investment advisors ("Third-Party Advisor(s)") to manage your entire, or a portion of your, investment portfolio. After gathering information about your financial situation and objectives, we may recommend that you engage a specific Third-Party Advisors. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the Third-Party Advisors' performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives.

We will periodically monitor the Third-Party Advisors' performance to ensure its management and investment style remains aligned with your investment goals and objectives. The Third-Party Advisor(s) will actively manage your portfolio and will assume discretionary investment authority over your account. Private Wealth will assume discretionary authority to hire and fire Third-Party Advisor(s) and/or reallocate your assets to other Third-Party Advisors where we deem such action appropriate.

*Additional fees are associated with the use of Third-Party Advisors.* A description of the fees associated with these Third-Party Advisors can be found in Item 5.

### Retirement Accounts – DOL Disclosure

We are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act of 1974 ("ERISA") and/or the Internal Revenue Code ("Code"), as applicable, when we provide investment advice regarding portfolio assets held in an IRA, Roth IRA, Archer Medical Savings Account, a Plan covered by ERISA, or a plan described in Section 4975(e)(1)(A) of the Code (collectively referred to collectively sometimes herein as ("Retirement Accounts")).

To ensure that Private Wealth will adhere to fiduciary norms and basic standards of fair dealing with respect to Retirement Accounts, we are required to give advice that is in the "best interest" of the retirement client. The best interest standard has two chief components, prudence and loyalty. Under the prudence standard, the advice must meet a professional standard of care and under the loyalty standard, our advice must be based on the interests of our retirement clients, rather than the potential competing financial interest of Private Wealth.

To address the conflicts of interest with respect to our compensation, we are required to act in your best interest and not put our interest ahead of yours. To this end, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice).
- Never put our financial interests ahead of yours when making recommendations (give loyal advice).
- Avoid misleading statements about conflicts of interest, fees, and investments.
- Follow policies and procedures designed to ensure that we give advice that is in your best interest.
- Charge no more than is reasonable for our services; and

Give you basic information about conflicts of interest.

#### 401(k) Asset Allocation Strategy Structure

We develop Asset Allocation Strategies utilizing the core fund line-up to provide employees with a choice of well diversified portfolios based upon their risk tolerance; however, Private Wealth does not select the investments for the participants, We only provide general advice to participants of the plan should they want help with selecting based on their options.

#### Investment Committee

The investment committee at Private Wealth serves as a key decision-making body responsible for shaping and overseeing the firm's investment strategies and policies. Its primary purpose is to ensure that the firm's investment approach is both sound and aligned with clients' goals, risk tolerance, and market conditions. The committee typically reviews economic trends, evaluates asset allocation models, and selects or approves investment products and strategies. By conducting thorough due diligence, monitoring performance, and making adjustments as necessary, the investment committee helps maintain a consistent, informed, and disciplined approach to managing client portfolios. This process helps ensure that the firm adheres to its fiduciary duty to act in the best interests of its clients.

#### Non-Investment Advisory Services

Separately from the Investment Advisory Services described above, we provide the Non-Investment Advisory Services (collectively referred to as "Non-Investment Advisory Services") to our clients:

- i. "Circle of Services" (third-party service provider recommendations).
- ii. Business Transition Planning.
- iii. Oil & Gas Holdings Management, and
- iv. Real Estate Management.

Clients are under no obligation to engage Private Wealth for Non-Investment Advisory Services. A description of those services follows, and the fees associated with these Non-Investment Advisory Services are negotiated directly between the respective client and Private Wealth.



### “Circle of Services”

Private Wealth collaborates with third-party services providers to create solutions suited to a client’s needs. If Private Wealth recommends the service provider(s), and the client engages the provider(s), then the client will pay the provider(s) directly for the provider(s)’ services. This is in addition to any fees the client pays to Private Wealth. While Private Wealth may have pre-existing business relationship with the selected provider(s), Private Wealth does not receive any referral fees, percentages of payments by clients to the service provider(s), or any other form of compensation associated with selection of a particular service provider. This service may be included as part of Private Wealth’s Investment Advisory Services (discussed above) and typically encompasses accounting services, trust services, private banking, crypto platform recommendation and tax preparation. A client of Private Wealth’s Investment Advisory Services program will not pay additional fees to Private Wealth for using the Circle of Services.

### Business Transition Planning

Business Transition Planning entails navigating many aspects of beginning, maintaining, and transitioning a business through corporate goal setting, business valuation review, transition alternatives review, proactive tax strategy review, business continuity instructions, and analysis of leases, land, and real estate holdings. The specifics of the Business Transition Planning services provided are negotiable and will be detailed in the specific agreement each client has with us.

### Oil & Gas Holdings Management

Oil & Gas Management services are offered through PW Energy (a d/b/a of Private Wealth). Oil & Gas Management services entail managing aspects of mineral rights and natural resources holdings through management of royalties, income, and expense payment; property taxes; annual reporting, contract and lease negotiation; property inspections, valuation, and reviews; analyzing and advising on joint operating agreements, accounting authorizations for expenditure, and joint interest billing; and proactive leasing. This service is offered under a separate written agreement from Private Wealth’s other services. The agreement will provide further details as to the services to which the client is entitled and fees the client will incur.

### Real Estate Asset Management

Real Estate Asset Management services include the management of aspects of real estate and land concerns tailored for the client’s geographic area through management of farmland cash rent, crop share leasing, third-party property management, and oversight of custom operations. This service is offered under a separate written agreement from Private Wealth’s investment advisory services; Private Wealth requires an agreement signed by the client prior to engagement of any services. The agreement will outline services to which the client is entitled and fees the client will incur. Real Estate Management clients who become investment advisory services clients will continue to pay separate fees on their Real Estate Management relationship.

### Investment Products

Private Wealth may offer advice on the following investment products:

- Equity securities (exchange-listed, over the counter, foreign issuers)
- Corporate debt securities
- Municipal securities
- Investment Company Securities (mutual fund shares)
- Variable annuities
- United States government securities
- Currencies

- Derivatives
- Private placements

### Wrap Fee Program

Private Wealth does not offer a Wrap Fee Program.

### Assets Under Management

As of September 30, 2024, the Firm has approximately the following Assets Under Management (“AUM”):

- Discretionary AUM: \$ 1,874,861,239
- Non-Discretionary AUM: \$0

## Item 5: Fees and Compensation

In addition to the information provided in Item 4 above, this section provides details regarding Firm fee and compensation arrangements for the services we provide to clients.

### Compensation for Investment Advisory Services

#### Investment Management Services

Private Wealth bases its fees for Investment Management Services on a percentage of total Assets Under Management (“AUM”) per annum as detailed in the tiered fee schedules below. Actual fees paid may be negotiated and may differ from those in the fee schedule. A client may pay more or less than other clients in the same fee tier. Amounts may vary as a result of negotiations, our relationship with the client, and/or factors that are specific to the client such as the size of the relationship, required service levels, and client customization of guidelines. Further, Private Wealth provides a fee reduction to its employees and partners. In certain cases, clients may negotiate a flat fee that results in a lower fee than would be paid under the below fee schedule. Certain trust accounts may be granted a one-time discounted fee rate based on external legal expenses paid for trust document revisions necessary to transfer their accounts to Private Wealth. This fee rate reduction is applied to the first billing period after which such accounts will be charged according to the agreed upon fee schedule.

#### Individually Managed/Family Office/Non- Philanthropic Organization Accounts

Fees for individually managed or organization accounts that are not philanthropic are tier priced as follows:	Account Size (AUM)	Fee (Annual Percentage)
	First \$2,000,000.00	1.20%
	Next \$3,000,000.00	0.75%
	Next \$5,000,000.00	0.60%
	Next \$10,000,000.00	0.50%
	For balances over \$20,000,000.00	0.40%

#### Philanthropic Accounts

Fees for any non-profit or tax-exempt organization account are tier priced as follows:	Account Size (AUM)	Fee (Annual Percentage)
	First \$2,000,000.00	1.20%
	Next \$3,000,000.00	0.75%
	Next \$5,000,000.00	0.60%
	For balances over \$10,000,000.00	0.25%

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### Fixed Income Accounts

Fees for households allocated 90% or more in fixed income positions and/or strategies as follows:	Account Size (AUM)	Fee (Annual Percentage)
	First \$5,000,000.00	0.45%
	Next \$5,000,000.00	0.35%
	Next \$5,000,000.00	0.30%
	For balances over \$15,000,000.00	0.25%

Fees for Investment Management Services are billed monthly, in arrears, meaning that we assess fees to you after the monthly billing period has ended. Fees are calculated on the basis of daily average balance, which is determined by averaging your account's day-end values for the days of the month your account is active. Asset additions to or withdrawals from an account during the billing period are accounted for during fee billing as of the day of addition or withdrawal. Payment in full is expected upon assessment of fees. Fees may be deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account. Clients may also choose to pay by check.

Private placements and alternative investments under management are billed differently as they use old valuations, and billing will fluctuate based on when valuations are updated.

Please refer to your agreement with us for specific details on the amount and way we are compensated by you for providing Investment Management Services.

### Wealth Management Services

Wealth Management fees are based on a negotiated flat fee divided into installment payments, contracted usually for twelve-month term, but may vary depending on the needs of the client. Payment terms and further details will be found in the agreement between us and the client for Wealth Management Services.

### Selection of Other Advisors

Our advisory fee will be in addition to the fee you pay to the Third-Party Advisors. Our advisory fee is set within a range provided by Third-Party Advisors for the service of referring clients and assuming the fiduciary responsibility of the Third-Party Advisors to meet your objectives. The advisory fee you pay to the Third-Party Advisors is in addition to the management fee paid to Private Wealth for Investment Management Services. This creates a conflict of interest because greater compensation may be received by us when clients engage with a Third-Party Advisor recommended by us. In other words, we have an incentive to recommend Third-Party Advisors, and we may be further incentivized to recommend one Third-party Advisor over another Third-Party Advisor with whom we have less favorable compensation arrangements or other advisory programs offered by Third-Party Advisors with which we have no compensation arrangements. Clients are not obligated to use any of the sub advisor recommendations.

Please refer to your agreement with us for Investment Management Services for specific information on how we are compensated for recommending Third-Party Advisors and the additional fees you will pay for using such advisors.

### Third-Party/Custodian Fees

As applicable for all Investment Advisory Services, custodians may charge transaction fees on purchases or sales of securities. These transaction charges are usually small and incidental to the purchase or sale of a security. During the process to select securities for client accounts, the fee that the custodian charges to buy or sell the security is one of many factors taken into consideration when determining a security selection and the value to a client. These charges are in addition to the fees paid by a client to Private Wealth.

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services per annum. These fees are in addition to the fees paid by a client to Private Wealth. This will reduce net investment returns on a client's portfolios. Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted. As with custodian fees, these charges are in addition to the fees paid by a client to Private Wealth.

### Advance Fee Payments

Regarding Investment Advisory Services, with the exception of Wealth Management Services and Business Transition Planning, Private Wealth charges fees in arrears, not in advance.

### Other Compensation

Some of Private Wealth's representatives are Registered Representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), member FINRA/SIPC. PKS is not affiliated with Private Wealth. As such, they are able to accept compensation for the sale of securities or other investment products, including distribution or service ("trail") fees from the sale of mutual funds. The practice of accepting commissions for the sale of securities presents a conflict of interest as it creates an incentive to recommend investment products based on compensation received. This conflict is addressed through disclosure of this incentive.

## Item 6: Performance-Based Fees & Side-by-Side Management

Private Wealth does not charge performance-based fees (i.e., fees calculated based on a share of capital gains on or capital appreciation of the client's assets or any portion of the client's assets). Consequently, we do not engage in side-by-side management of accounts that are charged a performance-based fee with accounts that are charged another type of fee (such as assets under management).

## Item 7: Types of Clients

The Firm offers a variety of services, including investment advisory and non-investment advisory services. These services are provided to:

- Individuals (including high net worth individuals)
- Family offices
- Trusts
- Estates
- Philanthropic and non-profit organizations
- Other types of business entities
- Retirement plans

### Minimum Account Size

The Firm does not have a required minimum account size for Investment Advisory Services. However, Third-Party Advisors, as described in Items 4 and 5, may have minimum requirements based on their investment model and strategies.

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

### Methods Of Analysis

The Firm may use any one or a combination of the following methods when considering investment strategies and recommendations. Sub Advisors may use strategies not listed. Please refer to their ADV Brochure for more information.

### Broad Investment Philosophy:

We believe that investment success requires a disciplined and systematic approach. Our investment philosophy is grounded in the academic tenets of Modern Portfolio Theory tempered by pragmatic investment experience. We manage capital on behalf of our clients' best interest.

### Strategic Asset Allocation:

We believe that strategic asset allocation is the main driver of performance. How much to allocate to stocks (large, mid, small, growth, value, domestic, foreign developed, emerging foreign), bonds (investment grade, high yield, preferred stock, inflation-indexed, short, intermediate, long-term, domestic, foreign, etc.) and other asset classes (REITS, Commodities, etc.) is the most important decision. While still crucial to success, manager selection explains a far smaller component of performance. We believe that alpha can best be quantified and is more persistent (skill is more identifiable) in alternative and niche asset classes / investment strategies. We do not believe timing the market is effective as a long-term source of excess returns (net of expenses and opportunity costs), but where we view tactical inefficiencies in capital markets, we will exploit for the benefit of our clients. When appropriate we utilize a core/satellite approach to investing. Appropriateness depends on asset classes, available managers, and the risk/return profile of the client portfolio.

### Tactical Asset Allocation:

Data shows markets can be inefficient and prices at the security, sector, or asset class level may be disconnected from intrinsic values. When the Private Wealth Asset Management Investment Committee ("PWAM IC") believes securities, sectors, or asset classes may be under- or over-valued, we may make tactical changes to take advantage of these temporary dislocations.

### Economic Review

An economic analysis determines the economic environment over a certain time horizon. This involves reviewing global economic data such as gross domestic product, inflation, employment, interest rates, spending and saving, money supply and much more. A risk of this strategy involves its use of trailing indicators that confirm what has already occurred.

### Political and Policy Review:

Politics and policy impact economies and capital markets. The PWAM IC may review the global geopolitical landscape to see how changes in key political personnel or policy may impact client investments.

### Manager Selection

We hold core principles that are often key points of analysis and/or discussion in our consideration of an investment manager. Those are:

- Cost (explicit and implicit)
- Alignment of incentives.
- Quantitative and qualitative analysis are stronger together and limited apart.

- Competitive advantage is rare.
- Bad operational controls may override a good investment thesis.

## Costs

Investments may have implicit or explicit costs associated with transactions or holding the investment. We perform cost analysis to make decisions in the best interest of our clients.

## Fundamental Review

Fundamental analysis is a method of evaluating a company or security by attempting to measure its intrinsic value. Fundamental analysis attempts to determine the true value of a company or security by looking at all aspects of the company or security, including both tangible factors (e.g., machinery, buildings, land, etc.) and intangible factors (e.g., patents, trademarks, “brand” names, etc.). Fundamental analysis also involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial factors (e.g., company debt, interest rates, management salaries and bonuses, etc.), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security’s current price with the aim of determining what sort of position to take with that security (e.g., if underpriced, the security should be bought; if overpriced the security should be sold). Fundamental analysis uses real data to evaluate a security’s value.

## Cyclical Review

A cyclical analysis assumes the market may react in reoccurring patterns that can be identified and leveraged to provide performance. Cyclical analysis of economic cycles is used to determine how these reoccurring patterns, or cycles, affect the returns of a given investment, asset, or company. Cyclical analysis is a time- based assessment which incorporates past and present performance to determine future value. Cyclical analysis exists because the broad economy has been shown to move in cycles, from periods of peak performance to periods of low performance. The risks of this strategy are two-fold: (1) the markets do not always repeat cyclical patterns; and (2) if too many investors begin to implement this strategy, it changes the very cycles of which they are trying to take advantage.

## Technical Review

Technical analysis is a method of evaluating securities that analyzes statistics generated by market activity, such as past prices and volume. Technical analysis does not attempt to measure a security’s intrinsic value, but instead uses past market data and statistical tools to identify patterns.

## Charting Review

Charting is a technical analysis that charts the patterns of securities to see patterns in price movement. It is a way of gathering and processing price and volume information in a security by applying mathematical equations and plotting the resulting data onto graphs to find patterns in price movements. A graphical historical record assists the analyst in spotting the effect of key events on a security’s price, its performance over a period, and whether it is trading near its high, near its low, or in between. Charting is not used to make long-term decisions in investing but may help identify potential preferential entry points.

## Investment Strategy Risks

Investing inherently involves risk up to and including loss of the principal sum. Further, past performance of any security is not necessarily indicative of future results. Therefore, future performance of any specific investment or investment strategy based on past performance should not be assumed as a guarantee. Private Wealth does not provide any representation or guarantee that the financial goals of clients will be achieved.

The potential return or gain and potential risk or loss of an investment varies with the type of product invested in. Below is an overview of the types of products available on the market and the associated risks of each:

- **General Risks.** Investing in securities always involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives can or will be met. Past performance is in no way an indication of future performance. We also cannot assure that third parties will satisfy their obligations in a timely manner or perform as expected or marketed.
- **General Market Risk.** Investment returns will fluctuate based upon changes in the value of the portfolio securities. Certain securities held may be worth less than the price originally paid for them, or less than they were worth at an earlier time.
- **Common Stocks.** Investments in common stocks, both directly and indirectly through investment in shares of ETFs, may fluctuate in value in response to many factors, including, but not limited to, the activities of the individual companies, general market and economic conditions, interest rates, and specific industry changes. Such price fluctuations subject certain strategies to potential losses. During temporary or extended bear markets, the value of common stocks will decline, which could also result in losses for each strategy.
- **Portfolio Turnover Risk.** High rates of portfolio turnover could lower the performance of an investment strategy due to increased costs and may result in the realization of capital gains. If an investment strategy realizes capital gains when it sells its portfolio investments, it will increase taxable distributions to you. High rates of portfolio turnover in a given year would likely result in short-term capital gains and under current tax law you would be taxed on short-term capital gains at ordinary income tax rates, if held in a taxable account.
- **Non-Diversified Strategy Risk.** Some investment strategies may be non-diversified (e.g., investing a greater percentage of portfolio assets in a particular issuer and owning fewer securities than a diversified strategy). Accordingly, each such strategy is subject to the risk that a large loss in an individual issuer will cause a greater loss than it would if the strategy held a larger number of securities or smaller positions sizes.
- **Model Risk.** Financial and economic data series are subject to regime shifts, meaning past information may lack value under future market conditions. Models are based upon assumptions that may prove invalid or incorrect under many market environments. We may use certain model outputs to help identify market opportunities and/or to make certain asset allocation decisions. There is no guarantee any model will work under all market conditions. For this reason, we include model-related results as part of our investment decision process, but we often weigh professional judgment more heavily in making trades or asset allocations.
- **ETF Risks, including Net Asset Valuations and Tracking Error.** An ETF's performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities,



foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate. Clients should be aware that to the extent they invest in ETF securities they will pay two levels of advisory compensation – advisory fees charged by advisor plus any advisory fees charged by the issuer of the ETF. This scenario may cause a higher advisory cost (and potentially lower investment returns) than if a client purchased the ETF directly. An ETF typically includes embedded expenses that may reduce the ETF's net asset value, and therefore directly affect the ETF's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. Expenses of the ETF may include investment advisor management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. ETF tracking error and expenses may vary.

- **Inflation, Currency, and Interest Rate Risks.** Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by advisor may be affected by the risk that currency devaluations affect client purchasing power.
- **Liquidity Risk.** Liquidity is the ability to readily convert an investment into cash to prevent a loss, realize an anticipated profit, or otherwise transfer funds out of the particular investment. Generally, investments are more liquid if the investment has an established market of purchasers and sellers, such as a stock or bond listed on a national securities exchange. Conversely, investments that do not have an established market of purchasers and sellers may be considered illiquid. Your investment in illiquid investments may be for an indefinite time, because of the lack of purchasers willing to convert your investment to cash or other assets.
- **Legislative and Tax Risk.** Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment advisor or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations, particularly for options, swaps, master limited partnerships, Real Estate Investment Trust, Exchange Traded Products/Funds/ Securities. We do not engage in tax planning, and in certain circumstances a client may incur taxable income on their investments without a cash distribution to pay the tax due. Clients and their personal tax advisors are responsible for how the transactions in their account are reported to the IRS or any other taxing authority.
- **Foreign Investing and Emerging Markets Risk.** Foreign investing involves risks not typically associated with U.S. investments, and the risks may be exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social and economic developments affecting one or more foreign countries. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors that are not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual



obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be inadequate or irregular.

- **Information Security Risk.** We may be susceptible to risks to the confidentiality and security of its operations and proprietary and customer information. Information risks, including theft or corruption of electronically stored data, denial of service attacks on our website or websites of our third-party service providers, and the unauthorized release of confidential information are a few of the more common risks faced by us and other investment advisors. Data security breaches of our electronic data infrastructure could have the effect of disrupting our operations and compromising our customers' confidential and personally identifiable information. Such breaches could result in an inability of us to conduct business, potential losses, including identity theft and theft of investment funds from customers, and other adverse consequences to customers. We have taken and will continue to take steps to detect and limit the risks associated with these threats.
- **Tax Risks.** Tax laws and regulations applicable to an account with an adviser may be subject to change and unanticipated tax liabilities may be incurred by an investor as a result of such changes. In addition, customers may experience adverse tax consequences from the early assignment of options purchased for a customer's account. Customers should consult their tax advisors and counsel to determine the potential tax-related consequences of investing.
- **Advisory Risk.** There is no guarantee that our judgment or investment decisions on behalf of any particular account will necessarily produce the intended results. Our judgment may prove to be incorrect, and you might not achieve your investment objectives. In addition, it is possible that we may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to account custodian software. advisor and its representatives are not responsible to any account for losses unless caused by advisor breaching our fiduciary duty.
- **Dependence on Key Employees.** An accounts success depends, in part, upon the ability of our key professionals to achieve the targeted investment goals. The loss of any of these key personnel could adversely impact on the ability to achieve such investment goals and objectives of the account.
- **Margin Risk.** We may use leverage in investing. Such leverage may be obtained through various means. The use of short-term margin borrowings may result in certain additional risks to Accounts. For example, should the securities pledged to a broker to secure a margin account decline in value, a margin call may be issued pursuant to which additional funds would be required to be deposited with the broker or the broker would affect a mandatory liquidation of the pledged securities to compensate for the decline in value. We might not be able to liquidate assets quickly enough to pay off the margin debt and the Accounts may therefore also suffer additional significant losses as a result of such default. Although borrowing money increases returns if returns on the incremental investments purchased with the borrowed accounts exceed the borrowing costs for such accounts, the use of leverage decreases returns if returns earned on such incremental investments are less than the costs of such borrowings.

## Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would-be material to your evaluation of Private Wealth or the integrity of Private Wealth's management. Private Wealth has no information which is applicable to this Item..

## Item 10: Other Financial Activities and Affiliations

### Registration as a Broker Dealer or Broker Dealer Representative

Private Wealth is not registered and does not have an application pending to register, as a broker/dealer and its management persons are not registered as broker/dealer representative. As discussed in Item 5, one of Private Wealth's representatives is a registered representative of Purshe Kaplan Sterling Investments ("PKS"), member FINRA/SIPC. PKS is not affiliated with Private Wealth. Transactions made in these channels pay commissions, which presents a conflict of interest as there is an incentive to recommend products based on commissions earned. To mitigate this potential conflict, Private Wealth will act in the client's best interest; the client is under no obligation to act upon any particular recommendation. Transactions made in investment advisory accounts managed by Private Wealth's custodian and not to the referenced broker/dealer.

### Registration As a Futures Commission Merchant, Commodity Pool Operator

Private Wealth and its management persons are not registered, and do not have application pending to register, as a futures commission merchant, commodity pool operator/advisor.

### Affiliated Insurance Company

Supervised persons of Private Wealth are licensed insurance agents in the registered jurisdictions. Private Wealth is a registered insurance agency and works with multiple insurance brokers ("Insurance Brokers"). To the extent insurance products are offered to advisory clients of Private Wealth, the Insurance Brokers will pay Private Wealth a commission which is paid by the insurance company who issues the policy. This creates a conflict of interest as there is an incentive for them to recommend insurance products based on the compensation received, rather than on the client's needs. Notwithstanding such conflict of interest, Private Wealth addresses its fiduciary duty by utilizing insurance products only where it is in the best interest of clients, and after consultation with, and approval of the client.

## Relationships Material to This Advisory Business And Possible Conflicts Of Interest

### Ownership

There is a conflict of interest related to the common ownership of Private Wealth and Fidelis Capital Partners, LLC ("Fidelis"). Fidelis is an investment adviser registered with the SEC. Private Wealth and Fidelis share common ownership of Shareholders. The Shareholders may also share common ownership in other Registered Investment Advisors.

### Client Investment

Additionally, there is a conflict of interest related to the certain investors in Private Wealth who are also clients of Private Wealth ("Client Investors"). The Client Investors have equity interests in Private Wealth, and as such, their investment creates a conflict of interest with Private Wealth due to their dual role as both a client and investor in Private Wealth. To mitigate this conflict of interest, the conflicts of interest are discussed and disclosed to the respective Client Investors. Private Wealth makes no recommendation to the Client Investors to invest in Private Wealth, and this investment is not reflected as an asset of the Client Investors' that is under the management of Private Wealth.

## Item 11: Code of Ethics, Conflicts of Interest and Personal Trading

### Fiduciary Status

According to SEC law, an investment advisor is considered a fiduciary. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts. In addition, an investment

advisor has a duty of utmost good faith to act solely in the best interest of each of its clients. Private Wealth and its representatives have a fiduciary duty to all clients. Private Wealth and its representative's fiduciary duty to clients is considered the core underlying principle for Private Wealth's Code of Ethics and represents the expected basis for all representatives' dealings with clients.

### Description Of Code Of Ethics

Private Wealth has the responsibility to ensure that the interests of clients are placed ahead of the Firm or advisers of the Firm financial interest. All employees will conduct business in an honest, ethical, and fair manner and will comply with all federal and state securities laws at all times. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to services being conducted. All employees have a responsibility to avoid circumstances that might negatively affect or appear to affect the employees' duty of complete loyalty to their clients,

In view of applicable provisions of relevant law, Private Wealth has adopted a Code of Ethics to specify and prohibit certain types of transactions deemed to create conflicts of interest (or the potential or appearance of such conflicts) and to establish reporting requirements and enforcement procedures relating to personal trading by Private Wealth personnel. The Code of Ethics is available to any client or prospective client upon request. Contact our Chief Compliance Officer, Kimberly Cappellano, at [kimc@privatewealth.com](mailto:kimc@privatewealth.com).

All employees must read and acknowledgment in writing they understand and agree to comply with Private Wealth's Code of Ethics. In addition, Private Wealth outlines all business and regulatory requirements in its Compliance Policies and Procedures Manual. Employees are also required to read and acknowledge in writing they understand and agree to comply with the Compliance Policies and Procedures adopted and enforced by Private Wealth.

### Employees Acting as Trustees

Certain employees of the Firm act as trustees of client accounts where they can receive compensation on the account through the Firm and potentially in their capacity as trustee. This creates a conflict of interest as these employees are incentivized by virtue of their compensation as trustee. As discussed throughout this Brochure, Investment Advisory Services are provided to clients based on the specific client's requirements (investment objectives, risk tolerances, etc.), and exceptions are not made for client accounts where employees act as trustee. Further, as discussed in Item 15, Private Wealth is deemed to have custody of client assets where an employee of Private Wealth acts as trustee for the account. As such, these accounts are subject to certain audit requirements.

### Employee Trading

Private Wealth or its representatives may buy or sell securities or have an interest or position in a security for their personal account, which they also may recommend to clients. Private Wealth is and shall continue to be in compliance with state and federal insider trading and securities fraud laws. As these situations may represent a potential conflict of interest, it is a policy of the Firm that no representative shall place his or her own investment choices above those of the advisory client. Employees may not trade with clients; as a preventive measure; generally, representative trades in covered securities in covered accounts are required to be precleared in advance by the Firm, subject to certain exceptions.

## Item 12: Brokerage Practices

### Selection And Recommendation

Private Wealth has a duty to select brokers, dealers and other trading venues that provide best execution for clients. The duty of best execution requires an investment advisor to seek to execute securities transactions for clients in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances, considering all relevant factors. The lowest possible commission, while very important, is not the only consideration. The brokers dealers Private Wealth currently utilizes are Fidelity Institutional.

It is the policy of the Firm to seek best execution in all portfolio trading activities for all investment disciplines and products, regardless of whether commissions are charged. This applies to trading in any instrument, security, or contract including equities, bonds, and forward or derivative contracts.

The standards and procedures governing best execution are set forth in several written policies. Generally, to achieve best execution, Private Wealth considers the following factors, without limitation, between similar brokers or custodial platforms in selecting a broker or intermediary:

- Services and Pricing.
- Execution capability.
- Order size and market depth.
- Competing markets and liquidity availability.
- Trading characteristics of the security.
- Information comparing markets' availability.
- Confidentiality.
- Reputation and integrity.
- Responsiveness.
- Recordkeeping.
- Ability and willingness to commit capital.
- Available technology.
- Ability to address current market conditions.
- Data Security.
- Quantity and quality of research received from the broker/dealer.

Private Wealth evaluates the execution, performance, risk profile and provides ongoing due diligence of the broker/dealers and Third-Party Managers and Investment Platforms it uses at least quarterly.

### Research And Other Soft Dollar Benefits

Soft dollar practices are arrangements whereby an investment advisor directs transactions to a broker/ dealer in exchange for certain products and services that are allowable under SEC rules. Client commissions may be used to pay for brokerage and research services and products as long as they are eligible under Section 28(c) of the Exchange Act of 1934. Section 28(e) sets forth a "safe harbor," which provides that an investment advisor that has discretion over a client account is not in breach of its fiduciary duty when paying more than the lowest commission rate available if the advisor determines in good faith that the rate paid is commensurate with the value of brokerage and research services provided by the broker/dealer.

The Firm does not have any written soft dollar arrangements, but pursuant to the safe harbor, Private Wealth receives, without cost from Fidelity, administrative support, computer software, related systems support, as well as other third-party support as further described below (together "Support") which allow Private Wealth to better monitor client accounts maintained at Fidelity and otherwise conduct its business. The Firm receives the Support without cost because the Firm renders investment management services to Clients that maintain assets at Fidelity. Support is not provided in connection with securities transactions of clients. The Support benefits the Firm, but not its Clients directly. Clients should be aware that Private Wealth's receipt of economic benefits such as the Support from a broker/dealer creates a conflict of interest since these benefits will influence the Firm's choice of broker/dealer over another that does not furnish similar software, systems support or services. In fulfilling its duties to its clients, the Firm endeavors at all times to

put the interests of its clients first and has determined that the recommendation of Fidelity is in the best interest of clients and satisfies the Firm's duty to seek best execution.

Specifically, Private Wealth receives the following benefits and Support from Fidelity:

- i. receipt of duplicate client confirmations and bundled duplicate statements.
- ii. access to a trading desk that exclusively services its institutional traders.
- iii. access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- iv. access to an electronic communication network for client order entry and account information.

In addition, the Firm receives funds to be used toward qualifying third-party service providers for research, marketing, compliance, technology and software platforms and services. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain amount of the advisor's clients' assets are maintained in accounts at Fidelity. Fidelity's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For client accounts maintained in its custody, Fidelity generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts.

Fidelity also makes available to the Firm other products and services that benefit the Firm but may not benefit its clients' accounts. These benefits may include national, regional or Firm-specific educational events organized and/or sponsored by Fidelity. Other potential benefits may include occasional business entertainment of personnel of Private Wealth by Fidelity personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities.

Other products and services assist Private Wealth in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of the Firm's accounts, including accounts not maintained at Fidelity. Fidelity also makes available to Private Wealth other services intended to help the Firm manage and further develop its business enterprise.

These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Fidelity may make available, arrange and/or pay vendors for these types of services rendered to the Firm by independent third parties. Fidelity may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to the Firm.

## Client Referrals

Private Wealth does not receive client referrals from third parties for recommending the use of specific broker/dealer brokerage services.

## Directed Brokerage

Securities transactions are executed by brokers selected by Private Wealth in its discretion and without the consent of clients. Private Wealth selects the broker/dealer of its custodian, Fidelity. Not all advisory firms require their clients to direct brokerage to certain broker/dealer firms. By directing brokerage, Private Wealth may not be able to achieve most favorable execution on client transactions.

Clients of Private Wealth will generally not direct brokerage, a practice known as “Client Directed Brokerage.” Not all advisory firms require clients to use a certain broker/dealer, and clients may pay more for trade execution than they would if they did not direct brokerage arrangements because of the Firm’s inability to negotiate commission rates and evaluate the execution quality of such brokers.

## Loan Advance Accounts

Your portfolio assets may be “pledged” or used as collateral, with our consent, in connection with loans obtained through the Lending Program. Under such Lending Programs, you may receive loan proceeds as a result of an arrangement whereby your account is pledged to the lender utilized (“Lender”). If you have elected to participate in a Lending Program, the terms and conditions applicable to that Lending Program are governed by the applicable loan documents and other service agreements and are not included or described further in this Brochure. You should carefully review the terms, conditions and any related risk disclosures for such Lending Program and understand that such risks may be heightened in the event you hold a concentrated position in your pledged account or if your pledged account makes up all, or substantially all, of your overall net worth or investable assets. A collateral call could disrupt our investment strategy for the account. You should consult with your own independent tax advisor in order to fully understand the tax implications associated with pledging your Account as loan collateral and the potential liquidation of pledged assets. You are encouraged to speak with your Financial Advisor to the extent you have questions about how your account may be used in connection with a Lending Program and how such arrangement should be taken into consideration when discussing the management of your account.

If a client decides to enter into Lending Program with a Lender, the following should be carefully considered:

- The client is borrowing money that will have to be repaid to the Lender.
- Pledge arrangements are only available for non-qualified accounts.
- Unlike a margin account, non-purpose loans cannot be used to purchase additional securities.
- The client, as the borrower, is using cash and securities that the client owns in the account as collateral.
- The client will be charged an interest rate that is subject to change.
- The Lender is responsible for reviewing the loan documentation and any other documents the Lender may require for the client to obtain the loan. The Lender, in its sole discretion, will determine the credit worthiness of the applicant, including the amount of the loan.

Prior to establishing a loan with a Lender, you should carefully review the loan agreement, loan application and any other form required by a Lender in order to process the loan.

## Order Aggregation

Private Wealth may, at times, aggregate sale and purchase orders of securities (“block trading”) for advisory accounts managed on a discretionary basis with similar orders, in order to obtain the best pricing averages and minimize trading costs, when applicable. This practice is likely to result in administrative convenience or an overall economic benefit to the client. Clients also benefit relatively from better purchase or sales execution prices, or beneficial timing of transactions, or a combination of these and other factors. Aggregate orders will be allocated to client accounts in a systematic non-preferential manner. Private Wealth may aggregate or “bunch” transactions for a client’s account with those of other clients in an effort to obtain the best execution.

It should be noted that with respect to client portfolios managed on a non-discretionary basis, transactions will generally be effected independently of transactions in other client accounts, and to the extent Private Wealth recommends a trade relating to the same or a related security for a client account, such trades will generally occur after trades have been executed for other accounts managed by Private Wealth on a discretionary basis. As a result of the independent nature of the execution of transactions for non-discretionary accounts, transactions in the same securities are generally not combined or “batched,” and thus, Private Wealth will not generally be able to “average price” non-discretionary securities transactions in an Account.

## Trade Error Policy

Private Wealth maintains a record of any trading errors that occur in connection with investment activities of its clients. Losses that result from a trading error made by Private Wealth will be absorbed by Private Wealth and will not be passed on to the client. Gains that result from a trading error are donated to charity by Fidelity.

## Item 13: Review of Accounts

### Periodic Reviews

The investment advisor representative evaluates the client’s accounts based on the client’s investment objectives and meets with the client at least annually to identify any changes needed to their investment strategy. The investment adviser representative determines the model and strategy effectiveness in obtaining the client’s goals and makes appropriate changes. Overall portfolio performance analysis for the Firm and rate of returns are monitored and evaluated by the Investment Committee periodically.

### Intermittent Review Factors

Intermittent reviews may be triggered by substantial market fluctuation, economic or political events, or changes in the client’s financial status (such as retirement, termination of employment, relocation, inheritance, etc.). Clients are advised to notify Private Wealth promptly if there are any material changes in their financial situation, investment objectives, or in the event they wish to place restrictions on their account. These life changes are discussed in client meetings in order to confirm the best investment strategy is in place to meet the client’s needs.

### Reports

Clients may receive confirmations of purchases and sales in their accounts, and will receive, at least quarterly, statements containing account information such as account value, transactions, and other relevant information. Confirmations and statements are prepared and delivered by Fidelity.



## Item 14: Client Referrals and Other Compensation

### Affiliated Insurance Company

As discussed in Item 10, some of Private Wealth's investment adviser representatives are licensed as insurance agents. Private Wealth and its agents have contracts with various insurance companies. To the extent insurance products are purchased by advisory clients, Private Wealth will be paid a commission by the insurance company who issues the policy. This creates a conflict of interest, as there is an incentive for the agents to recommend insurance products based on the compensation received, rather than on the client's needs. Notwithstanding such conflict of interest, advisory clients are under no obligation to purchase insurance products through Private wealth, and Private Wealth addresses its fiduciary duty by utilizing insurance products only where it is in the best interest of clients, and after consultation with the client.

### Employee Trustee Activities

Employees of Private Wealth may act as trustee over certain client assets. This creates a conflict as the trustee-employees would be incentivized to place client assets with Private Wealth. These employees may receive compensation for acting as trustee on the client account, in addition to compensation through Private Wealth for having those assets managed by Private Wealth.

### Investor Referral Arrangements

#### Referral Arrangements

Private Wealth pays certain referral partners for soliciting and referring new clients for advisory services offered by us. Each referral is judged on its own merits, and the referral partners will be compensated a referral fee in an amount equal to a percentage of the investment advisory fees actually received from clients who have been introduced to it by the Referral Partner. The referral partners are subject to conflicts of interest arising from this referral arrangement because the payments might induce the referral partners to recommend advisory services which the referral partners might not otherwise recommend if there was no payment. We address this conflict of interest by disclosing the referral relationship herein, and the acknowledgement that that a potential investor is not obligated to utilize the investment advisory services offered by us. Private Wealth's participation in these referral partners' referral arrangements does not diminish our fiduciary obligations to you.

### Cash Deposit Sweep Account Program

Private Wealth may refer clients to participate in a cash deposit sweep account program that is offered through Flourish Cash. Private Wealth is paid 25 basis points of the total interest earned on the balance of the Client's account held at Flourish Cash, which is calculated on a daily basis and payable to Private Wealth on a monthly basis. The client will be provided with a Supplement Disclosure Statement which will disclose the referral arrangement to Flourish by Private Wealth. Thus, Private Wealth has an indirect financial interest in referring such clients. Notwithstanding the above, these referral accounts will be subject to proper, and customary, disclosure including but not limited to compensation received by Private Wealth.

## Item 15: Custody

### Custody Of Assets

Custody means holding, directly or indirectly, client funds or securities or having any authority to obtain possession of them. With certain exceptions discussed below, Private Wealth does not have direct custody of any client funds and/or securities through its traditional asset management programs, which are held by Fidelity. Currently, Private Wealth utilizes Fidelity Institutional as custodian. Refer to item 12, Brokerage Practices for Fidelity Institutional.



### Employees Acting as Trustees

Clients may ask an employee of Private Wealth to act as trustee over their account. Custody audits are performed by an independent public accountant registered with the Public Company Accounting Oversight Board engaged by Private Wealth on such accounts.

### Direct Debiting of Fees

Although Private Wealth does not take custody or possession of the funds or securities that a client has placed under its management; however, Private Wealth is deemed by the SEC to have custody of those accounts where fees are debited directly from the client's custodian bank account. We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

However, a surprise examination is not required because Private Wealth has written authorization from each client to deduct advisory fees from the account held with the qualified custodian, and each time a fee is directly deducted from a client account, the client's custodian is advised of the amount of the fee to be deducted from that client's account, and the custodian is required to send to the client a statement showing all any advisory fees paid.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we will provide account statements directly to our clients upon request. While Private Wealth makes every effort to provide accurate statements, we urge our clients to carefully compare the information provided on our statements to statements provided by their custodian in order to ensure that all account transactions, holdings and values are correct and current.

### Standing Letters of Authority

Private Wealth has been deemed to have custody as a result of your providing us with Standing Letters of Authorization ("SLOA(s)") to withdraw funds from your portfolio account to pay third parties. Notwithstanding that, a surprise examination is not required as we are relying on the conditions set forth in the No-Action letter issued by the Securities and Exchange Commission on February 21, 2017. Pursuant to the conditions set forth in the No-Action Letter, Private Wealth confirms that (1) you provide an instruction to the qualified custodian, in writing, that includes the your signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed; (2) you authorize us, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time; (3) Fidelity performs appropriate verification of the instruction, such as a signature review or other method to verify the your authorization, and Fidelity provides a transfer of funds notice to you promptly after each transfer; (4) you have the ability to terminate or change the instruction to Fidelity; (5) we have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the your instruction; (6) we maintain records showing that the third party is not a related party of Private Wealth or located at the same address as Private Wealth; and (7) Fidelity sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

### Item 16: Investment Discretion

Private Wealth provides continuous and regular investment advisory services on both discretionary and non-discretionary accounts. The extent to which Private Wealth exercises discretion over the investment

selection in a client account, as well as any limitations on Private Wealth's discretionary authority (if any) is as agreed with each client and/or as stated in each client agreement or other investment management agreement. Any client agreements are executed at the commencement of each account opening, prior to Private Wealth's assumption of discretionary authority, if any. Private Wealth's authority can be limited by client-imposed investment objectives and strategies.

Private Wealth may exercise full discretionary authority to supervise and direct the investments of a client account. This authority will be granted by clients upon completion of the agreement for Investment Management Services. This authority allows Private Wealth and its affiliates to implement investment decisions without prior consultation with the client. Such investment decisions are made in the client's best interest and in accordance with the clients investment objectives.

## Item 17: Voting Client Securities

### Proxy Voting

On an ongoing basis, and as a matter of our policy and practice, Private Wealth will not have any authority to and will not vote proxies on behalf of advisory clients. Clients will retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

Notwithstanding that, while we are currently transitioning clients, we do currently vote proxies for a number of clients. With respect to those clients, we follow our written proxy voting policies and procedures ("Proxy Policy") which states that proxies are to be voted in client's best interests. We utilize a third- party proxy voting service, International Shareholder Services (ISS) to provide proxy voting services.

While the Firm has ultimate responsibility for voting proxies, ISS will execute the actual voting. The Firm has decided to vote as suggested by ISS, unless Private Wealth otherwise directs ISS to vote differently. We do not exercise influence or control over ISS in their conduct of voting proxies.

The CCO, along with the Investment Committee will review quarterly reports provided by ISS to confirm their voting philosophy aligns with Private Wealth. If a client requests their proxy vote to be handled differently than ISS, a request will be made, and the CCO will submit this request to ISS to vote accordingly.

Private Wealth engages with Third-Party Managers who vote proxies on behalf of clients in which Private Wealth does not have influence over voting. Proxies are voted at their discretion based on the Proxy Policies of those Third-Party Managers. This information can be found in their respective Form ADV Part 2A.

You may contact the Chief Compliance Officer, Kimberly Cappellano, at [kimc@privatewealth.com](mailto:kimc@privatewealth.com), to request a copy of our Proxy Policy and/or to request how proxies were voted.

### Class Action Litigation

Private Wealth may advise clients on shareholder class action litigations involving securities held or previously held in client accounts. Private Wealth will not be responsible for responding to or forwarding class action settlement offers relating to securities currently or previously held in client accounts to clients but will offer advice on how the client should proceed.

## Item 18: Financial Information

We are required to provide you with certain financial information or disclosures about financial condition which would impede our ability to provide the advisory services described herein. Private Wealth has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## Item 19: Other Information

### Business Continuity Plan

Private Wealth has developed a Business Continuity Plan to address how we will respond to events that may disrupt its business. Since timing and impact of disasters is unpredictable, we will have to be flexible in responding to the events as they occur. This plan is designed to permit us to resume operations as quickly as possible, given the scope and severity of the significant business disruption. The Business Continuity Plan covers data backup and recovery, mission critical systems financial and operational assessments, alternative communications, alternate business locations, bank and counter-party impact, regulatory reporting and the assurance of prompt access to funds and securities for our customers.

**Varying Disruptions** – Significant business disruptions can vary in their scope, such as emergencies affecting only a single building housing Private Wealth, the business district where we are located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only us or a building housing us, we will transfer our operations to an emergency-ready local site, moving a select group of trained employees and expecting to recover and resume business within four hours. In a disruption affecting our business district, city, or region, we will move appropriate staff to a site outside of the affected area to be able to communicate with Fidelity Distributors Company LLC on behalf of our clients. In either situation, we plan to continue in business, transferring operations to our clearing firm, if necessary.

If you have questions about our Business Continuity Plan, please feel free to contact us.

### Privacy Policy Notice

Private Wealth (“we” or “our”) respects your right to privacy and recognizes our responsibility for protecting the privacy and security of the personal information we receive from you. We have always been committed to securing the confidentiality and integrity of your personal information. We are proud of our privacy practices and want our current and prospective customers to understand what information we collect and how we use it.

#### ***Why We Collect Your Information***

We gather and keep only information about you that is necessary for us to provide the services requested by you, administer your business with us, design and improve the services we offer and comply with the laws and regulations that govern us.

#### ***What Information We Collect***

We may collect the following types of ‘nonpublic personal information’ about you:

- Information about your identity, such as your name, address, and social security number.
- Information about your transactions; and
- Information about your personal financial profile, such as your risk tolerance levels, goals and objectives, assets, liabilities, savings, and investments.

#### ***What Sources We Obtain Your Information From***

We collect nonpublic personal information about our clients, such as you, from the following sources:

- Information we receive from you on contracts or other forms, such as risk tolerance questionnaires and/or investment policy statements.

- Information about your transactions with our affiliates, or others.
- If you visit our web site, information we collect via a web server (often referred to as a “cookie”). Cookies indicate where a site visitor has been online and what has been viewed.

### ***What Information We Disclose***

We only share your nonpublic personal information with your representative within our firm, affiliates, and non-affiliated companies or individuals as permitted by law, such as mutual funds, insurance companies, and other product vendors, or to comply with legal or regulatory requirements. With your approval, we also may share information with your advisors, which can include your accountant and/or attorney. Additionally, in the normal course of our business, we may disclose information we collect about you to companies or individuals that contract with us to perform servicing functions such as:

- Record keeping.
- Computer related services.
- Good faith disclosure to regulators who have regulatory authority over the company.

Companies we hire to provide support services are not allowed to use your personal information for their own purposes and are contractually obligated to maintain strict confidentiality. We limit their use of your personal information to the performance of the specific service we have requested. Notwithstanding the above, we will not release information about our customers or former customers unless we receive your prior written consent, we believe the recipient to be you or your authorized representative or we are required by law to release information to the recipient.

We do not sell your personal information to anyone.

### ***Confidentiality and Security***

We maintain physical, electronic, and procedural safeguards to guard your personal information. We also restrict access to your personal and financial data to our authorized associates who have a need for these records. We require all nonaffiliated organizations and vendors to keep client data confidential and use appropriate security measures to protect it. They must also be contractually obligated to keep the information provided confidential and used as requested. Furthermore, we will continue to adhere to the privacy policies and practices described in this notice even after your account is closed or becomes inactive.

### ***Changes to Our Privacy Notice***

We will continue to conduct our business in a manner that conforms to our pledge to you, your expectations, and all applicable laws; however, our policy about obtaining and disclosing information may change from time to time. We will provide you with notice of any material change to this policy before we implement the change.

### ***Cookies and Other Tracking Technologies***

We may track users by IP address, by cookies (e.g., pieces of code or text placed on your computer by us or third parties when you browse our websites), by web beacons and other data collection methods for broad demographic data, as well as to help make sure that we are delivering the information you want. Our website sends cookies to your web browser (if your browser’s preferences allow it) to collect data when you browse our website(s). Cookie settings can be controlled in your Internet browser to automatically reject some forms of cookies. If you view our website without changing your cookie settings, you are indicating your consent to receive all cookies from our website(s). If you do not allow cookies, some features and

functionality of our website(s) may not operate as expected. In addition to cookies, we place technological tools (and allow certain third parties to place technological tools) such as tags and beacons (e.g., code scripts that are primarily used to track visitors' activities on our website(s) by web analytics software), Internet Protocol (IP) addresses, and other tools, to collect your data for the purposes listed in this Privacy Policy. "Do Not Track" signals are options available on your browser to tell operators of websites that you do not wish to have your online activity tracked. Our websites operate no differently if these "Do Not Track" signals are enabled or disabled.

### ***California Privacy Rights Spam***

Under California Civil Code Section 1798.83, California customers are entitled to request information relating to whether a business has disclosed personal information to any third parties for the third parties' direct marketing purposes. That notice will identify the categories of information shared and will include a list of the third parties and affiliates with which it was shared, along with their names and addresses. If you are a California resident and would like to make such a request, please submit your request in writing at the address information below.

### ***Opt-Out Provisions***

We have taken steps to assure that all third-party vendors have confidentiality clauses to protect your information. Should we not have such written agreements in place, then you have the option to "opt-out" of the sharing of this information. If you desire to opt out for those instances that we do not have the confidentiality clause, you should provide us with written instructions forwarded to the Chief Compliance Officer at the address set out above. Additionally, the law allows you to "opt out" of only certain kinds of information sharing with third parties. We do not share personal information about you with any third parties that trigger this opt-out right. This means you have already opted out of these sharing situations.

### ***To Contact Us***

If you have questions regarding our privacy policy, please contact us at 888-611-7926.