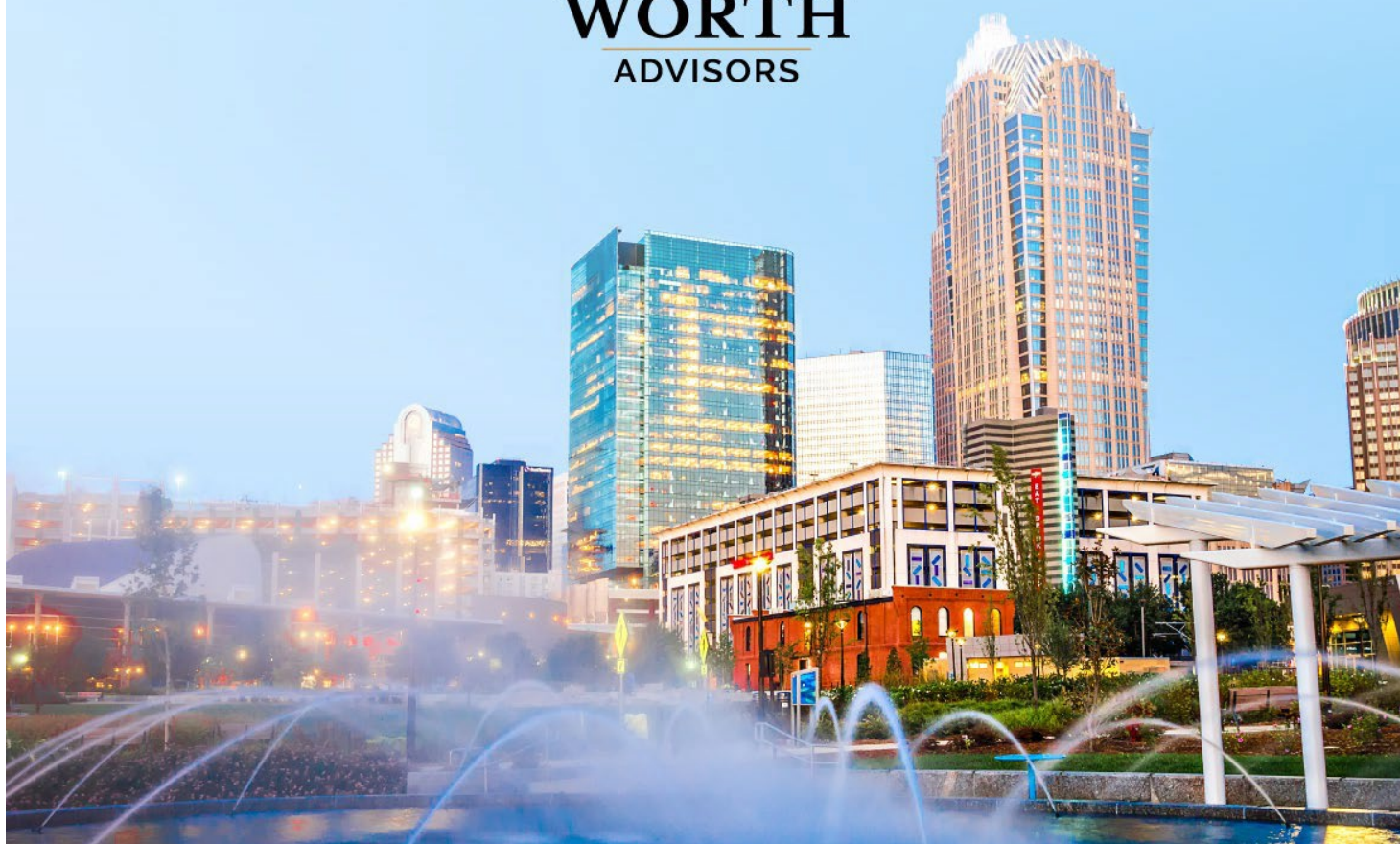


April 9, 2024

## FORM ADV PART 2 DISCLOSURE BROCHURE



This brochure provides information about the qualifications and business practices of Worth Financial Advisory Group, LLC dba Worth Advisors. Being registered as an investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 704-731-0121. 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 Worth Financial Advisory Group, LLC dba Worth Advisors (IARD#156564) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

### OFFICE ADDRESS

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## **Item 2: Material Changes**

### **Annual Update**

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

### **Material Changes since the Last Update**

This update is in accordance with the required annual update for Registered Investment Advisors. Since the last update on February 22, 2024, this Brochure has one material change: Worth Advisors has changed its primary office address to 2020 S. Tryon Street, Suite 2B, Charlotte, NC 28203.

### **Full Brochure Available**

This Firm Brochure being delivered is the complete brochure for the Firm.

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## Item 4: Advisory Business

### Firm Description

Worth Financial Advisory Group, LLC dba Worth Advisors (“Worth”) was formed as a North Carolina Limited Liability Company in March 2006. Worth became registered as an investment adviser in January 2011. Glen E. Wright, II is 100% owner.

Worth is a fee based financial planning and investment management firm. The firm does not sell annuities, insurance, or other commissioned products, but the firm’s Managing Member is an insurance agent and sells insurance products. Worth does not act as a custodian of client assets.

Other professionals (e.g., lawyers, accountants, tax preparers, insurance agents, etc.) are engaged directly by the client on an as-needed basis and may charge fees of their own. Conflicts of interest will be disclosed to the client in the event they should occur.

### Types of Advisory Services

#### ASSET MANAGEMENT

Worth offers discretionary and non-discretionary direct asset management services to advisory clients. Worth will offer clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors.

##### Discretionary

When the client provides Worth discretionary authority, the client will sign a limited trading authorization or equivalent. Worth will have the authority to execute transactions in the account without seeking client approval on each transaction.

##### Non-discretionary

When the client elects to use Worth on a non-discretionary basis, Worth will determine the securities to be bought or sold and the amount of the securities to be bought or sold. However, Worth will obtain prior client approval on each and every transaction before executing any transactions.

#### ERISA PLAN SERVICES

Worth provides service to qualified retirement plans including 401(k) plans, 403(b) plans, pension and profit sharing plans, cash balance plans, and deferred compensation plans. Worth may act as a 3(38) advisor:

**ERISA 3(38) Investment Manager.** Worth can also act as an ERISA 3(38) Investment Manager in which it has discretionary management and control of a given retirement plan’s assets. Worth would then become solely responsible and liable for the selection, monitoring and replacement of the plan’s investment options.

#### 1. Fiduciary Services are:

- Worth has discretionary authority and will make the final decision regarding the initial selection, retention, removal and addition of investment options in accordance with the Plan’s investment policies and objectives.
- Assist the Client with the selection of a broad range of investment options consistent with ERISA Section 404(c) and the regulations thereunder.
- Assist the Client in the development of an investment policy statement (“IPS”). The IPS

establishes the investment policies and objectives for the Plan.

- Provide discretionary investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative for participants who are automatically enrolled in the Plan or who have otherwise failed to make investment elections. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5).

2. Non-fiduciary Services are:

- Assist in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan. Client understands the Worth's assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, the Worth is not providing fiduciary advice as defined by ERISA to the Plan participants. Worth will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.
- Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

Worth may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between Worth and Client.

3. Worth has no responsibility to provide services related to the following types of assets ("Excluded Assets"):

- Employer securities;
- Real estate (except for real estate funds or publicly traded REITs);
- Stock brokerage accounts or mutual fund windows;
- Participant loans;
- Non-publicly traded partnership interests;
- Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
- Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to the Adviser on the ERISA Agreement. Specific services will be outlined in detail to each plan in the 408(b)2 disclosure.

**WORTH FINANCIAL: FINANCIAL PLANNING AND CONSULTING SERVICES**

If financial planning services are applicable, the client will compensate Worth on an hourly fee basis or fixed fee basis described in detail under "Fees and Compensation" section of this brochure. Services include but are not limited to a thorough review of all applicable topics including Estate Plan, Investments, Taxes, and Insurance. If a conflict of interest exists between the interests of the investment advisor and the interests of the client, the client is under no obligation to act upon the investment advisor's recommendation. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through Worth. Financial plans will be completed and delivered inside of thirty (30) days.

**NEWSLETTERS**

Worth provides clients with monthly newsletters. The newsletters are educational in nature and no specific investment or tax advice is given. Worth does not charge a fee for these newsletters.

**Client Tailored Services and Client Imposed Restrictions**

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

Agreements may not be assigned without written client consent.

### **Wrap Fee Programs**

Worth does not sponsor any wrap fee programs.

### **Client Assets under Management**

As of December 31, 2023, Worth has approximately \$179,335,290 in client assets under management on a discretionary basis and no assets under management on a non-discretionary basis.

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

### **Methods of Compensation, and Fee Schedule**

#### **ASSET MANAGEMENT**

Worth offers discretionary and non-discretionary direct asset management services to advisory clients. The fees for these services will not exceed 2.0%. Worth's philosophy is to develop a portfolio for each client that contains fairly-valued, diverse investments suited to each client's time horizon, savings goal(s), financial situation and tolerance for investment risk. Worth primarily constructs portfolios with exchange-traded funds ("ETFs") and no-load index mutual funds. Worth may also include several other securities types as appropriate to meet the objective of each of its clients.

The annual fee may be negotiable. Accounts within the same household may be combined for a reduced fee. Fees are billed quarterly in advance based on the amount of assets managed as of the last business day of the previous quarter. Initial fees for partial quarters are pro-rated. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement for a full refund. Clients may terminate advisory services with thirty (30) days written notice. For accounts closed mid-quarter, the client will be entitled to a pro rata refund for the days service was not provided in the final quarter. Client shall be given thirty (30) days prior written notice of any increase in fees, and client will acknowledge, in writing, any agreement of increase in said fees.

#### **ERISA PLAN SERVICES**

The annual fees are based on the market value of the Included Assets and will not exceed 2%. The annual fee is negotiable and may be charged as a percentage of the Included Assets or as a flat fee. Fees may be charged quarterly or monthly in arrears or in advance based on the assets as calculated by the custodian or record keeper of the Included Assets (without adjustments for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distribution of assets). If the services to be provided start any time other than the first day of a quarter or month, the fee will be prorated based on the number of days remaining in the quarter or month. If this Agreement is terminated prior to the end of the billing cycle, Worth shall be entitled to a prorated fee based on the number of days during the fee period services were provided or Client will be due a prorated refund of fees for days services were not provided in the billing cycle.

The fee schedule, which includes compensation of Worth for the services is described in detail in Schedule A of the ERISA Plan Agreement. The Plan is obligated to pay the fees; however, the Plan Sponsor may elect to pay the fees. Client may elect to be billed directly or

have fees deducted from Plan Assets. Worth does not reasonably expect to receive any additional compensation, directly or indirectly, for its services under this Agreement. If additional compensation is received, Worth will disclose this compensation, the services rendered, and the

payer of compensation. Worth will offset the compensation against the fees agreed upon under the Agreement.

#### WORTH FINANCIAL: FINANCIAL PLANNING AND CONSULTING SERVICES

For Financial Planning and Consulting Services Worth charges either an hourly fee of \$550 or fixed fee ranging from \$1,250 to \$250,000 based on complexity and unique client needs. Prior to the planning process the client will be provided an estimated plan fee.

Worth's CoachNetWorth Platform is designed exclusively for college coaches. Worth will provide services on the following:

- Maximizing the clients' total income and cost reduction strategies
- Planning, preparing & processing your tax returns\*
- Risk management strategies
- Asset allocation
- Executing proper legacy planning and tax saving strategies
- Establishing a plan to reduce and/or eliminate your personal debt
- Establishing asset protection strategies
- Maximizing tax-deductible retirement savings
- Funding your children's educational expenses on a tax advantage basis
- Cash flow management strategies
- Bookkeeping services

**\*Tax services are offered through collaboration with our Certified Public Accountant**

Worth has developed a five (5) step process for the CoachNetWorth Platform:

1. Initial Meeting "Recruiting Visit" – Worth will meet with each client in order to discuss services offered, the planning process and the client's investment philosophy. Worth will assess each client's needs and expectations.
2. Goal Setting "Planning and Practice" – Worth understands how a coach's past often influences their ambitions for the future. Worth will go backwards in time to understand how each client's relationship with money have grown and evolved and will help create goals to prepare for the future.
3. Financial Plan Development "Game Strategy" – The plan details out where the client is, where they want to go, the means to get there and any risks or constraints that may stand in the client's way.
4. Implementation "Game Time" – Worth will work with your team of accountants, attorneys and other professionals to implement the recommendations set out in the Financial Plan.
5. Annual Review "Preparation for Next Season" – Worth will meet with clients at least annually to review the client's situation, follow up on any action items from the financial plan recommendations, and see if any changes are necessary.

During the Annual Review, if it is decided that changes are necessary Worth will create an amended Financial Plan and reassess a fee ranging from \$300 - \$1,200 depending upon complexity. Client will pay half of the estimated fee at the signing of the agreement with the balance due upon delivery of the completed plan. Services are completed and delivered inside of thirty (30) days. Client may cancel at any time prior to the delivery of the plan for a full refund.

### **Client Payment of Fees**

Investment management fees are billed quarterly in advance, meaning we bill you before the three-month period has started. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Fees for financial plans are billed 50% in advance, with the balance due upon plan delivery.

### **Additional Client Fees Charged**

Custodians may charge transaction fees on purchases or sales of certain mutual funds, equities, and exchange-traded funds. These charges may include Mutual Fund transactions fees, postage and handling and miscellaneous fees (fee levied to recover costs associated with fees assessed by self-regulatory organizations). The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

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

For more details on the brokerage practices, see Item 12 of this brochure.

### **Prepayment of Client Fees**

Investment management fees are billed quarterly in advance. If the client cancels after five (5) days, any unearned fees will be refunded to the client. Fees for 3(38) services may be billed in advance.

Financial planning fees will be billed half of the estimated fee at the signing of the agreement with the balance due upon delivery of the completed plan. Client may cancel at any time prior to the delivery of the plan for a full refund.

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

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

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

### **Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

Worth does not use a performance-based fee structure because of the conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

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

### **Description**

Worth primarily provides investment advice to college coaches (individuals), high net worth individuals, businesses and profit and pension plans. Client relationships vary in scope and length of service.

### **Account Minimums**

Worth requires a minimum of \$100,000 to open an account but reserves the right to waive the minimum at its discretion.



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

Security analysis methods may include fundamental analysis, technical analysis, and cyclical analysis. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is not a guarantee of future returns.

Fundamental analysis involves evaluating a stock using real data such as company revenues, earnings, return on equity, and profits margins to determine underlying value and potential growth. Technical analysis involves evaluating securities based on past prices and volume. Cyclical analysis involves analyzing the cycles of the market.

When creating a financial plan, Worth utilizes fundamental analysis to provide review of insurance policies for economic value and income replacement. Technical analysis is used to review mutual funds and individual stocks. The main sources of information include Morningstar, client documents such as tax returns and insurance policies.

In developing a financial plan for a client, Worth's analysis may include cash flow analysis, investment planning, risk management, tax planning and estate planning. Based on the information gathered, a detailed strategy is tailored to the client's specific situation.

The main sources of information include Morningstar, financial newspapers and magazines, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

### **Investment Strategy**

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement or Risk Tolerance that documents their objectives and their desired investment strategy.

Worth's investment strategy is primarily long-term focused, but Worth may buy, sell or re-allocate positions that have been held less than one (1) year to meet the objectives of the client or due to market conditions. Worth will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the client. Each client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by Worth.

Other strategies may include long-term purchases, short-term purchases, trading, and option writing (including covered options, uncovered options or spreading strategies).

### **Security Specific Material Risks**

All investment programs have certain risks that are borne by the investor. Fundamental analysis may involve interest rate risk, market risk, business risk, and financial risk. Risks

involved in technical analysis are inflation risk, reinvestment risk, and market risk. Cyclical analysis involves inflation risk, market risk, and currency risk.

Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with Worth:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risk:* The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

- *Inflation Risk*: When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk*: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk*: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Business Risk*: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Liquidity Risk*: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Financial Risk*: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Item 9: Disciplinary Information**

### **Criminal or Civil Actions**

The firm and its management have not been involved in any criminal or civil action.

### **Administrative Enforcement Proceedings**

The firm and its management have not been involved in administrative enforcement proceedings.

### **Self-Regulatory Organization Enforcement Proceedings**

The firm and its management have not been involved in legal or disciplinary events related to past or present investment clients.

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

### **Broker-Dealer or Representative Registration**

Neither the firm nor any of its employees are affiliated with a broker-dealer.

### **Futures or Commodity Registration**

Neither Worth nor its employees are registered or has an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

**Material Relationships Maintained by this Advisory Business and Conflicts of Interest**  
Managing Member Glen Wright, II is also a licensed insurance agent. Approximately 50% of Mr. Wright's time is spent in his insurance practice. From time to time, he will offer clients products and/or services in this capacity.

This represents a conflict of interest because it gives an incentive to recommend products and services based on the commission received. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation to place the best interest of the client first and the clients are not required to purchase any products or services. Clients have the option to purchase these products or services through another insurance agent of their choosing.

Also, a related person of Worth is also an accountant. This individual does not have signatory authority over their accounting clients' checking accounts therefore no material conflict of interests are present.

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

Worth does not recommend or select other investment advisors.

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

### **Code of Ethics Description**

The employees of Worth have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of Worth employees and addresses conflicts that may arise. The Code defines acceptable behavior for employees of Worth. The Code reflects Worth and its supervised persons' responsibility to act in the best interest of their client.

One area which the Code addresses is when employees buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our clients. We do not allow any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our clients.

Worth's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer or director of Worth may recommend any transaction in a security or its derivative to advisory clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

Worth's Code is based on the guiding principle that the interests of the client are the top priority. Worth's officers, directors, advisors, and other employees have a fiduciary duty to the clients and must diligently perform that duty to maintain the trust and confidence of the clients. When a conflict arises, it is Worth's obligation to put the client's interests over the interests of either employees or the company.

The Code applies to "access" persons. "Access" persons are employees who have access to non-public information regarding any clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to clients, or who have access to such recommendations that are non-public.

The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

### **Investment Recommendations Involving a Material Financial Interest and Conflict of Interest**

Worth and its employees do not recommend to clients securities in which we have a material financial interest.

### **Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

Worth and its employees may buy or sell securities that are also held by clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all

reportable securities transactions as well as provide Worth with copies of their brokerage statements.

The Chief Compliance Officer of Worth is Glen E. Wright, II. He reviews all employee trades monthly. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment over employee transactions.

## **Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities**

### **Transactions and Conflicts of Interest**

Worth does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, employees may buy or sell securities at the same time they buy or sell securities for clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide Worth with copies of their brokerage statements.

The Chief Compliance Officer of Worth is Glen E. Wright, II. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment over employee transactions.

## **Item 12: Brokerage Practices**

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

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

- *Directed Brokerage*

In circumstances where a client directs Worth to use a certain broker-dealer, Worth still has a fiduciary duty to its clients. The following may apply with Directed Brokerage: Worth's inability to negotiate commissions, to obtain volume discounts, there may be a

disparity in commission charges among clients and conflicts of interest arising from brokerage firm referrals.

- *Best Execution*

Investment advisors who manage or supervise client portfolios on a discretionary basis have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. The firm does not receive any portion of the trading fees.

- *Soft Dollar Arrangements*

The Securities and Exchange Commission defines soft dollar practices as arrangement under which products or services other than execution services are obtained by Worth from or through a broker-dealer in exchange for directing client transactions to the broker-dealer. As

permitted by Section 28(e) of the Securities Exchange Act of 1934, Worth receives economic benefits as a result of commissions generated from securities transactions by the broker-dealer from the accounts of Worth. These benefits include both proprietary research from the broker and other research written by third parties.

A conflict of interest exists when Worth receives soft dollars. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation to act in the best interest of its clients and the services received are beneficial to all clients.

We do not maintain custody of your assets that we manage or on which we advise, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We may recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we may recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open accounts for you, although we may assist you in doing so. Please read about potential conflicts of interest related to our recommendation of Schwab in Item 14 of this Brochure.

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds and ETFs) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/custodians").

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

**Services that benefit you.** 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 we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

**Services that may not directly benefit you.** Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment

research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. 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 our clients' accounts.
- Assist with back-office functions, recordkeeping, and client reporting.

**Services that generally benefit only us.** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

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

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment.

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

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

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

### **Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons**

#### **Involved**

Account reviews are performed quarterly by Investment Advisor Representatives of Worth. Account reviews are performed more frequently when market conditions dictate. Financial Plans are considered complete when recommendations are delivered to the client and a review is done only upon request of client.

#### **Review of Client Accounts on Non-Periodic Basis**

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

#### **Content of Client Provided Reports and Frequency**

Clients receive written account statements no less than quarterly for managed accounts. Account statements are issued by Worth's custodian. Client receives confirmations of each transaction in account from Custodian and an additional statement during any month in which a transaction occurs. Worth provides performance reports to clients quarterly. These performance reports are prepared by Black Diamond.

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

### **Economic benefits provided to the Advisory Firm from External Sources and Conflicts of Interest**

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. We benefit from the products and services provided because the cost of these services would otherwise be borne directly by us, and this creates a conflict. You should consider these conflicts of interest when selecting a custodian. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices).

### **Advisory Firm Payments for Client Referrals**

Worth will, from time to time, enter into agreements with organizations that refer clients to Worth in exchange for compensation. All such agreements will be in writing and comply with the requirements of Federal and State regulations. If a client is introduced to Worth by a promoter, Worth will pay that promoter a fee. While the specific terms of each agreement may differ, generally, the compensation will be based upon Worth's engagement of new clients and is calculated using a varying percentage of the fees paid to Worth by such clients. Any such fee shall be paid solely from Worth's investment management fee and shall not result in any additional charge to the client.

Each prospective client who is referred to Worth under such an arrangement will receive a copy of this brochure and a separate written disclosure document disclosing the nature of the relationship between the promoter and Worth and the amount of compensation that will be paid by Worth to the promoter. The promoter is required to obtain the client's signature acknowledging receipt of Worth's disclosure brochure and the promoter's written disclosure statement.

## **Item 15: Custody**

### **Account Statements**

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

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

## **Item 16: Investment Discretion**

### **Discretionary Authority for Trading**

Worth accepts discretionary authority to manage securities accounts on behalf of clients. Worth has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, Worth consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

The client approves the custodian to be used and the commission rates paid to the custodian. Worth does not receive any portion of the transaction fees or commissions paid by the client to

the custodian on certain trades.

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

### **Proxy Votes**

Worth does not vote proxies on securities. Clients are expected to vote their own proxies. The client will receive their proxies directly from the custodian of their account or from a transfer agent.

## **Item 18: Financial Information**

### **Balance Sheet**

A balance sheet is not required to be provided because Worth does not serve as a custodian for client funds or securities and Worth does not require prepayment of fees of more than \$1,200 per client and six (6) months or more in advance.

### **Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet**

#### **Commitments to Clients**

Worth has no condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

#### **Bankruptcy Petitions during the Past Ten Years**

Neither Worth nor its management has had any bankruptcy petitions in the last ten years.