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Part 2A of Form ADV: Firm Brochure

ITEM 1 – COVER PAGE

March 31, 2024

This Brochure provides information about the qualifications and business practices of Cambridge Wealth Management LLC ("CWM"). If you have any questions about the contents of this brochure, please contact us at 518-677-3781 or by email at mitlockrow@cwllc.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Cambridge Wealth Management is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training. The oral and written communications of an Adviser provide you with information that you may use to determine whether to hire or retain an Adviser.

Additional information about Cambridge Wealth Management is available on the SEC's website at **www.adviserinfo.sec.gov**. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Cambridge Wealth Management is 172938.

ITEM 2 – MATERIAL CHANGES

Summary of Material Changes

Form ADV 2 is divided into two parts: Part 2A (the "Disclosure Brochure") and Part 2B (the "Brochure Supplement"). The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about Advisory Persons of Cambridge Wealth Management (CWM).

This Item of the Brochure will discuss only specific material changes that are made to the Brochure and will provide clients with a summary of such material changes. The last update to the Brochure was April 1, 2023.

Since filing the annual amendment on April 1, 2023, Cambridge Wealth Management has had no material changes to this Disclosure Brochure.

Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Cambridge Wealth Management.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with our firm name or our CRD# 172938. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (518) 677-3781 or by email at info@cwllc.com.

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ITEM 4 – ADVISORY BUSINESS

This Brochure is being offered to you by Cambridge Wealth Management LLC (“Cambridge Wealth Management”). It discloses information about the services we provide and the way those services are made available to you, the client.

We are an investment and wealth management firm located in Cambridge, New York. We specialize in investment advisory services for individuals, high-net-worth individuals, pension and profit-sharing plans, estates, corporations, and charitable organizations. Cambridge Wealth Management became a registered investment adviser in 2014. Mitsuo Eli Lockrow, Wealth Strategist and Chief Compliance Officer, owns 100% of the firm.

We are committed to helping clients build, manage, and preserve their wealth, and to provide assistance, objective advice, and solutions that help clients to achieve their stated financial goals. We will offer an initial complimentary meeting upon our discretion; however, investment advisory services are initiated only after you and Cambridge Wealth Management execute an engagement letter or client agreement.

Investment and Wealth Management and Supervision

We offer discretionary investment management and investment supervisory services for a fee based on a percentage of your assets under management. These services include investment analysis, allocation of investments, quarterly portfolio reports, financial commentaries, and ongoing monitoring of client portfolios. We primarily allocate client assets among various mutual funds, exchange-traded funds (“ETFs”), individual debt (bonds), and equity securities in accordance with the stated investment objectives of the client.

During personal discussions with clients, we determine the client’s objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review a client’s prior investment history, as well as family composition and background. Based on client needs, we develop and document in writing, a client’s personal profile and investment plan. We then create and manage the client’s investments based on that profile and plan.

We base our investment recommendations on the client’s financial situation at the time and on financial information disclosed to us by the client. When preparing these recommendations, we make certain assumptions regarding interest and inflation rates, as well as regarding past trends and performance of the market and economy. However, past performance is in no way an indication of future performance. We cannot offer any guarantees or promises that the client’s financial goals and objectives will be met. Certain market and economic risks exist that may adversely affect an account’s performance. This could result in capital losses in your account.

Additionally, it is the client’s obligation to notify us immediately if circumstances have changed with respect to any of the client’s material information, including their goals.

In performing our services, we shall not be required to verify any information received from you or from other professionals. At your request, we will recommend the services of other professionals for implementation purposes. You have the right to decide whether or not to engage the services of any such recommended professional. Once we have determined the types of investments to be included in your portfolio and allocated them, we will provide ongoing investment review and management services. This approach requires us to review your portfolio at least quarterly.

We will rebalance the portfolio as we deem appropriate, in order to meet your financial objectives. We trade these portfolios and rebalance them based on the combination of our market views and your objectives, using our investment process. We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives. You will have the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities. If a non-discretionary relationship is in place, we will call you with our recommendations, and only upon your authorization will we take any action on your behalf.

In all cases, you have a direct and beneficial interest in your securities, rather than an undivided interest in a pool of securities. We do have limited authority to direct the Custodian to deduct our investment advisory fees from your accounts, but only with the appropriate written authorization from you.

Where appropriate, we provide advice about any type of legacy position or other held away investment held in client portfolios. Typically, these are assets that are ineligible to be custodied at our primary custodian. Clients will engage us to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance, annuity contracts and assets held in employer-sponsored retirement plans and qualified tuition plans (i.e., 529 plans).

Financial Planning

Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this comprehensive service receive a written report which provides the client with a detailed financial plan designed to assist the client in achieving his or her financial goals and objectives.

Our comprehensive financial plan can address any of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information, and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax situation, along with their spending and planning for past, current, and future years. We then illustrate the impact of various investments on the client's current income tax and future tax liability. However, we do not provide specific tax advice.

- **INVESTMENT:** We analyze investment alternatives and their effects on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, and long-term care.
- **RETIREMENT:** We analyze current strategies and investment plans to maximize the client's retirement income.
- **DEATH AND DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning, and disability income.
- **ESTATE:** We can assess a client's current estate plan and assist the client in developing a long-term estate plan. Since we are not attorneys, any specific estate plan implementation would be referred to our client's legal counsel.

We will provide annual reviews, as well as periodic reviews to remind clients of the specific courses of action that need to be taken. More frequent reviews may occur but are not necessarily communicated to the client unless immediate changes are recommended.

Retirement Rollovers

A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). CWM and its representatives can earn investment advisory fees by recommending that a client rollover his or her account at the retirement plan to an IRA; however, CWM and its investment adviser representatives will not earn any investment advisory fee if client does not rollover the funds in the retirement plan (unless a client retained CWM to provide advice about the retirement plan account). Thus, CWM and its investment adviser representatives have an economic incentive to recommend a rollover of your retirement plan account, which is a conflict of interest. CWM has taken steps to help manage this conflict of interest arising from rolling over funds from an Employee Retirement Income Security Act of 1974 as amended ("ERISA") covered retirement plan to an IRA.

CWM and its investment adviser representatives will (i) provide investment advice to ERISA covered retirement plan participants regarding a rollover of funds from the ERISA covered retirement plan in accordance with the fiduciary status described below, (ii) not recommend investments which result in CWM receiving unreasonable compensation related to the rollover of funds from the ERISA covered retirement plan to an IRA, and (iii) fully disclose compensation received by BCA and its supervised persons and any material conflicts of interest related to BCA recommending the rollover of funds from the ERISA covered retirement plan to an IRA and refrain from making any materially misleading statements regarding such rollover.

To the extent CWM provides investment advice to a participant in a retirement plan under ERISA regarding 1) whether to maintain investments and/or proceeds in an ERISA

retirement plan, 2) rollover such investment/proceeds from the ERISA retirement plan to an individual retirement account ("Rollover IRA account"), or 3) make a distribution from the ERISA retirement plan, CWM hereby acknowledges its fiduciary obligations with regard to its investment advice about whether to maintain, rollover or distribute proceeds from those ERISA Retirement plans. As a fiduciary, with respect to our investment advice about whether to maintain, rollover or distribute proceeds from those ERISA retirement plans, CWM and its representatives will act with the care, skill, prudence, and diligence under the circumstances then prevailing, without regard to personal or company self-interest. No client is under any obligation to roll over retirement plan assets to an account managed by Cambridge Wealth Management.

Consulting Services

We also provide clients with investment advice on a more-limited basis regarding one or more isolated areas of concern such as estate planning, real estate, retirement planning, or any other specific topic. Additionally, we provide advice on non-securities matters about the rendering of estate planning, insurance, real estate, and/or annuity advice, or any other business advisory/consulting services for equity or debt investments in privately-held businesses. In these cases, you will be required to select your own investment managers, broker-dealer and/or insurance companies for the implementation of consulting recommendations. If your needs include brokerage and/or other financial services, we will recommend the use of one of several investment managers, brokers, banks, custodians, insurance companies, or other financial professionals ("Firms"). You must independently evaluate these Firms before opening an account or transacting business and have the right to effect business through any firm you choose. You have the right to choose whether to follow the consulting advice that we provide.

Educational Seminars

Cambridge Wealth Management offers financial planning seminars to the general public as well as to its clients. Seminars/workshops are generic in nature and free of charge to attendees. Cambridge Wealth Management is generally the sole sponsor of such seminars and does not receive any form of compensation for its seminars.

Wrap Fee Program

We do not participate in any wrap fee programs.

Assets

As of February 29, 2024, we manage \$22,741,021 in assets under discretionary management and \$5,114,251 non-discretionary assets under management. Additionally, we have approximately \$4,339,577 under advisement.

ITEM 5 - FEES AND COMPENSATION

Investment Management Fees and Compensation

Cambridge Wealth Management charges a fee as compensation for providing Investment Management services on your account. These services include advisory and consulting services, trade entry, investment supervision, and other account-maintenance activities. Our custodian charges transaction costs, custodial fees, redemption fees, retirement plan, and administrative fees or commissions. See ***Additional Fees and Expenses*** below for more details.

Cambridge Wealth Management's investment management fees are negotiable, and these fees are negotiated with the client ahead of time. We offer a choice of compensation options from which the client can choose, depending on which will be most beneficial to the client. We charge either a fixed percentage fee of assets under management or a flat fee for our services. The amount of this fee is set on a case-by-case basis and is determined based on a number of factors including the size of the account, services rendered, complexity of the portfolio, extent of activity in the account, or other reasons agreed upon by the client and us.

New Client Investment Management Tiered Fee Schedule

<u>Assets Under Management (AUM)</u>	<u>Annual Fee Percentage</u>
For the first \$750,000	1.25%
\$750,001 < \$1,500,000	0.95%
\$1,500,001 < \$2,500,000	0.85%
\$2,500,001 < \$3,500,000	0.75%
\$3,500,001 < \$5,000,000	0.65%
\$5,000,001 < \$10,000,000	0.55%
Minimum Management Fee:	0.55%
Example: A client with \$1,000,000 in assets under management would pay \$11,750 annually or 1.175%	

The fee charged is calculated on a case-by-case basis with each client and is not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds or any portion of the funds of an advisory client (SEC Rule 205(a)(1)).

For purposes of determining the value of the assets in a client's account, securities and other instruments traded on a market for which actual transaction prices are publicly reported are valued at the last reported sale price on the principal market in which they are traded.

The fees for investment management are based on an annual percentage of assets under management and are applied to the household asset value on a pro-rata basis and billed quarterly in advance. The initial fee will be based upon the account value as of the advisory agreement execution date, as accepted for management by Cambridge Wealth Management, or when the assets are transferred, through the last day of the current calendar quarter. Thereafter, the fee will be based on the account value on the last business day of each quarter. Fees are assessed on all assets under management, including securities, cash, and money market balances. The market value will be determined as reported by the Custodian.

In certain circumstances, our fees and the timing of the fee payments may be negotiated. Our employees and their family related accounts are charged a reduced fee for our services.

We aggregate related client accounts for the purposes of determining the account size and annualized fee. This common practice is often referred to as “house-holding” portfolios, which is done for fee purposes, and may result in lower fees than if fees were calculated on portfolios separately. Our method of house-holding accounts for fee purposes looks at the overall family dynamic and relationship. With the permission of our client, we often will include multi-generational factors such as the account values of adult children and grandchildren as part of the family dynamic pricing.

Payment of our management fees will be made by the qualified custodian holding your funds and securities provided you supply written authorization permitting the fees to be paid directly from your account. We will not have access your funds for payment of our fees without your written consent. Further, the qualified custodian agrees to deliver an account statement directly to you, at least quarterly, showing all disbursements from your account, including our advisory fees. In addition, Cambridge Wealth Management will send an invoice to you on a monthly basis. We encourage you to review all account statements for accuracy.

Either you or Cambridge Wealth Management may terminate the management agreement immediately upon written notice to the other party. We charge investment management accounts initiated or terminated during a calendar month or quarter a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Upon termination, the client is responsible for monitoring the securities in their account, and we will have no further obligation to act or advise with respect to those assets. In the event of a client’s death or disability, Cambridge Wealth Management will continue management of the account until we are notified of the client’s death or disability and given alternative instructions by an authorized party.

Financial Planning Fee

The fee for a comprehensive financial plan is \$4,000, and payments are made in two installments: half at the commencement of the planning process, and the final payment due upon delivery of the completed plan. Cambridge Wealth Management will deliver plans within six (6) months of the date of the planning agreement.

The client may cancel within five (5) business days of signing the Investment Advisory Agreement without fee or penalty. If termination occurs thereafter, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you based on an hourly rate of \$300.00. Services provided up to the date of termination but not yet paid to Cambridge Wealth Management will be billed to the client based on the hourly rate of \$300.00. Unless a client has received the firm's disclosure brochure at least forty-eight (48) hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees. Fixed and hourly fees are determined upon engagement. They are somewhat negotiable and are affected by the size, composition, and complexity of the investments and objectives of the client. An estimate for total hours and/or costs will be provided prior to engagement.

For clients engaging in an ongoing financial planning process, we offer an annual review based on an hourly fee of \$300. This hourly fee is waived for any clients who pay an asset management fee and with household assets of \$500,000 under management.

When both investment management or plan implementation and financial planning services are offered, there is a conflict of interest since there is an incentive for us offering financial planning services to recommend products or services for which Cambridge Wealth Management receives compensation. However, Cambridge Wealth Management will make all recommendations independent of such considerations and based solely on our obligations to consider the client's objectives and needs. As a financial-planning client, you have the right not to act upon any of our recommendations and to not implement the transaction(s) through us if you decide to follow the recommendations. Clients may be able to find lower fees for comparable services from other sources.

We will not require prepayment of more than \$500 in fees per client, six (6) or more months in advance of providing any services.

Consulting Fees

Cambridge Wealth Management provides consulting services for clients who need advice on a limited scope of work, and these consulting fees are negotiable. Fees may vary based on the extent and complexity of the consulting project, and we will bill clients as services are rendered. Either party may terminate the agreement at any time. If termination occurs, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you based on an hourly rate of \$300.00. Services provided up to

the date of termination but not yet paid to Cambridge Wealth Management will be billed to you based on the hourly rate of \$300.00.

Advisory Fees in General

Clients should note that similar advisory services may or may not be available from other registered (or unregistered) investment advisers for similar or lower fees. Minimum fees may apply but will not exceed 1.25% annually based upon the client's combined account value. In addition, fees may be waived at the sole discretion of the advisor.

Additional Fees and Expenses

In addition to the advisory fees paid to Cambridge Wealth Management, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks, and other financial institutions (collectively "Financial Institutions"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees charged by the Independent Managers, margin costs, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Additionally, as part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange-traded funds (ETFs). The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange-traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses.

You may incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange-traded funds, our firm, and others. For information on our brokerage practices, please refer to the **Item 12- Brokerage Practices** section of this brochure.

Conflicts of Interest

Cambridge Wealth Management adheres to the highest standards of fiduciary excellence and has procedures in place to ensure that any recommendations made by such supervised persons who are also independently licensed to sell insurance through other agencies are in the best interest of advisory clients. Cambridge Wealth Management endeavors at all times to put the interests of its clients first. As part of our fiduciary duty as a registered investment adviser, we take the following steps to address this conflict:

- We disclose to clients the existence of all material conflicts of interest in writing, including the potential for advisory affiliates to earn compensation from advisory clients in addition to our firm's advisory fees;

- We collect, maintain, and document accurate, complete, and relevant client background information, including the client's financial goals, objectives, and risk tolerance;
- We conduct regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

ITEM 6 - PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Cambridge Wealth Management does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client), nor engage in side-by-side management. All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

ITEM 7 - TYPES OF CLIENTS

We provide investment advice to individuals, high-net-worth individuals, pension and profit-sharing plans, estates, corporations, and charitable organizations. Our minimum initial household value is \$500,000; however, we may accept households and accounts for less than the minimum at our sole discretion.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

Our Investment Principles

Our firm is built on a holistic financial planning foundation that drives our thinking into our clients' investment decisions. Our investment philosophy reflects a proven process-driven approach that leads to disciplined decision-making.

Fundamental Focus — Using independent research grounded in a bottom-up, fundamental methodology, we carefully select your securities and managers.

Strategic Asset Allocation — A time-proven portfolio strategy that involves setting target allocations for various asset classes based on client risk profiles.

Diversification of investment strategies, asset classes, and managers can be an effective method for improving risk/return dynamics.

Tactical Asset Allocation – An opportunistic approach that seeks to take advantage of current market trends and economic conditions. The tactical portion of the portfolio represents our “best ideas” and works as a complement to the core strategic asset allocation.

Disciplined Rebalancing – Rebalancing your original strategic asset allocation can help keep your portfolio on track by creating a systematic process aimed at buying low and selling high.

Methods of Analysis and Investment Strategies

We may use fundamental, cyclical, charting, and/or technical analysis in the selection of individual securities. Cambridge Wealth Management selects categories of investments based on the client’s attitudes about risk and their need for capital appreciation or income. Different instruments involve different levels of exposure to risk. We seek to select individual securities with characteristics that are most consistent with the client’s objectives. Since Cambridge Wealth Management treats each client account uniquely, client portfolios with a similar investment objectives and asset allocation goals may own different securities.

General Investment Strategies

Cambridge Wealth Management generally uses diversification in an effort to minimize risk and optimize the potential return of a portfolio. More specifically, we utilize multiple asset classes, investment styles, market capitalizations, sectors, and regions to provide diversification. Each portfolio composition is determined in accordance with the client’s investment objectives, risk tolerance, and time horizon. We utilize both passive and active investment management strategies in an effort to optimize portfolios.

Our general investment strategy is to seek real capital growth proportionate with the level of risk the client is willing to take. We develop a Client Profile to help identify the client’s investment objectives, time horizon, risk tolerance, tax considerations, target asset allocation, and any special considerations and/or restrictions the client chooses to place on the management of the account.

Cambridge Wealth Management will then recommend investments that we feel are consistent with the Client Profile.

After defining client needs, Cambridge Wealth Management develops and implements plans for the client’s account. Then, we monitor the results and make adjustments as needed. As the initial assumptions change, the plans themselves may need to be adapted.

Continuous portfolio management is important in an effort to keep the client's portfolio consistent with the client's objectives.

Methods of Analysis for Selecting Securities

Cambridge Wealth Management's Investment Advisor Representatives ("IARs" or "IAR") may use, among others, technical, relative strength, fundamental, and/or charting analysis in the selection of individual equity securities. Additionally, our IARs may use specific strategies or resources in the method of analysis and selection of mutual funds.

Technical Analysis

The effectiveness of technical analysis depends upon the accurate forecasting of major price moves or trends in the securities traded by the IAR. However, there is no assurance of accurate forecasts or that trends will develop in the markets we follow. In the past, there have been periods without discernable trends and similar periods will presumably occur in the future. Even where major trends develop, outside factors like government intervention could potentially shorten them.

Furthermore, one limitation of technical analysis is that it requires price movement data, which can translate into price trends sufficient to dictate a market entry or exit decision. In a trendless or erratic market, a technical method may fail to identify trends requiring action. In addition, technical methods may overreact to minor price movements, establishing positions contrary to overall price trends, which may result in losses. Finally, a technical trading method may underperform other trading methods when fundamental factors dominate price moves within a given market.

The calculations that underline our system, methods, and strategies involve many variables, including determinants from information generated by computers and/or charts. The use of a computer in collating information or in developing and operating a trading method does not assure the success of the method because a computer is merely an aid in compiling and organizing trade information.

Accordingly, no assurance is given that the decisions based on computer-generated information will produce profits for a client's account.

Relative Strength Analysis

Relative strength measures one stock versus another or a group of stocks versus an index, such as the S&P 500. Through relative strength analysis, we can rank areas of the market that are outperforming or underperforming the broad market, whether the Russell 3000 or S&P 500. For our purposes, we use the S&P 500. We then add the highest relative strength sectors and macro areas (i.e. small cap vs. large cap) to our investment model, primarily using ETFs. The general premise is that those areas of the market with highest relative strength outperform over the long term. Additionally, as a risk override, we run moving average analyses to identify when markets are most vulnerable and, from time-to-time, lighten market exposure.

Fundamental Analysis

Fundamental analysis assesses the financial health and management effectiveness of a business by analyzing a company's financial reports, key financial ratios, industry developments, economic data, competitive landscape, and management. The objective of fundamental analysis is to use historical and current financial data to assess the stock valuation of a company, evaluate company profitability, credit risk, and forecast future performance of the company and its share price. Fundamental analysis assumptions and calculations are based on historical data and forecasts. Therefore, the quality of information and assumptions used are critical. Differences can exist between market fundamentals and how you analyze them.

Charting Analysis

Charting analysis involves the use of patterns in performance charts. Our IARs use this charting technique to search for patterns in an effort to predict favorable conditions for buying and/or selling a security.

Mutual Funds

In analyzing mutual funds, our IARs may use various sources of information, including data provided by Morningstar. We review key characteristics such as historical performance, consistency of returns, risk level, and size of the fund. Expense ratio and other costs are also significant factors in fund selection. We also subscribe to and access additional information from other sources that inform our general macro- economic view.

Specific Investment Strategies for Managing Portfolios

When constructing and managing client portfolios, IARs may use the following strategies: Modern Portfolio Theory, Tactical Asset Allocation, Cash as a Strategic Asset, Long-Term Holding, Trend, Dollar-Cost-Averaging, and Defensive Portfolio. There is no guarantee that any of these strategies will be successful and we make no promises or warranties as to the accuracy of our market analysis.

Modern Portfolio Theory (MPT)

IARs use the Modern Portfolio Theory, which has a basic concept of using diversification in an effort to help minimize risk and optimize the potential return of a portfolio.

Tactical Asset Allocation

IARs may use a tactical asset allocation strategy in the shorter term to deviate from a client's long- term strategic asset allocation target in an effort to take advantage of what we perceive as market pricing anomalies or strong market sectors or to avoid perceived weak sectors. Once we achieve the desired short-term opportunities or we perceive that opportunities have passed, we generally return a client's portfolio to the original strategic asset mix.

Cash as a Strategic Asset

IARs may use cash as a strategic asset and may at times move or keep client's assets in cash or cash equivalents. While high cash levels can help protect a client's assets during periods of market decline, there is a risk that our timing in moving to cash is less than optimal upon either exit or reentry into the market, potentially resulting in missed opportunities during positive market moves.

Long-term Holding

IARs do not generally purchase securities for clients with the intent to sell the securities within thirty days of purchase, as we do not typically use short-term trading as an investment strategy. However, there may be times when we will sell a security for a client when the client has held the position for less than thirty days.

IARs do not attempt to time short-term market swings. Short term buying and selling of securities is typically limited to those cases where a purchase has resulted in an unanticipated gain or loss, and for which we believe that a subsequent sale is in the best interest of the client.

Trend

IARs may manage client assets using a trend following methodology based on the 200-day average and grounded in a strong sell discipline for all positions within the portfolio.

Dollar-Cost-Averaging

Dollar cost averaging involves investing money in multiple installments over time to take advantage of price fluctuations in the attempt to get a lower average cost per share.

Defensive Strategies

If our IAR anticipates poor near-term prospects for equity markets, we may adopt a defensive strategy for clients' accounts by investing substantially in fixed income securities and/or money market instruments. We may also utilize low, non- or negative correlated investments through mutual funds and EFT's. There can be no guarantee that the use of defensive techniques will be successful in avoiding losses.

Margin

Some clients of Cambridge Wealth Management maintain margin accounts to facilitate short-term borrowing needs, which are unrelated to our investment strategy(ies). Accordingly, we may use margin transactions to accommodate a client's short-term borrowing needs. Clients are responsible for any brokerage or margin charges in addition to advisory fees. Risks of using margin include "margin calls" (also called "fed calls" or "maintenance calls.") Margin calls occur when account values decrease below minimum maintenance margin levels established by the broker-dealer that holds the securities in the client's account, requiring the investor to deposit additional money or securities into their margin account.

While the use of margin borrowing can increase returns, it can also magnify losses. Clients must specifically request to establish a margin account.

Option writing

We may use options as an investment strategy, on a semi-annual basis, depending on market conditions. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We use options to hedge a purchase of the underlying security; in other words, at certain intervals, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio, thereby limiting losses and reducing risk. We use "covered calls," in which we sell an option on a security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

Additional Strategies

Clients interested in learning more about any of the above strategies should contact us for more information and/or refer to the prospectus of any mutual fund. We may also consider additional strategies by specific client request.

Tax-loss Harvesting

CWM engages in tax loss harvesting. The value provided by this service will vary depending on each investor's personal circumstances, and clients should carefully read CWM's disclosures this service, and the linked document. Clients should understand that CWM has discretion to limit or postpone tax loss harvesting in order to prioritize other trading activity on any given day, including days where extreme market conditions produce a higher volume of trading. Clients should also be aware that electing different securities across their investing goals outside of CWM's model will, depending on the securities held in an account and market conditions, could cause the tax-loss harvesting method to identify fewer opportunities to harvest losses than it would if a client elects the same portfolio strategy for all of their goals. The tax-loss harvesting process is designed to

reduce the potential for wash sales and permanently disallowed losses for such clients by seeking to avoid harvests in asset classes where there is overlap between one or more securities in the portfolio strategies elected.

The benefits of TLH, if any, in reducing an investor's tax liability will depend on the investor's entire tax and investment circumstances, including but not limited to: their income, state of residence, the purchases and dispositions of assets in the investor's (and their spouse's) accounts outside of CWM, type of investment accounts held, and applicable investment holding periods. Investors whose circumstances typically make TLH unsuitable for them include, but are not limited to: (1) those in relatively low income tax brackets, and especially those who expect to be subject to higher tax rates in the future, (2) those who are planning to withdraw a large portion of their taxable assets within the next 12 months, and (3) those who trade (or whose spouses trade) any of the securities in the CWM portfolio (or substantially identical securities) in external accounts, including joint accounts. Other issues may exist that could materially impact the utility of TLH for any individual investor. Clients who do not have any taxable accounts will not benefit from TLH.

Risk of Loss

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments, there will be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss, including loss of original principal.

Because of the inherent risk of loss associated with investing, Cambridge Wealth Management is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

Investors should be aware that accounts are subject to the following risks:

Market Risk — Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.

Foreign Securities and Currency Risk — Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

Capitalization Risk — Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.

Interest Rate Risk — In a rising rate environment, the value of fixed-income securities generally declines, and the value of equity securities may be adversely affected.

Credit Risk — Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and thus impact the fund's performance.

Securities Lending Risk — Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.

Exchange-Traded Funds — ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."

Performance of Underlying Managers — We select the mutual funds and ETFs in the asset allocation portfolios. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.

Options Risk - Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.

Leverage Risk – Leverage is used to increase potential return on an investment. If leverage is used to make an investment and the investment moves against the investor, the loss is much greater than it would have been if the investment had not been leveraged. Leverage typically magnifies both gains and losses.

More information about the risks of any particular market sector can be reviewed in representative mutual fund prospectuses managing assets within each applicable sector.

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 Cambridge Wealth Management or the integrity of Cambridge Wealth Management's management. Cambridge Wealth Management does not have any legal, financial, or other "disciplinary" information to report.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

The principal business of Cambridge Wealth Management is that of a registered investment advisor and provider of financial planning services. Some of the principals and associated persons of the firm may be licensed as insurance agents and consultants. When acting in the capacity of an insurance agent, the advisor and associated persons may receive the usual and customary commissions or fees associated with the insurance products that the client purchases. These practices represent conflicts of interest because it may give the advisor an incentive to recommend products based on the commission amount received rather than on the client's needs. This conflict is mitigated by the fact that the advisor has a fiduciary responsibility to place the best interest of the client first and clients are not required to purchase any products. Clients have the option to purchase these products through another insurance agent of their choosing.

Neither Cambridge Wealth Management nor our employees hold registrations as a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor.

Administrative Services Provided by Black Diamond

We have contracted with "Black Diamond" (Black Diamond Performance Reporting, a division of Advent Software, Inc.), to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, quarterly performance evaluations, payable reports, web site administration, trading platforms, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, Black Diamond will have access to client accounts, but Black Diamond will not serve as an investment advisor to our clients. Cambridge Wealth Management and Black Diamond are non-affiliated companies.

In conjunction with the services provided by Black Diamond, CWM may also provide access to account aggregation services, which can incorporate all of the client's investment assets, including those investment assets that are not part of the assets that we manage (the "Excluded Assets"). The client and/or his/her/its other advisors that maintain trading authority, and not CWM, shall be exclusively responsible for the investment performance of the Excluded Assets. In addition, Black Diamond may also provide access to other types of information, which should not, in any manner whatsoever, be construed as services, advice or recommendations provided by CWM. CWM does not provide investment management, monitoring or implementation services for the Excluded Assets.

ITEM 11 - CODE OF ETHICS PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Cambridge Wealth Management and persons associated with us are allowed to invest for their own accounts or to have a financial investment in the same securities or other investments that we recommend or acquire for client accounts and may engage in transactions that are the same as, or different than, transactions recommended to or made for client accounts. This creates a conflict of interest. We recognize the fiduciary responsibility to place our clients' interests first and have established policies in this regard to mitigate any conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information, and other situations where there is a possibility for conflicts of interest.

The Code of Ethics is designed to protect our clients by detecting and deterring misconduct, educating personnel regarding the firm's expectations and laws governing their conduct, reminding personnel that they are in a position of trust and must act with complete propriety at all times, protecting the reputation of Cambridge Wealth Management, guarding against violation of the securities laws, and establishing procedures for personnel to follow so that we may determine whether they are complying with the firm's ethical principles.

We have established the following restrictions in order to ensure our firm's fiduciary responsibilities:

1. A director, officer, or employee of Cambridge Wealth Management shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment, unless the information is also available to the investing public on reasonable inquiry. No director, officer, or employee of Cambridge Wealth Management shall put his or her own interest ahead of that of the advisory client.
2. We maintain a list of all securities holdings of anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer or individual of Cambridge Wealth Management.
3. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where we are granted discretionary authority of the client's account.

4. We require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
5. Any individual not in observance of the above may be subject to termination.

Investment Policy

None of our associated persons may effect for themselves, or for accounts in which they hold a beneficial interest, any transactions in a security which is being actively recommended to any of our clients, unless in accordance with the firm's procedures.

You may request a complete copy of our Code of Ethics by contacting our Chief Compliance Officer, Mitsuo Eli Lockrow at 518-677-3781 or mitlockrow@cwllc.com.

ITEM 12 - BROKERAGE PRACTICES

Investment Management Services

Clients must maintain assets in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. Advisor Services ("Schwab"), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated, and unaffiliated with Schwab. Schwab will hold client assets in a brokerage account, and buy and sell securities as instructed by us, per client authorization.

While we recommend that clients use Schwab as custodian, the client must decide whether to do so and open accounts with Schwab by entering into account agreements directly with them. The accounts will always be held in the name of the client and never in Cambridge Wealth Management's name.

How We Select Custodians

We seek to recommend a custodian who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

1. The combination of transaction execution services and asset custody services (generally without a separate fee for custody);
2. The capability to execute, clear, and settle trades (buy and sell securities for client accounts);
3. The capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
4. The breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.);
5. The availability of investment research and tools that assist us in making investment decisions;
6. The quality of services;
7. The competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate the prices;

8. The reputation, financial strength, and stability;
9. Prior service to Cambridge Wealth Management and our other clients; and
10. Availability of other products and services that benefit us, as discussed below (see *Products and Services Available to Us from Schwab*)

Client Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge separately for custody services. However, Schwab receives compensation by charging ticket charges or other fees on trades that it executes or that settle into clients' Schwab accounts. In addition to commissions, Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a client's Schwab account. These fees are in addition to the ticket charges or other compensation the client pays the executing broker-dealer. Because of this, in order to minimize trading costs, we have Schwab execute most trades for client accounts. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see *How We Select Custodians*).

Products and Services Available to Us from Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide Cambridge Wealth Management and our clients with access to its institutional brokerage, 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; others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us. These are considered soft dollar benefits. These benefits give us an incentive to do business with Schwab. This does create a conflict of interest. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to mitigate any conflicts of interest.

The following is a more detailed description of Schwab's support services:

Services That Benefit Our Clients

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 our clients and their accounts.

Services That May Not Directly Benefit Our Clients

Schwab also makes available to us other products and services that benefit us but may not directly benefit our clients or their accounts. 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:

1. Provide access to client account data (such as duplicate trade confirmations and account statements);
2. Facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
3. Provide pricing and other market data;
4. Facilitate payment of our fees from our clients' accounts; and
5. 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:

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

Schwab may provide some of these services itself. In other cases, it may 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 of our personnel.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions. We believe that our selection of Schwab as custodian and broker is in the best interests of our clients.

Some of the products, services and other benefits provided by Schwab benefit Cambridge Wealth Management and may not benefit our client accounts. Our recommendation or requirement that you place assets in Schwab's custody may be based in part on benefits Schwab provides to us, or our agreement to maintain certain Assets Under Management at Schwab, and not solely on the nature, cost, or quality of custody and execution services provided by Schwab.

We place trades for our clients' accounts subject to our duty to seek best execution and our other fiduciary duties. We may use broker-dealers other than Schwab to execute trades for your accounts maintained at Schwab, but this practice may result in additional costs to clients so that we are more likely to place trades through Schwab rather than other broker-dealers. Schwab's execution quality may be different than other broker-dealers.

Brokerage for Client Referrals

Cambridge Wealth Management does not receive client referrals from any custodian or third party in exchange for using that broker-dealer or third party.

Aggregation and Allocation of Transactions

Cambridge Wealth Management may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for our clients and is consistent with the disclosures made to clients and terms defined in the client investment advisory agreement. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day.

If we do not receive a complete fill for an aggregated order, we will allocate the order on a pro-rata basis. If we determine that a pro-rata allocation is not appropriate under the particular circumstances, we will base the allocation on other relevant factors, which may include:

1. When only a small percentage of the order is executed, with respect to purchase allocations, allocations may be given to accounts high in cash;
2. With respect to sale allocations, allocations may be given to accounts low in cash;
3. We may allocate shares to the account with the smallest order, or to the smallest position, or to an account that is out of line with respect to security or sector weightings, relative to other portfolios with similar mandates;
4. We may allocate to one account when that account has limitations in its investment guidelines prohibiting it from purchasing other securities that we expect to produce similar investment results and that can be purchased by other accounts in the block;
5. If an account reaches an investment guideline limit and cannot participate in an allocation, we may reallocate shares to other accounts. For example, this may be due to unforeseen changes in an account's assets after an order is placed;
6. If a pro-rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, we may exclude the account(s) from the allocation. We will document the reasons for any deviation from a pro-rata allocation.

Trade Errors

We have implemented procedures designed to prevent trade errors. However, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the custodian, the custodian will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

Directed Brokerage

We do not routinely recommend, request, or require that you direct us to execute transaction through a specified broker-dealer. Additionally, we typically do not permit you to direct brokerage. We place trades for your account subject to our duty to seek best execution and other fiduciary duties. If Cambridge Wealth Management believes that the use of that client-requested broker-dealer would hinder Cambridge Wealth Management in meeting its fiduciary obligations, Cambridge Wealth Management will not be able to accept the account.

While we always strive for overall “best execution” for client accounts, clients may pay more or less for similar services at different custodians.

ITEM 13 - REVIEW OF ACCOUNTS

Account Review and Reviewers – Investment Supervisory Services

Mitsuo E. Lockrow, President, will monitor client accounts on a monthly basis and perform annual reviews with each client. All accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance, and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder’s personal, tax, or financial status. Geopolitical and macroeconomic specific events may also trigger reviews.

Statements and Reports

Through an agreement with Black Diamond, Cambridge Wealth Management will have the ability to provide clients with Performance/Position summary reports upon request. Reports may also be provided at every client meeting. Communication to clients will be done on an as-needed basis with a minimum of one (1) contact per calendar quarter. Clients will also have access to daily portfolio reports through a client portal.

The custodian for the individual client’s account will also provide clients with an account statement at least quarterly. You are urged to compare the reports provided by Cambridge

Wealth Management against the account statements you receive directly from your account custodian.

Financial Planning/Consulting clients (i.e. those who have no assets under management with us in our advisory program) will receive no regular reports from the Firm.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Cambridge Wealth Management does not receive any compensation from any third party in connection with providing investment advice to you, nor do we compensate any individual or firm for client referrals.

Additional Compensation

Please refer to the **Item 12 - Brokerage Practices** section above for disclosures on research and other benefits we may receive resulting from our relationship with Schwab.

ITEM 15 – CUSTODY

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

While Cambridge Wealth Management may be deemed to have custody of client funds solely because of the written fee deduction authority granted by the client in the investment advisory agreement, qualified custodian(s) maintain actual custody of client's assets. Clients, or the clients' independent representative, will receive account statements directly from the qualified custodian at least quarterly. They will be sent to the email or postal mailing address clients provided to the custodian(s).

When fees are deducted from an account, Cambridge Wealth Management is responsible for calculating the fee and delivering instructions to the custodian. At the same time, Cambridge Wealth Management instructs the custodian to deduct fees from the client's account; Cambridge Wealth Management will send the client an invoice itemizing the fee. Itemization shall include the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee.

Clients should carefully review those statements promptly when they receive them. Clients are encouraged to compare custodial account statements against statements prepared by Cambridge Wealth Management for accuracy. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The

custodial statement is the official record of your account for tax purposes. Clients have full access to their accounts in order to monitor their balances as well as make deposits or withdrawals at their discretion.

ITEM 16 – INVESTMENT DISCRETION

For discretionary accounts, prior to engaging Cambridge Wealth Management to provide investment advisory services, the client will enter into a written agreement with the firm, granting it the authority to supervise and direct, on an on-going basis, investments in accordance with the client's investment objective and guidelines. In addition, the client will need to execute additional documents required by the custodian to authorize and enable Cambridge Wealth Management, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell, or exchange securities in and for your accounts. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange, and trade any investment company registered under the Investment Company Act of 1940 and (2) determine the amount of securities to be bought or sold and (3) place orders with the custodian. Any limitations to such authority will be communicated by you to us in writing.

The limitations on investment and brokerage discretion held by Cambridge Wealth Management for you are:

1. For discretionary clients, we require that we be provided with authority to determine which securities and the amounts of securities to be bought or sold.
2. Any limitations on this discretionary authority shall be included in the Investment Advisory Agreement. You may change or amend these limitations as required. Such amendments shall be submitted in writing.

In some instance, we may not have discretion. We will discuss all transactions with you prior to execution or you will be required to make the trades if in an employer sponsored account.

ITEM 17 – VOTING CLIENT SECURITIES

Cambridge Wealth Management will not vote proxies on behalf of clients. Clients are welcome to vote proxies or designate an independent third-party at their own discretion. Clients designate proxy voting authority in the custodial account documents and must ensure that proxy materials are sent directly to them or their assigned third party. We do not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies. Clients can contact our office with questions about a particular solicitation by phone at 518-677-3781.

ITEM 18 – FINANCIAL INFORMATION

As a registered investment adviser, we are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and we have not been the subject of a bankruptcy proceeding. Additionally, we do not request fees in excess of \$500 six months or more in advance of services rendered. Therefore, we are not required to include a balance sheet for our most recent fiscal year.



Cambridge Wealth Management LLC

5 Washington St.

Cambridge, NY 12816

518-677-3781

www.cwllc.com

Part 2B of Form ADV: Brochure Supplement

ITEM 1 – COVER PAGE

May 10, 2022

The Brochure Supplement provides information about Mitsuo E. Lockrow that supplements Cambridge Wealth Management LLC's ("Cambridge Wealth Management") Brochure. You should have received a copy of that Brochure. Please contact the Chief Compliance Officer at 518-677-3781 or mitlockrow@cwllc.com if you did not receive Cambridge Wealth Management's Brochure or if you have any questions about the contents of this supplement.

Additional information about Mitsuo E. Lockrow is available on the SEC's website at www.adviserinfo.sec.gov, by searching via his CRD number 2640883.

ITEM 2 – EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Mitsuo Eli Lockrow

Born: 1964

Post-Secondary Education:

- University of Kansas; B.A., Political Science; 1988
- College for Financial Planning; 2007
- Insurance Licensed in MA, OH, FL, NY, and VT

Business Experience:

- Cambridge Wealth Management, Owner; from 10/2014 to present
- Mutual Securities, Inc.; Registered Representative; from 11/2014 to 09/2018
- Purshe Kaplan Sterling Investments; Registered Representative; from 09/2013 to 10/2014
- King Wealth Management Group, LLC; Wealth Advisor; from 09/2013 to 09/2014
- UBS Wealth Management; Wealth Advisor; from 06/2001 to 09/2013

ITEM 3 - DISCIPLINARY INFORMATION

There is no regulatory, government, or financial disciplinary history for Mitsuo Lockrow that is material to a client's consideration of Mitsuo E. Lockrow to act as their investment adviser representative. FINRA's BrokerCheck® (<https://brokercheck.finra.org/>) may have additional information regarding the disciplinary history of Mitsuo Lockrow that is not included in this brochure supplement.

ITEM 4 - OTHER BUSINESS ACTIVITIES

In his separate capacity as an insurance agent or broker, Mitsuo E. Lockrow will be able to purchase products (i.e. insurance) for investment advisory clients, for which he will receive separate, yet customary compensation. Receiving commissions on products may cause a conflict of interest to the extent there is an incentive to recommend a product based on compensation received rather than a particular client need. However, since this activity represents less than 10% of his time and income, it is presumed not to be substantial, and he will at all times act in the best interest of his clients, embracing a fiduciary standard of care in carrying out services to clients

Mr. Lockrow's principal business activities, and the approximate amount of his time allotted to each is as follows.

- Charges only fees for investment advice and investment management – more than 90%
- Other financial services activities – less than 10%

ITEM 5 - ADDITIONAL COMPENSATION

Mr. Lockrow earns additional compensation from the activities set forth, and as described above, in **Item 4**.

ITEM 6 - SUPERVISION

As the sole owner, and only advisor of the firm, Mitsuo Lockrow is also the Chief Compliance Officer. He is responsible for monitoring, administering, and enforcing compliance with state and other regulatory requirements, with our policies and procedures, with our Code of Ethics, and with developing and implementing the general business strategy of the firm. Mr. Lockrow reviews these policies and procedures annually for their adequacy and the effectiveness of their implementation. All policies and procedures of the firm are followed.

Mr. Lockrow also formulates and monitors the investment advice the firm offers to clients, oversees all material investment policy changes, and reviews client accounts to ensure that objectives and mandates are being met. Mr. Lockrow can be reached at 518-677-3781 or mitlockrow@cwllc.com.