

**Item 1: Cover Sheet**

**FORM ADV PART 2A  
INFORMATIONAL BROCHURE**



**BERNARDO WEALTH PLANNING, LLC**  
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Harleysville, Pennsylvania 19438

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**This brochure provides information about the qualifications and business practices of Bernardo Wealth Planning, LLC. If you have any questions about the contents of this brochure, please contact us at 267-500-1080. 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. Our registration does not imply a certain level of skill or training.**

**Additional information about Bernardo Wealth Planning, LLC (CRD# 288705) is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2:        Statement of Material Changes**

Bernardo Wealth Planning, LLC is required to inform clients of any material changes to the Form ADV in this Item 2. Nicholas Bernardo is now the sole owner of Bernardo Wealth Planning, LLC as of March 2024.

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## INFORMATIONAL BROCHURE

### BERNARDO WEALTH PLANNING, LLC

#### **Item 4: Advisory Business**

Bernardo Wealth Planning, LLC (“BWP”) has been in business since June 2017. However, the principal Nicholas Bernardo has worked under the trade name Bernardo Wealth Planning through another firm.

BWP’s focus is on creating, maintaining, and implementing a meaningful financial plan for each of its clients, who may be families, individuals, trusts, retirement plans, or other organizations.

#### Financial Planning

Many of our engagements include financial planning. It is the cornerstone of BWP’s approach to aiding clients in meeting their financial and life goals. The process begins with an introductory meeting where a BWP professional explains how BWP performs its services, what is expected of BWP, and what will be needed from the client. If the client elects to work with BWP, a subsequent meeting will be scheduled where the client shares their current situation and life goals are explored. This typically includes discussing financial objectives, identifying financial issues, cash flow management, tax planning, investment review and advice, education funding planning, retirement planning, insurance needs review and advice, and estate planning. Clients will be requested to provide documents including personal information, income, expenses, taxable and retirement investments, insurance, tax, and other necessary information. After this meeting, BWP will analyze the information and prepare a written plan for client review. This plan will be presented to the client. Generally, there is no separate charge for financial planning. Clients who receive planning services will either elect to continue to work with BWP through asset management and/or ongoing planning for a fee, or they may choose to implement their plan elsewhere or not at all. In that case, there would be no fee charged.

#### Asset Management

When we perform asset management services, we will do so on a discretionary basis. In most cases, BWP will have a financial plan to guide these decisions to ensure they are within the client’s investment objectives. If a financial plan is not in place, we will gather client investment objectives and information through a risk assessment questionnaire and/or client dialogue. Clients may at any time place restrictions on the types of investments we may use on their behalf, or the allocations to each security type. Clients can also always make deposits or withdrawals in their accounts at any time. When services are performed on a discretionary basis, BWP will not seek specific approval for each change to a client account. Because we take discretion when managing accounts, clients engaging us will be asked to execute a Limited Power of Attorney (granting us discretionary authority over the client accounts) as well as an agreement that outlines the responsibilities of both the client and BWP.

If you request, BWP may recommend the services of other professionals for implementation purposes. You are under no obligation to engage the services of any such recommended professional. You retain absolute discretion over all such implementation decisions and are free to accept or reject any recommendation from BWP. If you engage any professional recommended by

BWP, and a dispute arises thereafter relative to such engagement, you agree to seek recourse exclusively from and against the engaged professional.

#### Pooled Accounts

BWP also offers its clients the ability to invest in pooled investment vehicles, B Capital Fund I, LLC (“B Capital Fund I”), B Capital Fund II, LLC (“B Capital Fund II”), B Capital Core Real Estate Fund, LP (“B Capital Core Real Estate Fund”), B Capital FinTech Growth Fund (“B Capital FinTech Growth Fund”), and B Capital Watermark 2022 (“B Capital Watermark 2022”), B Capital Watermark 2023, LP (AI) (“B Capital Watermark 2023 AI”), B Capital Watermark 2023 QP, LP (“B Capital Watermark 2023 QP”), and B Capital Make Plays Media Fund, LP (“B Capital Make Plays Media Fund”)(collectively “B Capital Funds”). Affiliates of BWP serve as the Manager of B Capital Funds. The investment program of B Capital Funds involves the investment of assets, both directly and indirectly through third-party managers in various asset classes including venture capital, private equity, and real estate. Clients may be invited to invest in the private placement on a non-discretionary basis, and only if the respective investment is appropriate for the client. The manager charges a management fee to the private placement. The management of assets in B Capital Funds is managed per the fund’s offering documents. Clients invested in B Capital Funds should consult that vehicle’s offering documents.

#### Retirement Plan Consulting Services

The fiduciaries of self-directed retirement plans (which can include 401(k) plans) are required to, among other things, determine a selection of investments from which the plan’s participants choose for their personal allocation in their individual participant account. BWP may assist plan sponsors in meeting this obligation through a consultative relationship including the selection of the plan investment options per the plan’s objectives, as well as the ongoing monitoring of those options to assist the plan sponsor in determining when changes to these options are needed. This advice is rendered on a non-discretionary basis, meaning the plan sponsor is free to accept or reject BWP’s recommendations. In addition, if requested by the plan sponsor, BWP may assist with the review of the plan’s respective service providers.

#### Assets Under Management

As of December 31, 2023, Bernardo Wealth Planning, LLC has \$609,819,853 in discretionary assets under management.

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

#### **A. Fees Charged**

All investment management clients will be required to execute an Investment Management Agreement that will describe the type of management services to be provided and the fees, among other items. Clients are advised that they may pay fees that are higher or lower than fees they may pay another advisor for the same services. Clients are under no obligation at any time to engage or to continue to engage, BWP for investment services.

### Financial Planning

Separate fees may be charged for financial planning. In general, though, financial planning services, including the amount of time required and the complexity of the relationship will be factors in determining the client's asset management fee.

### Asset Management

Generally, fees vary from 0.00% to 2.00% per annum of the market value of a client's assets managed by BWP. Fees are negotiable, and the fee range stated is a guide. The fee chosen within that range is determined in part by the nature of the account, including the size of the account, the complexity of asset structures, the nature of the ongoing financial planning work needed for that client, the complexity of the portfolio, and other factors that would be dependent upon the specific client.

In very limited circumstances, a fixed annual fee may be determined for asset management and/or ongoing financial planning services. The amount of these fixed fees must be negotiable and not predetermined, as these engagements would tend to be for large, complex family wealth structures.

On occasion, BWP may allow a smaller related account to be managed with other household accounts on a pro bono basis. However, such accounts are still subject to a minimum fee of between \$45 and \$60 per year. This minimum fee is intended to cover BWP's cost of maintaining each account's information with its client account management software.

### *American Funds*

BWP has an agreement to establish investment advisory accounts directly through American Funds in their F2 advisory share class funds. The fees are not billed by BWP. American Funds calculates the fees and pays BWP. The fees are established by BWP and can range from 0% to 1%.

### Retirement Plan Consulting Services

For plan sponsors, fees for consulting on retirement plan options vary from 0.10% to 1.00% per annum of the market value of the plan's assets under the direction of BWP. These are the only fees, either direct or indirect, that BWP reasonably expects to receive from the plan. Fees are negotiable and will be determined by the scope and nature of the services provided the size of the account, the complexity of the plan document, and other factors.

For asset management clients with 401(k) or 403(b) plans, fees for choosing and monitoring plan options will vary depending on the available options in the plan, the client's needs, and the frequency of desired monitoring. Retirement Plan Consulting fees are negotiable and are dependent on the nature of the engagement at the sole discretion of BWP.

### Pooled Investment Vehicles

Fees charged to pooled investment vehicles are as described in the vehicle's respective private placement memorandum. The fund's Manager, in conjunction with BWP, may modify or waive the fee arrangement for a given investor. Please see the fund's private placement memorandum for specific details.

## B. Fee Payment

Fees will be debited directly from each client's account. The advisory fee is paid quarterly in advance, and the value used for the fee calculation is the last business day of the previous quarter. This means that if your annual fee is 1.00%, we will take the previous quarter's ending value, multiply the value by 1.00%, and then divide by 4 to calculate our fee. To the extent there is cash in your account, it will be included in the value to calculate fees only if the cash is part of an investment strategy. Each quarter, once the calculation is made, we will instruct your account custodian to deduct the fee from your account and remit it to BWP. While almost all our clients choose to have their fees debited from their accounts, we will invoice clients upon request.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. Each month, the client will receive a statement from their account custodian showing all transactions in their account, including the fee.

BWP's general policy is not to adjust a client's fee for deposits and withdrawals made during a billing quarter, however, BWP reserves the right in its sole discretion to adjust a client's fee for large capital flows in the interest of both parties.

### *American Funds*

For clients whose accounts are held directly at American Funds, fees will be debited directly from each client's account by the American Funds Service Company. The fee is paid quarterly, in arrears, at the end of the last business day of February, May, August, and November. The fee shall be calculated by multiplying the average daily net asset value of client assets during the quarter by the client's annual fee rate, then dividing by the number of days in the year and multiplying that number by days in that quarter.

### *Annuities*

For clients who own annuity contracts, BWP calculates the fee due and requests the fee amount be deducted from the annuity contract to be paid to BWP directly from the insurance company that holds the annuity contract.

## C. Other Fees

There are a number of other fees that can be associated with holding and investing in securities, such as transaction fees for the purchase or sale of a mutual fund or Exchange Traded Fund, or commissions for the purchase or sale of stock. Expenses of a fund will not be included in management fees, as they are deducted from the value of the shares by the mutual fund manager. When selecting mutual funds that have multiple share classes for recommendation to clients, BWP will take into account the internal fees and expenses associated with each share class, and it is BWP's policy to choose the most cost-effective share class available given the circumstances. For a complete discussion of expenses related to each mutual fund, you should read a copy of the prospectus issued by that fund. BWP can provide or direct you to a copy of the prospectus for any fund that we recommend to you.

Clients who invest in a pooled investment vehicle managed by BWP or its affiliates will incur transaction charges as well as costs specific to the operation of the fund, including accounting, legal, and audit costs. For specific detail about fees and expenses, the client should refer to the fund's private placement memorandum.

Please make sure to read Item 12 of this informational brochure, where we discuss broker-dealer and custodial issues.

D. *Pro-rata Fees*

If you become a client during a billing period, you will pay a management fee for the number of days left in that billing period. If you terminate our relationship during a billing period, you will be responsible for the payment of management fees for the portion of the billing period during which you were a client. Once your notice of termination is received, we will assess pro-rated fees for the number of days between the end of the prior billing period and the date of termination to be paid in whatever way you direct (check, wire). BWP will cease to perform services, including processing trades and distributions, upon termination. Assets not transferred from terminated accounts within 30 (thirty) days of termination may be “de-linked”, meaning they will no longer be visible to BWP and will become a retail account with the custodian.

E. *Compensation for the Sale of Securities.*

BWP does not receive commission based on the client’s purchase of any financial product. No commissions in any form are accepted.

**Item 6: Performance-Based Fees**

Pooled Investment Vehicles

Certain series of B Capital Funds, the pooled investment vehicles managed by affiliates of BWP, may charge performance-based fees to investors according to the terms as described in their respective Subscription Agreements and Private Placement Memorandums. Investors in any series of funds that are charged performance-based fees must meet the “qualified client” standard (as such term is defined by the Investment Advisors Act of 1940, as amended).

The receipt of performance-based fees may create an incentive to make more speculative investments than it would otherwise make in the absence of performance-based compensation. To minimize adverse consequences that might result from this risk, BWP and its affiliates manage B Capital Funds per the investment strategies it has developed for the fund. Furthermore, BWP discloses to investors the risks associated with the payment of a performance fee, as well as the risks inherent in the investment strategies of a fund, in the offering documents for such fund. For a more detailed discussion of the terms of the performance-based fee, investors should consult their fund’s governing documents.

Asset Management

BWP does not charge performance-based fees to asset management clients.

**Item 7: Types of Clients**

Clients advised may include individuals, families, trusts, charitable organizations and foundations, pensions, and corporations. BWP requires each client to place at least \$250,000 with the firm. This minimum may be waived at the discretion of BWP.



Investors in B Capital Funds are required to meet, at a minimum, the “accredited investor” standard (as defined under Regulation D of the Securities Act of 1933, as amended), but may be required to meet additional standards as outlined in the fund’s governing documents.

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

It is important for you to know and remember that all investments carry risks. **Investing in securities involves the risk of loss that clients should be prepared to bear.**

Each client’s portfolio will be invested according to that client’s investment objectives, which are ascertained through the financial planning process or with a risk assessment questionnaire and/or client dialogue. The goal of asset management is to take the financial plan and implement it while continually updating it as circumstances change. Because the plan is based on information supplied by you, it is very important that you accurately and completely communicate to us the information we need. Also, your circumstances and needs may change as your engagement with us progresses. It is very important that you continually update us with any changes so that if the updates require changes to your plan, we can make those changes. Otherwise, your plan or risk assessment may no longer be accurate.

Once we ascertain your objectives for each account, we will develop a set of asset allocation guidelines, found in one of our investment models. Client portfolios may be invested in one strategy or a combination of strategies. For some clients where the investment models may not be appropriate based on tax considerations or other unique needs, a different strategy or model may be created based on that client’s unique investment considerations. The strategies are developed utilizing outside research and investment ideas, combined with BWP’s views on both individual securities and the markets and economy as a whole. All client accounts in each strategy are managed on a *pari passu* basis. In other words, all accounts managed within each strategy are managed in a like manner, side by side with one another, and not individually considered. Accordingly, while a client may request limitations on BWP’s discretionary authority, some requested limitations may not be possible to achieve within the given strategy. In this case, the client and the firm will mutually agree to either terminate the engagement, accept the asset allocations in the strategy, or have the client’s assets placed in another strategy.

The asset allocation strategy in which the client’s assets are placed may change from time to time, dependent upon the client’s investment objectives and financial circumstances.

There are no limits to the types of securities that may be placed in a strategy, or that BWP may evaluate for a client or inclusion in a strategy. However, investment types most typically include mutual funds and exchange-traded funds (ETFs).

Most mutual funds offer different share classes with various fee structures, including share classes with a sales load, sales charges, or 12B-1 fees. 12B-1 fees are deducted from the mutual funds’ assets on an ongoing basis and are paid to broker-dealers and registered representatives whose clients own those shares to cover fund distribution and shareholder services. This receipt of fees presents a potential conflict of interest, as BWP has the incentive to recommend more expensive share classes to clients based on the compensation received, rather than based on the client’s needs. However, it is BWP’s policy that when specific funds offer more than one share class, BWP will select the most cost-effective share class available given the circumstances.

As assets are transitioned from a client's prior advisers to BWP, there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly, these investments will need to be sold to reposition the portfolio into the asset allocation strategy selected by BWP. However, this transition process may take some time to accomplish. Some investments may not be unwound for a lengthy period for a variety of reasons that may include unwarranted low share prices, restrictions on trading, contractual restrictions on liquidity, or market-related liquidity concerns. If a client transitions mutual fund shares to BWP that are not the lowest-cost share class, and BWP is not recommending disposing of the security altogether, BWP will attempt to convert such mutual fund share classes into the lowest-cost share classes the client is eligible for, considering any adverse tax consequences associated with such conversion. In some cases, there may be securities or investments that are never able to be sold. In the event an investment in a client account is unable to be unwound for a period, BWP will monitor the investment as part of its services to the client. BWP may suggest that a given investment be moved to a separate account.

In constructing each strategy, BWP utilizes a number of methods of analysis. These include:

***Charting:*** This method involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in solely using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be assuming that past performance will be indicative of future performance. This may not be the case.

***Fundamental:*** Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

***Technical:*** The technical approach attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

***Cyclical:*** This method assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) If too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

The above methods of analysis are not necessarily employed in every strategy or for every client and are more likely to be employed in conjunction with one another than by purely adhering to one method in a given account or strategy.

### Third-Party Managers

In some circumstances, BWP can utilize other managers to assist in the management of client assets. These managers are selected by BWP after a process whereby BWP evaluates each manager's investment performance, operations, and offerings to determine if the manager would be a fit for BWP clients. This process continues on an ongoing basis, throughout the time the client works with the third-party manager. It is important to remember that any fees paid to these managers are separate from, and in addition to, fees paid to BWP.

## Pooled Investment Vehicles

Each pooled investment vehicle will be managed according to the stated investment program in the respective Fund's private placement memorandum. Individual investors in a fund will not receive individual asset management within the fund. For details regarding the investment program, the client should refer to their Fund's private placement memorandum.

## Risk of Loss

There are always risks to investing. **Clients should be aware that all investments carry various types of risk including the potential loss of principal that clients should be prepared to bear.** It is impossible to name all possible types of risks. Among the risks are the following:

- **Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences for markets around the world.
- **General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.
- **Currency Risk.** When investing in another country using another currency, the changes in the value of the currency can change the value of your security value in your portfolio.
- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure, or laws impact the return on these investments.
- **Tax Risks Related to Short-Term Trading:** Clients should note that BWP may engage in short-term trading transactions. These transactions may result in short-term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long-term strategies. BWP endeavors to invest client assets in a tax-efficient manner, but all clients are advised to consult with their tax professionals regarding the transactions in client accounts.
- **Purchasing Power Risk.** Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.
- **Business Risk.** This can be thought of as certainty or uncertainty of income. Management comes under business risk. Cyclical companies (like automobile companies) have more business risk because of the less steady income stream. On the other hand, fast food chains tend to have steadier income streams and therefore, less business risk.
- **Financial Risk.** The amount of debt or leverage determines the financial risk of a company.
- **Default Risk.** This risk pertains to the ability of a company to service its debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.
- **Margin Risk.** "Margin" is a tool used to maximize returns on a given investment by using securities in a client account as collateral for a loan from the custodian to the client. The proceeds of that loan are then used to buy more securities. Margin carries a higher degree of risk than investing without margin.
- **Risks specific to private placements, sub-advisors, and other managers.** If we invest some of your assets with another advisor, including a private placement, there are additional risks. These include risks that the other manager is not as qualified as we believe them to be, that the investments

they use are not as liquid as we would normally use in your portfolio, or that their risk management guidelines are more liberal than we would normally employ.

- **Risk specific to private placements.** If all or a portion of a client's assets are invested in a private placement, there are additional risks. These include risks that the investment strategy of the private placement may not be as specific to your needs as a separately managed account (because the assets are pooled with other investors). Investors in a private placement may not have access to the same liquidity as in a separately managed account. Risk management guidelines may also be more liberal than we would normally employ. Valuation of the underlying assets may be less frequent and much more subjective. For a more complete discussion of risks associated with a private placement, clients interested in having assets invested in a private placement should refer to the fund's private placement memorandum.

- **Liquidity Risk.** Some investments, including private placements, may carry liquid investments, but only regarding the ability of sale, not a sale for full value. Clients should be aware that some investments may not be able to be sold on demand. Others may be able to be sold but only subject to a discount which may be considerable.

- **Information Risk.** All investment professionals rely on research to make conclusions about investment options. This research is always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.

- **Small Companies.** Some investment opportunities in the marketplace involve smaller issuers. These companies may be starting up or are historically small. While these companies sometimes have the potential for outsized returns, they also have the potential for losses because the reasons the company is small are also risks to the company's future. For example, a company's management may lack experience, or the company's capital for growth may be restricted. These small companies also tend to trade less frequently than larger companies, which can add to the risks associated with their securities because the ability to sell them at an appropriate price may be limited as compared to the markets as a whole. Not only do these companies have investment risk, but if a client is invested in such small companies and requests immediate or short-term liquidity, these securities may require a significant discount to value to be sold in a shorter time frame.

- **Concentration Risk.** While BWP selects individual securities, including mutual funds, for client portfolios based on an individualized assessment of each security, this evaluation comes without an overlay of general economic or sector-specific issue analysis. This means that a client's equity portfolio may be concentrated in a specific sector, geography, or sub-sector (among other types of potential concentrations), so that if an unexpected event occurs that affects that specific sector or geography, for example, the client's equity portfolio may be affected negatively, including significant losses.

- **Transition Risk.** As assets are transitioned from a client's prior advisers to BWP there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly, these investments will need to be sold to reposition the portfolio into the asset allocation strategy selected by BWP. However, this transition process may take some time to accomplish. Some investments may not be unwound for a lengthy period for a variety of reasons that may include unwarranted low share prices, restrictions on trading, contractual restrictions on liquidity, or market-related liquidity concerns. In some cases, there may be securities or investments that are never able to be sold. The inability to transition a client's holdings into recommendations of BWP may adversely affect the client's account values, as BWP's recommendations may not be able to be fully implemented.

- **Restriction Risk.** Clients may at all times place reasonable restrictions on the management of their accounts. However, placing these restrictions may make managing the accounts more difficult, thus lowering the potential for returns.
- **Risks Related to Investment Term & Liquidity.** Securities do not follow a straight line up in value. All securities will have periods when the current price of the security is not an accurate measure of its value. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period. Liquidating these investments before their intended time horizon may result in losses.
- **Options:** The use of options transactions as an investment strategy involves a high level of inherent risk. Although the intent of many of the options-related transactions implemented by BWP is to hedge against principal risk, certain of the options-related strategies (i.e., straddles, short positions, etc.), may in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept this enhanced volatility and principal risks associated with such strategies. Considering these enhanced risks, clients may direct BWP, in writing, not to employ any or all such strategies for his/her/their/its accounts.
- **REITs:** In limited circumstances, BWP may recommend that portions of client portfolios be allocated to real estate investment trusts, otherwise known as “REITs”. A REIT is an entity, typically a trust or corporation that accepts investments from a number of investors, pools the money, and then uses that money to invest in real estate through either actual property purchases or mortgage loans. While there are some benefits to owning REITs, which include potential tax benefits, income, and the relatively low barrier to investing in real estate as compared to directly investing in real estate, REITs also have some increased risks as compared to more traditional investments such as stocks, bonds, and mutual funds. First, real estate investing can be highly volatile. Second, the specific REIT chosen may have a focus such as commercial real estate or real estate in each location. Such investment focus can be beneficial if the properties are successful but lose significant principal if the properties are not successful. REITs may also employ significant leverage to purchase more investments with fewer investment dollars, which can enhance returns but also enhances the risk of loss. The success of a REIT is highly dependent upon the manager of the REIT. Clients should ensure they understand the role of the REIT in their portfolio.
- **MLPs:** BWP may recommend that portions of client portfolios be allocated to master limited partnerships, otherwise known as “MLPs”. An MLP is a publicly traded entity that is designed to provide tax benefits for the investor. To preserve these benefits, the MLP must derive most, if not all, of its income from real estate, natural resources, and commodities. While MLPs may add diversification and tax-favored treatment to a client’s portfolio, they also carry significant risks beyond more traditional investments such as stocks, bonds, and mutual funds. One such risk is management risk-the success of the MLP is dependent upon the manager’s experience and judgment in selecting investments for the MLP. Another risk is the governance structure, which means the rules under which the entity is run. The investors are the limited partners of the MLP, with an affiliate of the manager typically the general partner. This means the manager has all of the control in running the entity, as opposed to an equity investment where shareholders vote on such matters as board composition. There is also a significant amount of risk with the underlying real estate, resources, or commodities investments. Clients should ask BWP any questions regarding the role of MLPs in their portfolio.
- **International Investing:** Investing outside of the United States, especially in emerging markets, can have special or enhanced risks. The most obvious is political risk (changes in local politics can have a vast impact on the markets in that country as well as regulations affecting given issuers) and currency risk (changes in exchange rates between the dollar and the local denominations can materially affect the value of the security even if the underlying fundamentals and market price are

stagnant). There are other risks, including enhanced liquidity risk, meaning that while domestic equities and mutual funds are generally easily liquidated (though there may be a risk of loss due to the timing of the sale), equities in other jurisdictions may be subject to the circumstances of lower overall market volume and fewer companies on an emerging exchange. In addition, there may be less information and less transparency in a foreign market or from a foreign company. Foreign markets impose different rules than domestic markets, which may not be to an investor's advantage. Also, companies in foreign jurisdictions are generally able to avail themselves of local laws and venues, meaning that legal remedies for U.S. investors may not be as easily obtained as in the U.S.

- **BDCs (Business Development Companies):** Business Development Companies (BDCs) are a specific subset of investment companies that receive preferential tax treatment provided they meet certain investment restrictions and other regulatory requirements. Because BDCs are managed by third parties and are frequently chosen for the perceived strength of their managers, the investment thesis, and tax treatment, the risks associated with a BDC investment generally follow directly from the manager, in that the manager ultimately controls the investments, and can adversely impact the tax treatment of the vehicle. Additional risks exist and may be specific to the BDC. Accordingly, investors should carefully review the BDC's prospectus and any addendums thereto.

- **Strategy Limitation Risk.** By investing through the use of strategies, each client's portfolio may be managed in such a way that a specific security or risk mitigation strategy that may be appropriate for them may not be appropriate for the strategy in general, which may indirectly lead to performance drag. Likewise, the use of strategies may allow clients to have a clearer understanding of the structure of their portfolios.

- **Excess Cash Balance Risk.** Client accounts may have cash balances in excess of \$250,000, which is the insurance limit of the Federal Deposit Insurance Corporation. For cash balances more than that amount, there is an enhanced risk that operation-related counterparty risk related to the account custodian could cause losses in the account. We mitigate this risk by carrying cash balances in amounts either subject to protection or as limited as you, the client, direct. You may elect to participate in a "cash sweep" program through your account custodian which automatically moves excess cash from your investment account into a cash account and then invests that cash into cash-based investments, such as money market funds. We do not receive compensation of any kind for facilitating your participation in such cash sweep accounts.

## **Item 9: Disciplinary Information**

There are no disciplinary items to report.

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

### **A. Broker-dealer**

Neither the principal of BWP, nor any related persons are registered, or have an application pending to register, as a broker dealer or as an associated person of the foregoing entities

### **B. Futures Commission Merchant/Commodity Trading Advisor**

Neither the principal of BWP, nor any related persons are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

### **C. Relationship with Related Persons**

Certain professionals of BWP are separately licensed as independent insurance agents. As such, these professionals may conduct insurance product transactions for BWP clients, in their capacity as licensed insurance agents, and will receive customary commissions for these transactions in addition to any compensation received in their capacity as an employee of BWP. Commissions from the sale of insurance products will not be used to offset or as a credit against advisory fees. These professionals, therefore, have the incentive to recommend insurance products based on the compensation to be received, rather than on a client's needs. The receipt of additional fees for insurance commissions is therefore a conflict of interest, and clients should be aware of this conflict when considering whether to engage BWP or utilize these professionals to implement any insurance recommendations. BWP attempts to mitigate this conflict of interest by disclosing the conflict to clients, and informing the clients that they are always free to purchase insurance products through other agents that are not affiliated with BWP, or to determine not to purchase the insurance product at all. BWP also attempts to mitigate the conflict of interest by requiring employees to acknowledge in the firm's Code of Ethics, their fiduciary duty to the clients of BWP, which requires that employees put the interests of clients ahead of their own.

#### Pooled Investment Vehicle

The offering of a pooled investment vehicle by an affiliate of BWP presents a conflict of interest because it creates an incentive for employees of BWP to allocate time and resources to the B Capital Funds where those resources may be provided to oversee other investment recommendations made by BWP. BWP attempts to mitigate this conflict by adhering to the investment program guidelines of each client and following the Firm's Compliance Manual which is designed to assist employees in following applicable laws.

The managers of B Capital Funds are affiliated with BWP by common ownership. However, the managers do not have its own employees, as employees of BWP provide all such investment advisory services to the B Capital Funds, and separate accounts.

#### Wellfull

Wellfull produces podcasts and videos on financial education. Wellfull is also an app developed to assist individuals with saving goals, spending trends, and budgeting. Individuals are able to link spending accounts in the app, such as bank accounts and credit cards, through a third-party vendor and create a savings plan to reach identified goals. Clients of BWP will be solicited to use the Wellfull app. Wellfull creates a conflict of interest due to common ownership by individuals at BWP. Certain professionals at BWP may receive financial compensation through Wellfull. BWP attempts to mitigate this conflict by disclosing it to clients.

#### Shared Space

BWP has its principal place of business in a building owned by INS Ventures. INS Ventures is owned by Nick Bernardo and is a real estate holding company. OnBord, also owned by Nick Bernardo, will lease space in the same building as BWP. Both OnBord and BWP will lease the space from INS Ventures. Because all the entities are under common control, Nick Bernardo will receive a financial benefit which is a conflict that BWP mitigates by disclosing it to the public.

D. Recommendations of other Advisers

BWP occasionally recommends other advisers, but in no event will BWP receive any compensation, directly or indirectly from those advisers. For more information regarding BWP's use of third-party managers, please see the response to Item 8 for a full discussion.

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

A. A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.

B. Because affiliates of BWP the managers of B Capital Funds, representatives of BWP have the incentive to recommend an investment in B Capital Funds. This incentive creates a material conflict of interest, as BWP could recommend that clients place assets in B Capital Funds, and an officer or affiliate of BWP receives management fees or benefits from the investment. To mitigate this conflict, BWP only recommends pooled investment vehicles to clients on a non-discretionary basis; discloses this conflict to clients before placing an investment with BWP or the affiliate; and reminds all employees of their fiduciary responsibilities to clients. Additionally, all investors must meet the applicable qualifications and requirements outlined in the investments offered through the affiliate.

C. On occasion, an employee of BWP may purchase for his or her account securities which are also recommended for clients. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades are reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

D. On occasion, an employee of BWP may purchase for his or her account securities which are also recommended for clients at the same time the clients purchase the securities. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades are reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade, so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

**Item 12: Brokerage Practices**

A. Recommendation of Broker-Dealer

BWP does not maintain custody of client assets; though BWP may be deemed to have custody if a client grants BWP authority to debit fees directly from their account (see Item 15 below). Assets will be held with a qualified custodian, which is typically a bank or broker-dealer. BWP recommends that investment accounts be held in custody by Schwab Advisor Services ("Schwab"),



which is a qualified custodian. BWP is independently owned and operated and is not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when BWP instructs them to, which BWP does per its agreement with you. While BWP recommends that you use Schwab as a 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. BWP does not open the account for you, although BWP may assist you in doing so. Even though your account is maintained at Schwab, we may use other brokers to execute trades for your account as described below (see “Your brokerage and custody costs”).

### **How we select brokers/custodians**

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including both quantitative (Ex: costs) and qualitative (execution, reputation, service) factors. We do not consider whether Schwab or any other broker-dealer/custodian, refers clients to BWP as part of our evaluation of these broker-dealers.

### **Your brokerage and custody costs**

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. In addition to commissions, Schwab charges you 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 your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, 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”).

### **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 BWP. They provide BWP and our clients with access to its 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 BWP manage or administer our clients’ accounts, while others help BWP 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 BWP. 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 client's 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
- Assistance related to the transition of client assets from prior firms

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 for 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. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. We may have the incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/custodians") and not Schwab's services that benefit only us.

We do not consider whether Schwab or any other broker-dealer/custodian, refers clients to BWP as part of our evaluation of these broker-dealers.

**B. Aggregating Trades**

Commission costs per client may be lower on a particular trade if all clients whose accounts the trade is to be made are executed at the same time. This is called aggregating trades. Instead of placing a number of trades for the same security for each account, we will, when appropriate, execute trades

for all accounts and then allocate the trades to each account after execution. If an aggregate trade is not fully executed, the securities will be allocated to client accounts on a *pro-rata* basis, except where doing so would create an unintended adverse consequence (For example,  $\frac{1}{4}$  of a share, or a position in the account of less than 1%.)

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

Accounts and corresponding financial plans are managed on an ongoing basis. Formal reviews with the client by the client's investment advisor representative are generally conducted annually given the expectations and availability of the client. However, it is expected that market conditions, changes in a particular client's account or changes to a client's circumstances will trigger a review of accounts.

Clients invested in a pooled investment vehicle managed by BWP, or its affiliates will receive reports specific to that pooled investment vehicle quarterly.

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

#### **A. Economic Benefit Provided by Third Parties for Advice Rendered to Client.**

*Please refer to Item 12, where we discuss the recommendation of Broker-Dealers.*

Additionally, BWP periodically holds client appreciation events that may be partially sponsored by a third-party mutual fund provider. BWP may from time to time receive compensation from the mutual fund companies that are available to our customers. These payments are made in connection with programs that support our marketing, education, and client service efforts. BWP does not receive any part of these payments rather they are made to sponsor or reimburse expenses for these events.

#### **B. Compensation to Non-Advisory Personnel for Client Referrals.**

Clients may be introduced to BWP via other third parties. If BWP compensates any party for the referral of a client to BWP, any such compensation will be paid by BWP, and not the client. If the client is introduced to BWP by an unaffiliated third party, that third party will disclose to the client the referral arrangement with BWP, including the compensation for the referral, and provide the client a copy of BWP's ADV Part 2A and 2B. The referral source will also provide a written disclosure to the client regarding the relationship between BWP and the referral source, including the fact that referral fees will be paid.

### **Item 15: Custody**

There are multiple avenues through which BWP has custody of client funds; by directly debiting its fees from client accounts pursuant to applicable agreements granting such right, potentially by permitting clients to issue standing letters of authorization ("SLOAs"); and by virtue of an affiliated entity acting as Manager on behalf of a pooled investment vehicle. SLOAs permit a client to issue one document that directs BWP to make distributions out of the client's account(s).

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. Each quarter, clients will receive a statement from their account custodian showing all transactions in their account, including the fee.

We encourage clients to carefully review the statements and confirmations sent to them by their custodian and to compare the information on your quarterly report prepared by BWP against the information in the statements provided directly by their account custodian. Please alert us of any discrepancies.

In addition to the account custodian's custody procedures, clients issuing SLOAs will be requested to confirm, in writing, that the accounts to which funds are distributed are parties unrelated to BWP.

Any private placement managed by BWP or an affiliate will be independently audited at least annually by a PCAOB-registered accounting firm. Investors will receive statements from an independent administrator, which should be carefully reviewed against information received about the fund from BWP or an affiliate.

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

When BWP is engaged to provide asset management services on a discretionary basis, we will monitor your accounts to ensure that they are meeting your asset allocation requirements. If any changes are needed to your investments, we will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf, or the allocations to each security type. You may receive at your request written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive monthly statements from your account custodian. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and BWP.

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

Copies of our Proxy Voting Policies are available upon request.

From time to time, shareholders of stocks, mutual funds, exchange-traded funds, or other securities may be permitted to vote on various types of corporate actions. Examples of these actions include mergers, tender offers, or board elections. Clients are required to vote for proxies related to their investments or to choose not to vote for their proxies. BWP will not accept the authority to vote for client securities. Clients will receive their proxies directly from the custodian for the client account. BWP may give clients advice on how to vote proxies.

BWP, or its affiliates, will vote proxies on behalf of any pooled investment vehicle it manages. Investors in a pooled vehicle will not be able to direct the vote on any particular solicitation.

**Item 18: Financial Information**

BWP does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.

Neither BWP nor any person related to BWP has been the subject of a bankruptcy petition at any time in the past ten years.