

**INTENTIONAL WEALTH STRATEGIES WRAP PROGRAM**

Sponsored by

**LONG CARROLL WEALTH, LLC**

*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of Long Carroll Wealth, LLC dba Intentional Wealth Strategies (hereinafter “IWS” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2. Material Changes**

In this Item, IWS is required to discuss any material changes that have been made to the brochure since the last annual amendment.

The Firm updated Item 2 to disclose that the Firm is now owned by Surf2Springs, Inc. and Lehmann, Inc.

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## Item 4. Advisory Business

IWS offers a variety of advisory services, which include financial planning, consulting, and investment management services. Prior to IWS rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with IWS setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

IWS filed for registration as an investment adviser in August 2023. IWS is principally owned by Christopher Long and Richard Carroll. The principals each own their membership interest through their individually owned corporations: Christopher Long through Surf2Springs, Inc.; and Richard Carroll through Lehmann, Inc. As of December 20, 2023 the firm had \$122,764,504, of which \$122,166,301 was managed on a discretionary basis and \$598,203 was managed on a non-discretionary basis.

While this brochure generally describes the business of IWS, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or other persons who provide investment advice on IWS’s behalf and are subject to the Firm’s supervision or control.

### Description of the Program

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The Program is offered as a wrap fee program, which provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges. A wrap fee program is considered any arrangement under which clients receive investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions for a specified fee or fees not based upon transactions in their accounts. Clients must also open a new securities brokerage account and complete a new account agreement with Raymond James & Associates, Inc. (“Raymond James”), member NYSE/SIPC, or another broker-dealer that IWS approves under the Program (collectively “Financial Institutions”). IWS assists its clients in developing an appropriate strategy for managing their assets. Clients’ investment portfolios are generally managed on a discretionary and/or non-discretionary basis.

#### *Financial Planning and Consulting Services*

IWS offers clients a broad range of financial planning and consulting services, which include any or all of the following functions:

- Business Planning
- Cash Flow Analysis and Tax Analysis
- Trust and Estate Planning
- Insurance Planning
- Retirement Planning
- Education Planning

These services are only rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (described in more detail below).

In performing these services, IWS is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. IWS recommends certain clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage IWS or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by IWS under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising IWS's recommendations and/or services.

## *Wealth Management Services*

IWS provides clients with wealth management services which include a broad range of financial planning and consulting services as well as discretionary and/or non-discretionary management of investment portfolios.

IWS primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities, options, independent investment managers ("Independent Managers") and occasionally privately placed securities (including debt, equity and/or interests in pooled investment vehicles) and in accordance with their stated investment objectives.

Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in client portfolios, but clients should not assume that these assets are being continuously monitored or otherwise advised on by the Firm unless specifically agreed upon. Clients can engage IWS to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, IWS directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

IWS tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. IWS consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify IWS if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates

on the management of their accounts if IWS determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

The Firm serves as the sponsor or manager of a wrap fee program (i.e., an arrangement where certain brokerage commissions and transaction costs are absorbed by the Firm). In addition, the Firm principally provides investment management services through accounts available through wrap fee programs offered and administered by Raymond James & Associates, Inc. ("Raymond James"), member NYSE/SIPC, or another of its affiliates. The wrap fees for participation in such programs include many transaction costs associated with execution of securities transactions. For more information relating to the wrap programs offered by Raymond James, please refer to Raymond James' wrap fee disclosure brochure (the "Wrap Brochure"), which can be found at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Raymond James programs require clients to sign separate agreements depending on the program. IWS will be named as the investment adviser (either directly or through its investment adviser representatives) in such agreements.

The Firm expects to provide much of its investment management services through the Raymond James Ambassador Program. The Ambassador Program utilizes a wrap fee advisory account, offered and administered by Raymond James, in which the client is provided with ongoing investment advice and monitoring of securities holdings by the Firm. The Firm provides discretionary or non-discretionary management of the Ambassador Account according to the client's objectives. The Ambassador Account offers Clients the ability to pay an Asset-based Fee in lieu of a commission for each investment. For assets outside of the Ambassador Program, clients may (depending on the other relationship) pay additional brokerage expenses as further described below.

## *Retirement Plan Consulting Services*

IWS provides various consulting services to qualified employee benefit plans and their fiduciaries. This suite of institutional services is designed to assist plan sponsors in structuring, managing and optimizing their corporate retirement plans. Each engagement is individually negotiated and customized, and includes any or all of the following services:

- Plan Design and Strategy
- Plan Review and Evaluation
- Executive Planning & Benefits
- Investment Selection
- Plan Fee and Cost Analysis
- Plan Committee Consultation
- Fiduciary and Compliance
- Participant Education

As disclosed in the Advisory Agreement, certain of the foregoing services are provided by IWS as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2), each plan sponsor is provided with a written description of

IWS's fiduciary status, the specific services to be rendered and all direct and indirect compensation the Firm reasonably expects under the engagement.

## **Fees for Participation in the Program**

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IWS offers services on a fee basis, which includes fixed fees, as well as fees based upon assets under management or advisement (sometimes referred to as the "Program Fee").

### *Wealth Management Fees*

IWS offers investment management services for an annual fee based on the amount of assets under the Firm's management. This management fee varies in accordance with the following fee schedule:

<b><u>PORTFOLIO VALUE</u></b>	<b><u>BASE FEE</u></b>
Under \$500,000	1.20%
\$500,000 - \$1,000,000	1.10%
\$1,000,001 - \$2,000,000	1.00%
\$2,000,001 - \$3,000,000	0.90%
Above \$3,000,000	Negotiable

IWS also charges a fixed start-up fee for providing financial planning and consulting services. These fees are negotiable, but range from \$2,000 to \$10,000, depending upon the scope and complexity of the services and the professional rendering the financial planning and/or the consulting services as well as the amount of assets that the Firm will be managing.

The initial start-up fee is charged in advance, while the annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by IWS on the last day of the previous quarter.

The Firm includes cash in a client's account in determining the valuation for billing purposes. The Firm may, in its sole discretion, not include cash in determining the fee, especially where a client has a high percentage of cash for reasons other than the Firm's investment management decision.

For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), IWS can negotiate a fee rate that

differs from the range set forth above. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage IWS for additional services for compensation, including rolling over retirement accounts or moving other assets to the Firm's management. Clients retain absolute discretion over all decisions regarding engaging the Firm and are under no obligation to act upon any of the recommendations.

Notwithstanding the foregoing, clients participating in the Raymond James wrap programs will pay fees to Raymond James (that encompass both fees to be paid to the Firm and Raymond James). For those participating in the Ambassador Program (which is the primary way that the Firm expects to provide services), the asset-based fees paid to the Firm and Raymond James by the client are set forth in the Ambassador (Discretionary or Non-Discretionary) Investment Adviser Client Agreement (the "Ambassador Agreement") entered into by the client. In addition, for clients that are utilizing the asset-based fees paid to the Firm and Raymond James are set forth in separate agreements.

For purposes of calculating and assessing asset-based fees for clients participating in the wrap programs, Raymond James uses the term "Account Value", which may be different than the asset value as reported on brokerage statements provided to clients. "Account Value" is defined as the total absolute value of the securities in the Ambassador Account, long or short, plus all credit balances, with no offset for any margin or debit balances. As a result, a conflict of interest exists as the Firm has an incentive to increase the use of margin in managing client accounts in order to increase the fees paid by the client. The annual asset-based fees associated with the aforementioned account programs are typically payable quarterly in advance. When an account is opened, the asset-based fee is billed for the remainder of the current billing period and is based on the initial contribution. Thereafter, the quarterly asset-based fee is paid in advance, is based on the Account Value as of the last business day of the previous calendar quarter and becomes due the following business day. If cash or securities, or a combination thereof, amounting to at least \$100,000 are deposited to or withdrawn from a client's account on an individual business day in the first two months of the quarter, Raymond James will: (i) assess asset-based fees based on the value of the assets on the date of deposit for the pro rata number of days remaining in the quarter, or (ii) refund prepaid asset-based fees based on the value of the assets on the date of withdrawal for the pro rata number of days remaining in the quarter. No additional asset-based fees or adjustments to previously assessed asset-based fees will be made in connection with deposits or withdrawals that occur during the last month of the quarter unless requested by the client. Notwithstanding the above \$100,000 adjustment threshold, Raymond James reserves the right, in its sole discretion, to process or not process fee adjustments when the source and destination of deposits and withdrawals involve a client's other fee-based advisory accounts. The client authorizes and directs Raymond James, acting as custodian, to deduct asset-based fees from the client's account. Raymond James then remits the Firm's portion of its fees to the Firm.



*Retirement Plan Consulting Fees*

IWS charges as fixed project-based fee or asset-based fee to provide clients with retirement plan consulting services. Each engagement is individually negotiated and tailored to accommodate the needs of the individual plan sponsor, as memorialized in the Agreement. These fees vary, based on the scope of the services to be rendered, and ranges up to \$20,000 per annum on a fixed fee basis or between 25 and 120 basis points (0.25% – 1.20%), depending upon services provided and the amount of assets to be advised on. These fees are not wrapped and clients will pay additional brokerage fees for transactions.

**Fee Comparison**

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As referenced above, a portion of the fees paid to IWS are used to cover certain securities brokerage commissions and transactional costs attributed to the management of its clients' portfolios.

Services provided through the Program may cost clients more or less than purchasing these services separately. The number of transactions made in clients' accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Fees paid for the Program may also be higher or lower than fees charged by other sponsors of comparable investment advisory programs.

Because the Firm pays for the brokerage fees, the Firm has an incentive to engage in less transactions, or transactions that cost less to the Firm, including the use of mutual funds that do not have transaction charges, but have higher expenses to the client. The Firm reviews the frequency and type of investments made in client accounts to act in the client's best interest.

**Fee Discretion**

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IWS may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention, pro bono activities, or competitive purposes.

**Other Charges**

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In addition to the advisory fees paid to IWS, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions. These additional charges include margin costs, charges imposed directly by a mutual fund or ETF in a client's account as disclosed in the fund's prospectus (e.g., fund Program Fees and other fund expenses), fees and commission for assets not held with Raymond James (such as 401(k) or 529 plan assets), markup or

markdown on fixed income and structured product transactions which are included in the price and yield of the security, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees. The Independent Manager fees are also charged separately to the client.

A conflict of interest exists where the Firm avoids expenses by trading through a different Financial Institution or purchases securities that cost the client more, but don't result in an expense to the Firm.

Although clients do not pay a transaction charge for transactions, clients should be aware that the Firm pays Raymond James transaction charges and/or an asset-based fee for those transactions. Because IWS pays the transaction or asset-based charges, there is a conflict of interest to investment in ways that will keep the Firm's cost lower.

## **Direct Fee Debit**

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Clients provide IWS and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to IWS.

## **Use of Margin**

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IWS can recommend that certain clients utilize margin in the client's investment portfolio or other borrowing. IWS only recommends such borrowing for non-investment needs, such as bridge loans and other financing needs. The Firm's fees are determined based upon the value of the assets being managed gross of any margin or borrowing.

## **Account Additions and Withdrawals**

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Clients can make additions to and withdrawals from their account at any time, subject to IWS's right to terminate an account. Additions can be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client's account. Clients can withdraw account assets on notice to IWS, subject to the usual and customary securities settlement procedures. However, the Firm designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. IWS may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

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**Compensation for Recommending the Program**

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IWS has no internal arrangements in place whereby persons recommending the Program are entitled to receive additional compensation as a result of clients' participation. A person recommending the Program will not earn more compensation than he or she would otherwise receive if a client elected another investment management program.

**Item 5. Account Requirements and Types of Clients**

IWS offers services to individuals, trusts, estates, charitable organizations, corporations and other business entities, pension and profit sharing plans.

**Item 6. Portfolio Manager Selection and Evaluation**

Clients' investment portfolios are managed either directly by IWS or through the use of certain Independent Managers, as referenced above.

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**Side-By-Side Management**

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IWS does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

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**Methods of Analysis and Investment Strategies**

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IWS utilizes fundamental analysis. Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For IWS, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

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**Investment Strategies**

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IWS's core mission is to assist clients in reaching their financial objectives through an intentional, evidence-based investment approach. The Firm manages assets in a manner that it believes is consistent with the most relevant research available, as well as each client's unique needs, risk tolerance, and personal values.

## *IWS's Investment Beliefs*

IWS's investment philosophy is grounded in these essential principles:

1. **Markets Are Largely Efficient:** Although markets may not be perfectly efficient, IWS believes they tend to accurately price securities over time. Rather than attempting to outsmart the market, the Firm's approach emphasizes broad participation in market returns.
2. **Diversification is Essential:** By investing across many different asset classes and sectors, IWS aims to manage risk and potentially enhance returns.
3. **Risk and Return Are Related:** IWS recognizes that higher expected returns come with higher risk. The Firm's goal is to find the right balance for each client's individual needs and risk tolerance.
4. **Discipline Over Prediction:** IWS adheres to a disciplined investment approach and avoids trying to time the market or chase performance.

## *IWS's Portfolio Construction Process*

IWS constructs portfolios in line with these beliefs, through a systematic and robust process:

1. **Understand Client Needs:** IWS starts by understanding each client's financial goals, risk tolerance, and investment horizon. This guides the Firm in determining the right allocation between equities, fixed income, and other asset classes.
2. **Global Diversification:** IWS creates a globally diversified portfolio, with exposure to a broad range of asset classes, including domestic and international equities, fixed income, and real estate.
3. **Factor-Based Investing:** Within each asset class, IWS aims to capture known "factors" that have historically been associated with higher expected returns, such as size, value, and momentum.
4. **Investment Selection:** IWS carefully selects mutual funds, ETFs, and individual securities that align with the Firm's investment strategy. IWS focuses on funds that offer broad market exposure, are cost-effective, and are managed in a transparent and responsible manner.
5. **Ongoing Monitoring and Rebalancing:** IWS continuously monitors the portfolio and the broader financial markets. IWS rebalances the portfolio as needed to maintain the target asset allocation and factor exposures.

## *IWS's Commitment*

IWS's commitment to clients is to provide a thoughtful, disciplined, and evidence-based approach to managing assets. The Firm is dedicated to transparency, ongoing communication, and always acting in each client's best interest.

### **Risk of Loss**

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The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with respect to the Firm's investment management activities. Clients should consult with their legal, tax, and other advisors before engaging the Firm to provide investment management services on their behalf.

#### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of IWS's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. In addition, investments may be adversely affected by financial markets and economic conditions throughout the world. There can be no assurance that IWS will be able to predict these price movements accurately or capitalize on any such assumptions.

#### *Volatility Risks*

The prices and values of investments can be highly volatile, and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.

#### *Cash Management Risks*

The Firm may invest some of a client's assets temporarily in money market funds or other similar types of investments, during which time an advisory account may be prevented from achieving its investment objective.

#### *Equity-Related Securities and Instruments*

The Firm may take long positions in common stocks of U.S. and non-U.S. issuers traded on national securities exchanges and over-the-counter markets. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and factors specific to the industry in which the issuer participates. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments, and the stock prices of such companies may suffer a decline in response. In addition, equity securities are subject to stock risk, which is the risk that stock prices historically rise and fall in periodic cycles. U.S. and non-U.S. stock markets have experienced

periods of substantial price volatility in the past and may do so again in the future. In addition, investments in small-capitalization, midcapitalization and financially distressed companies may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity, and these issuers often face greater business risks.

#### *Fixed Income Securities*

While the Firm emphasizes risk-averse management and capital preservation in its fixed-income bond portfolios, clients who invest in this product can lose money, including losing a portion of their original investment. The prices of the securities in our portfolios fluctuate. The Firm does not guarantee any particular level of performance. Below is a representative list of the types of risks clients should consider before investing in this product.

- Interest rate risk. Prices of bonds tend to move in the opposite direction to interest rate changes. Typically, a rise in interest rates will negatively affect bond prices. The longer the duration and average maturity of a portfolio, the greater the likely reaction to interest rate moves.
- Credit (or default) risk. A bond's price will generally fall if the issuer fails to make a scheduled interest or principal payment, if the credit rating of the security is downgraded, or if the perceived creditworthiness of the issuer deteriorates.
- Liquidity risk. Sectors of the bond market can experience a sudden downturn in trading activity. When there is little or no trading activity in a security, it can be difficult to sell the security at or near its perceived value. In such a market, bond prices may fall.
- Call risk. Some bonds give the issuer the option to call or redeem the bond before the maturity date. If an issuer calls a bond when interest rates are declining, the proceeds may have to be reinvested at a lower yield. During periods of market illiquidity or rising rates, prices of callable securities may be subject to increased volatility.
- Prepayment risk. When interest rates fall, the principal of mortgage-backed securities may be prepaid. These prepayments can reduce the portfolio's yield because proceeds may have to be reinvested at a lower yield.
- Extension risk. When interest rates rise or there is a lack of refinancing opportunities, prepayments of mortgage-backed securities or callable bonds may be less than expected. This would lengthen the portfolio's duration and average maturity and increase its sensitivity to rising rates and its potential for price declines.

*Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for index-based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Finally, some mutual funds and ETFs may have lock-up periods that restrict an investor from selling their position for a period of time. Other mutual funds and ETFs could also have early redemption fees that are taken if the investor sells their position before a certain amount of time.

*Use of Independent Managers*

As stated above, IWS selects certain Independent Managers to manage a portion of its clients' assets. In these situations, IWS continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, IWS does not have the ability to supervise the Independent Managers on a day-to-day basis.

*Use of Private Collective Investment Vehicles*

IWS recommends that certain clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may

be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

#### *Interest Rate Risks*

Interest rates may fluctuate significantly, causing price volatility with respect to securities or instruments held by clients.

#### **Voting of Client Securities**

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IWS does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

### **Item 7. Client Information Provided to Portfolio Managers**

In this Item, IWS is required to describe the type and frequency of the information it communicates to the Independent Managers, if any, managing its clients' investment portfolios. Clients participating in the Program generally grant IWS the authority to discuss certain non-public information with the Independent Managers engaged to manage their accounts. Depending upon the specific arrangement, the Firm may be authorized to disclose various personal information including, without limitation: names, phone numbers, addresses, social security numbers, tax identification numbers and account numbers. IWS may also share certain information related to its clients' financial positions and investment objectives in an effort to ensure that the Independent Managers' investment decisions remain aligned with its clients' best interests. This information is communicated on an initial and ongoing basis, or as otherwise necessary to the management of its clients' portfolios.

### **Item 8. Client Contact with Portfolio Managers**

In this Item, IWS is required to describe any restrictions on clients' ability to contact and consult with the portfolio managers managing their investment portfolios. There are no restrictions on clients' ability to correspond with IWS. Clients can generally contact the Independent Managers managing their portfolios through IWS by providing the Firm with written request and identification of the questions or issues to be



discussed with the Independent Managers. After receiving the client's written request, IWS, at its sole discretion, may contact the Independent Managers for the client or arrange for the Independent Managers and the client to communicate directly.

## Item 9. Additional Information

### Disciplinary Information

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IWS has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

### Other Financial Industry Activities and Affiliations

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This item requires investment advisers to disclose certain financial industry activities and affiliations.

#### *Licensed Insurance Agents*

A number of the Firm's Supervised Persons are licensed insurance agents and offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that IWS recommends the purchase of insurance products where its Supervised Persons are entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

### Code of Ethics

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IWS has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. IWS's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of IWS's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the

markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by money market funds; and iv) shares issued by other unaffiliated open-end mutual funds.

Clients and prospective clients may contact IWS to request a copy of its Code of Ethics by contacting the Firm at the phone number on the cover page of this brochure.

## Account Reviews

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IWS monitors client portfolios on a continuous and ongoing basis and regular account reviews are conducted on at least an annual basis. Such reviews are conducted by the Firm's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with IWS and to keep the Firm informed of any changes thereto.

## Account Statements and General Reports

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from IWS and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from IWS or an outside service provider.

## **Client Referrals**

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The Firm does not currently provide compensation to any third-party solicitors for client referrals.

## **Receipt of Economic Benefit and Brokerage Practices**

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IWS recommends that clients utilize the custody, brokerage and clearing services of Raymond James & Associates, Inc., for investment management accounts. The final decision to custody assets with Raymond James is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. IWS is independently owned and operated and not affiliated with Raymond James. Raymond James provides IWS with access to its institutional trading and custody services, which are typically not available to retail investors.

Factors which IWS considers in recommending Raymond James or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. The commissions and/or transaction fees (including any asset-based brokerage fees) charged by Raymond James may be higher or lower than those charged by other Financial Institutions. Even though these commissions and fees are wrapped and not separately charged to the client, the Firm still considers them important because it does impact the end fee charge to clients by the Firm.

The recommendation of Raymond James complies with the Firm's duty to obtain "best execution." In seeking best execution, the determinative factors include the cost, but also whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness.

Consistent with obtaining best execution, brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist IWS in its investment decision-making process. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because IWS does not have to produce or pay for the products or services.

IWS periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

## **Software and Support Provided by Financial Institutions**

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IWS receives without cost from Raymond James administrative support, computer software, related systems support, as well as other third party support as further described below (together "Support") which allow IWS to better monitor client accounts maintained at Raymond James and otherwise conduct its

business. IWS receives the Support without cost because the Firm renders investment management services to clients that maintain assets at Raymond James. The Support is not provided in connection with securities transactions of clients (i.e., not “soft dollars”). The Support benefits IWS, but not its clients directly. Clients should be aware that IWS’s receipt of economic benefits such as the Support from a broker-dealer creates a conflict of interest since these benefits will influence the Firm’s choice of broker-dealer over another that does not furnish similar software, systems support or services, especially because the support is contingent upon clients placing a certain level(s) of assets at Raymond James. In fulfilling its duties to its clients, IWS endeavors at all times to put the interests of its clients first and has determined that the recommendation of Raymond James is in the best interest of clients and satisfies the Firm's duty to seek best execution.

Specifically, IWS receives the following benefits from Raymond James: i) receipt of duplicate client confirmations and bundled duplicate statements; ii) access to a trading desk that exclusively services its institutional traders; iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and iv) access to an electronic communication network for client order entry and account information.

Raymond James’s services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Raymond James also makes available to the Firm other products and services that benefit the Firm but may not benefit its clients’ accounts. These benefits may include national, regional or Firm specific educational events organized and/or sponsored by Raymond James. Other potential benefits may include occasional business entertainment of personnel of IWS by Raymond James personnel, including meals and entertainment. Other of these products and services assist IWS in managing and administering clients’ accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its clients’ accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of the Firm’s accounts, including accounts not maintained at Raymond James. In addition, Raymond James may make available, arrange and/or pay vendors for these types of services rendered to the Firm by independent third parties. Raymond James may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to the Firm. While, as a fiduciary, IWS endeavors to act in its clients’ best interests, the Firm's recommendation that clients maintain their assets in accounts at Raymond James may be based in part on the benefits received and not solely on the nature, cost or quality of custody and brokerage services provided by Raymond James, which creates a potential conflict of interest.

As described throughout this Disclosure Brochure, the Firm and certain of its Supervised Persons have a significant relationship with the Raymond James entities. The Firm recommends various investment advisory wrap programs (including the Ambassador Program) and the brokerage and custody services of various Raymond James entities.

### **Brokerage for Client Referrals**

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IWS does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

### **Directed Brokerage**

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The client may direct IWS in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to “batch” client transactions for execution through other Financial Institutions with orders for other accounts managed by IWS (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, IWS may decline a client’s request to direct brokerage if, in the Firm’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

### **Trade Aggregation**

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Transactions for each client will be affected independently, unless IWS decides to purchase or sell the same securities for several clients at approximately the same time. IWS may (but is not obligated to) combine or “batch” such orders to obtain best execution or to allocate equitably among the Firm’s clients differences in prices that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among IWS’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which IWS’s Supervised Persons may invest, the Firm does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. IWS does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or 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; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

## Financial Information

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IWS is deemed to have custody of client funds and securities because the Firm is given the ability to debit client accounts for payment of the Firm's fees. As such, client funds and securities are maintained at one or more Financial Institutions that serve as the qualified custodian with respect to such assets. Such qualified custodians will send account statements to clients at least once per calendar quarter that typically detail any transactions in such account for the relevant period.

Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from IWS. Any other custody disclosures can be found in the Firm's Form ADV Part 1.

## Financial Information

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IWS is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.