

**Item 1: Cover Page**  
**Part 2A of Form ADV: Firm Brochure**  
**March 28, 2024**

**Onward Advisors LLC**  
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**Erin Preston**  
**Chief Compliance Officer**

This brochure provides information about the qualifications and business practices of Onward Advisors LLC ("Onward"). If clients have any questions about the contents of this brochure, please contact us at (213) 688-8000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority. Additional information about our firm is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #316214.

Please note that the use of the term "registered investment adviser" and description of our firm and/or our associates as "registered" does not imply a certain level of skill or training. Clients are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise clients for more information on the qualifications of our firm and our employees.

## **Item 2: Material Changes**

Onward Advisors LLC is required to notify clients of any information that has changed since the last annual update of the Firm Brochure ("Brochure") that may be important to them. Clients can request a full copy of our Brochure or contact us with any questions that they may have about the changes.

There have been no material changes since the last annual ADV filing done on March 31<sup>st</sup>, 2023.

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## Item 4: Advisory Business

Our firm is dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a limited liability company formed under the laws of the State of Delaware in 2021 and has been in business as an investment adviser since 2022. Our firm is principally owned by Wedbush Financial Services, LLC.

The purpose of this Brochure is to disclose the conflicts of interest associated with the investment transactions, compensation and any other matters related to investment decisions made by our firm or its representatives. As a fiduciary, it is our duty to always act in the client's best interest. This is accomplished in part by knowing our client. Our firm has established a service-oriented advisory practice with open lines of communication for many different types of clients to help meet their financial goals while remaining sensitive to risk tolerance and time horizons. Working with clients to understand their investment objectives while educating them about our process, facilitates the kind of working relationship we value.

### **Types of Advisory Services Offered**

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#### **Asset Management:**

Onward may act as a portfolio manager, and will manage your accounts on a discretionary basis, which allows Onward to make the investment decision regarding the purchase or sale of investments in your account based on your individual investment program based your goals, objectives and circumstances. Upon your agreement to the proposed investment program, Onward will work with you to establish or transfer investment accounts so that Onward can manage your portfolio. Once the relevant accounts are under Onward's management, Onward reviews such accounts at least annually or more frequently if you notify us about any significant changes to your financial or personal circumstances.

Onward will generally manage your advisory accounts on a discretionary basis, guided by your stated goals and objectives (e.g., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. However, you may instruct Onward to not invest in certain securities or types of securities, or to invest only in certain securities or types of securities.

Onward's investment recommendations will generally include advice regarding some or all of the following kinds of investments:

- Money market funds and other cash instruments
- Exchange listed securities, and securities traded over-the-counter
- Mutual fund shares and exchange traded product shares – passive and actively managed
- Equities
- Closed-end funds (CEFs)
- Separately managed accounts
- Corporate debt securities and asset backed securities
- Preferred securities
- Private equity funds
- Hedge funds

- Credit funds
- Municipal securities
- Governmental securities
- Real estate and real estate investment trust (REIT) shares/interests
- Master limited partnership (MLP) shares
- Structured products and derivatives
- Options and warrants
- Alternative non-traded private investments

As part of Onward's investment advisory services, Onward may recommend one or more third-party sub-advisers to manage all or a portion of your investment portfolio on a fully discretionary basis. Factors Onward takes into consideration when making our recommendation include, but are not limited to, the money manager's performance, investment strategies, methods or analysis, advisory fees and other fees, assets under management, and your financial objectives and risk tolerance. Onward will generally retain authority to hire/fire the sub-adviser, and Onward will periodically monitor the performance of the sub-adviser to ensure its management and investment style remain aligned with your objectives and risk tolerance.

### **Financial Planning & Consulting:**

The services of Financial Planning ("Plan") are available to clients who seek a personalized written financial plan that assesses a client's current and projected financial situation and investment goals and establishes an investment strategy to seek to meet those goals and objectives. These goals and objectives are based on an analysis which generally will include the following: investment objectives, financial goals and needs, risk tolerance, age, current asset allocation, value of assets, and complexity of your current financial situation.

The Plan may include an analysis of the following: investment planning, education planning, insurance planning, cash flow management, and asset allocation strategies. However, the Plan generally does not recommend specific securities or investments but is intended to serve as a basis for further analysis and discussion between the client and his/her financial, legal and tax advisers in helping the client achieve his/her investment objective and goal.

Onward provides analytical and advisory services in creating the Plan. Onward does not provide legal, tax, or accounting advice or services.

You are not required to engage Onward or its affiliates to implement the Plan. If you choose to engage Onward to implement the Plan, a separate agreement and fee will apply depending upon the nature of the relationship and the type of services to be provided.

### **Tailoring of Advisory Services**

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Our firm offers individualized investment advice to our Asset Management clients. General investment advice will be offered to our Financial Planning & Consulting, clients.

Our firm does not usually allow Asset Management clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account. Exceptions will be made on a case-by-case basis.

## **Participation in Wrap Fee Programs**

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Our firm does not offer or sponsor a wrap fee program.

## **Regulatory Assets Under Management**

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As of December 31<sup>st</sup>, 2023, Onward did not have any regulatory assets under management managed on a discretionary or non-discretionary basis.

# **Item 5: Fees & Compensation**

## **Compensation for Our Advisory Services**

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### **Asset Management:**

The maximum annual fee charged for this service will not exceed 2.00%. Onward's fees are billed quarterly in advance, based upon the value (market value or fair value in the absence of market value) of the client's account at the end of the previous quarter [(other than the first calendar quarter). Fees for the first calendar quarter of a client engagement are billed in arrears, based upon the value (market value or fair value in the absence of market value) of the client's account at the end of the first quarter.] Clients may choose to be billed directly for fees or authorize Onward to directly debit fees from their account. Our fees vary and are negotiable. As part of this process, Clients understand the following:

- a) The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to our firm;
- b) Clients will provide authorization permitting our firm to be directly paid by these terms. Our firm will send an invoice directly to the custodian; and
- c) If our firm sends a copy of our invoice to the client, a legend urging the comparison of information provided in our statement with those from the qualified custodian will be included.

For the sub-advisory services rendered to our clients, our firm compensates third party investment advisory firms or individual advisors a percentage of the overall investment advisory fee charged by our firm. The advisory fee paid ranges from 0.00% to 2.50%, and shall not exceed the fee published for this service.

### **Financial Planning & Consulting:**

Our firm charges on an hourly or flat fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. Flat fees range from \$500 to \$100,000 and our maximum hourly fee is \$250. The fee-paying arrangements will be determined on a case-by-case basis and will be detailed in the signed consulting agreement. Our firm will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 months.

## **Other Types of Fees & Expenses**

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Clients will incur transaction fees for trades executed by their chosen custodian, via individual transaction charges. These transaction fees are separate from our firm's advisory fees and will be disclosed by the chosen custodian.

Fidelity Brokerage Services ("Fidelity") eliminated transaction fees for U.S. listed equities and exchange traded funds for clients who opt into electronic delivery of statements or maintain at least \$1 million in assets at Fidelity. Clients who do not meet either criteria will be subject to transaction fees charged by Fidelity for U.S. listed equities and exchange traded funds.

Clients may also pay holdings charges imposed by the chosen custodian for certain investments, charges imposed directly by a mutual fund, index fund, or exchange traded fund, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), distribution fees, surrender charges, variable annuity fees, IRA and qualified retirement plan fees, mark-ups and mark-downs, spreads paid to market makers, fees for trades executed away from custodian, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. Our firm does not receive a portion of these fees.

## **Termination & Refunds**

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Either party may terminate the advisory agreement signed with our firm for Asset Management services in writing at any time. Upon notice of termination our firm will process a pro-rata refund of the unearned portion of the advisory fees charged in advance.

Financial Planning & Consulting clients may terminate their agreement at any time before the delivery of a financial plan by providing written notice. For purposes of calculating refunds, all work performed by us up to the point of termination shall be calculated at the hourly fee currently in effect. Clients will receive a pro-rata refund of unearned fees based on the time and effort expended by our firm.

## **Commissionable Securities Sales**

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Representatives of our firm are registered representatives of Wedbush Securities Inc., member FINRA/SIPC. As such, they are able to accept compensation for the sale of securities or other investment products, including distribution or service ("trail") fees. Clients should be aware that the practice of accepting commissions for the sale of securities presents a conflict of interest and gives our firm and/or our representatives an incentive to recommend investment products based on the compensation received. Our firm generally addresses commissionable sales conflicts that arise when explaining to clients these sales create an incentive to recommend based on the compensation to be earned and/or when recommending commissionable mutual funds, explaining that "no-load" funds are also available. Our firm does not prohibit clients from purchasing recommended investment products through other unaffiliated brokers or agents.

## **Item 6: Performance-Based Fees & Side-By-Side Management**

Our firm does not charge performance-based fees.

## **Item 7: Types of Clients & Account Requirements**

Our firm has the following types of clients:

- Individuals and High Net Worth Individuals
- Trusts, Pension and Profit Sharing Plans

Our requirements for opening and maintaining accounts or otherwise engaging us:

- Our firm generally requires a minimum account balance of \$100,000 for our Asset Management service. Generally, this minimum account balance requirement is negotiable.
- Written financial plans are generally assessed a minimum fee of \$500.

Clients who opt into electronic delivery of statements or maintain at least \$1 million in assets at Fidelity will not be charged transaction fees for U.S. listed equities and exchange traded funds.

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

### **Methods of Analysis and Investment Strategies**

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Your Financial Advisor, working together with an Onward portfolio manager, employs a variety of investment strategies based on your investment objectives, financial circumstances, risk tolerance, and financial needs. Such strategies typically include long term and short term purchase of securities. In addition to his or her training, skill and experience, your Financial Advisor will have access to various research services or publications to evaluate the performance of securities, as well as to make investment decisions on your behalf. Your Financial Advisor will purchase or sell securities in your account based on your:

- Investment objective
- Risk tolerance
- Liquidity needs
- Time horizon

### **Risk of Loss**

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#### Risk of Loss - General

Investing in securities involves risk of loss, including the possible loss of principle, that you should be prepared to bear. You must understand that we do not guarantee any returns on any investments or investment strategies. Your investments are not bank deposits, and are not guaranteed by any agency of the U.S. government. Additionally, frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

With respect to financial planning, the analyses provided through your plan, are based on the information you provide and, in certain cases, on static assumptions (e.g., fixed return rates, fixed life



expectancies, fixed rates of income or cash flow, and so on). Despite certain assumptions and analytical adjustments made by Onward, this type of deterministic projection of financial results fails to reflect the inherent uncertainty of future events, including market performance. In reality, these variables will not be static. The probability of success also varies based on differing assumptions and on changing circumstances and market information.

#### Risk of Loss - Other

The performance of your investments can also be affected by other risks such as:

- **Market Risk** – the risk of a security's market value declining, rapidly and unpredictably for short or extended periods. These fluctuations may cause a security to be worth less than the price the investor originally paid
- **Liquidity Risk** – the risk that a security is difficult or impossible to sell at the time and price the seller wishes. The seller may have to accept a lower price for the security, sell other securities instead, or forgo a more attractive investment opportunity
- **Credit Risk** – the risk that the issuer of a security will default or otherwise become unable to honor a financial obligation. Generally, the lower a security's credit rating, the higher its credit risks. If a security's credit rating is downgraded, its price tends to decline sharply, especially as it becomes more probable that the issuer will default
- **Interest Rate Risk** – the risk that debt prices overall will decline over short or long periods due to rising interest rates. Interest rate risk usually is modest for shorter-term securities, moderate for intermediate-term securities, and high for longer-term securities. A change in a central bank's monetary policy or improving economic conditions may result in an increase in interest rates. Rising interest rates could decrease liquidity in the fixed income securities markets, making it more difficult to sell fixed income securities. Additionally, decreased market liquidity also could make it more difficult to value a fixed income security
- **Reinvestment Risk** – the risk that the proceeds, dividends, or interest generated from an investment are reinvested in a security that offers a lower rate of return compared to the returns generated by the original investment
- **Non-diversification Risk** – the risk involved with excessive exposure to securities in any one issuer, industry, or sector
- **Management Risk** – the risk that a strategy or investment technique used by your Financial Advisor or Onward may fail to produce the intended result or achieve its investment objective
- **Tax Risk** – the risk of unfavorable tax consequences to a client that could result from the administration of a client account pursuant to the advisory services described in this Brochure

#### Technology and Cyber Security Risks

Onward and our clients rely heavily on telecommunication, information technology and other operational systems, whether Onward or those of others. These systems may fail to operate properly or become disable as a result of events or circumstances wholly or partly beyond our or their control. Despite implement of a variety of risk management and security measures, our information technology, and other systems, and those of others, could be subject to physical or electronic breaches resulting in a failure to maintain the security, availability, integrity, and confidentiality of

data assets. Technology failures or cyber security breaches, deliberate or unintentional, could delay or disrupt our ability to do business or service our clients, harm our reputation, result in a violation of applicable privacy and other laws, require additional compliance costs, subject us to regulatory inquiries or proceeding and other claims, lead to a loss of clients and revenues or financial loss to our clients or otherwise adversely affect our business.

#### Business, Terrorism, and Catastrophe Risks

These are the risks of loss that may be incurred, indirectly, due to the occurrence of various events, including hurricanes, earthquakes and other natural disasters, terrorism, and other catastrophic events such as a pandemic. These catastrophic risks of loss can be substantial and could have a material adverse effect on Onward' business and on your portfolios.

#### **Description of Material, Significant or Unusual Risks**

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Our firm generally invests client cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, our firm tries to achieve the highest return on client cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to our Asset Management, service, as applicable.

### **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management.

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

Onward is a registered investment adviser. Representatives of our firm are registered representatives of Wedbush Securities Inc., member FINRA/SIPC. As a result of these transactions, they receive normal and customary commissions. A conflict of interest exists as these commissionable securities sales create an incentive to recommend products based on the compensation earned. In addition, Wedbush Financial Services, LLC is the owner of both Onward and Wedbush Securities, Inc. Onward's executive officers are also executive officers of Wedbush Securities, Inc. A conflict of interest exists as we have an incentive to recommend Wedbush Securities Inc. as a Broker-Dealer, a futures commission merchant, insurance broker, and a custodian for client accounts. To mitigate these potential conflicts, our firm will act in the client's best interest.

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

As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is the underlying principle for our firm's Code of Ethics, which includes procedures for personal securities transaction and insider trading. Our firm requires all representatives to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment with our firm, and at least annually thereafter, all representatives of our firm will acknowledge receipt, understanding and compliance with our firm's Code of Ethics. Our firm and representatives must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Our firm recognizes that the personal investment transactions of our representatives demands the application of a Code of Ethics with high standards and requires that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, our firm also believes that if investment goals are similar for clients and for our representatives, it is logical, and even desirable, that there be common ownership of some securities.

In order to prevent conflicts of interest, our firm has established procedures for transactions effected by our representatives for their personal accounts<sup>1</sup>. In order to monitor compliance with our personal trading policy, our firm has pre-clearance requirements and a quarterly securities transaction reporting system for all of our representatives.

Neither our firm nor a related person recommends, buys or sells for client accounts, securities in which our firm or a related person has a material financial interest without prior disclosure to the client.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

Likewise, related persons of our firm buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling securities that will be bought or sold in client accounts unless done so after the client execution or concurrently as a part of a block trade.

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<sup>1</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

## Item 12: Brokerage Practices

### **Selecting a Brokerage Firm**

While our firm does not maintain physical custody of client assets, we are deemed to have custody of certain client assets if given the authority to withdraw assets from client accounts (see *Item 15 Custody*, below). Client assets must be maintained by a qualified custodian. Our firm seeks to recommend a custodian who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. The factors considered, among others, are these:

- Timeliness of execution
- Quality of services
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation
- Timeliness and accuracy of trade confirmations

Our firm has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity") through which Fidelity provides our firm with "institutional platform services." Our firm is independently operated and owned and is not affiliated with Fidelity. The institutional platform services include, among others, brokerage, custody, and other related services. Fidelity's institutional platform services that assist us in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

In addition to Fidelity, our firm also recommends Wedbush Securities Inc. as a qualified custodian. Together, Fidelity and Wedbush Securities Inc. are referred to as the "Custodians".

The Custodians may make certain research and brokerage services available at no additional cost to our firm. Research products and services provided by the Custodians may include: research reports on recommendations or other information about particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by the Custodians to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services qualify for the safe harbor exemption defined in Section 28(e) of the Securities Exchange Act of 1934. The aforementioned research and brokerage services are used by our firm to manage accounts for which our firm has investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

As part of our fiduciary duty to our clients, our firm will always endeavor to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons creates a potential conflict of interest and may indirectly influence our firm's choice of the Custodians as a custodial recommendation. In addition, Wedbush Securities Inc. is owned by Wedbush Financial Services, LLC, as if Onward Advisors LLC. Thus, we have an incentive to recommend Wedbush Securities Inc. as a custodian to our clients. Our firm examined this potential conflict of interest when our firm chose to recommend the Custodians and we have determined that the recommendations are in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution.

Our clients may pay a transaction fee or commission to the Custodians that is higher than other qualified broker dealers might charge to effect the same transaction where our firm determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services provided to the client as a whole.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Although our firm will seek competitive rates, to the benefit of all clients, our firm may not necessarily obtain the lowest possible commission rates for specific client account transactions.

### **Transition Assistance and Soft Dollars**

Fidelity provided our firm and its representatives financial assistance to aid in transitioning our representatives' books of business to Fidelity's platform ("Transition Assistance"). The proceeds made available to us are/were used to pay for legal, compliance, marketing, and other start-up expenses. The receipt of Transition Assistance creates a conflict of interest for our firm to recommend that clients custody with Fidelity. Our firm attempts to mitigate this conflict of interest by evaluating Fidelity's services and recommend the use of Fidelity based on the value Fidelity provides in itself. While we consider Fidelity's full suite of services when recommending clients maintain accounts with Fidelity, clients should be aware of our conflict of interest and take it into consideration when deciding whether to custody their assets with Fidelity.

Aside from this, our firm does not receive soft dollars from the Custodians more than what is allowed by Section 28(e) of the Securities Exchange Act of 1934. The safe harbor research products and services obtained by our firm will generally be used to service all our clients but not necessarily all at any one particular time.

### **Client Brokerage Commissions**

The Custodians do not make client brokerage commissions generated by client transactions available for our firm's use.

### **Client Transactions in Return for Soft Dollars**

Our firm does not direct client transactions to a particular broker-dealer in return for soft dollar benefits.

### **Brokerage for Client Referrals**

Our firm does not receive brokerage for client referrals.

### **Directed Brokerage**

Neither our firm nor any of our firm's representatives have discretionary authority in making the determination of the brokers-dealers and/or custodians with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. However, our firm routinely recommends that clients direct us to execute through Fidelity.

### ***Special Considerations for ERISA Clients***

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, our firm will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

### **Client-Directed Brokerage**

Our firm allows clients to direct brokerage outside our recommendation. Our firm may be unable to achieve the most favorable execution of client transactions. Client directed brokerage may cost clients more money. For example, in a directed brokerage account, clients may pay higher brokerage commissions because our firm may not be able to aggregate orders to reduce transaction costs, or clients may receive less favorable prices.

### **Aggregation of Purchase or Sale**

Our firm provides investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more accounts, they are affected only when our firm believes that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, our firm attempts to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

## **Item 13: Review of Accounts or Financial Plans**

Our management personnel or financial advisors review accounts on at least an annual basis for our Asset Management and Third Party Money Management clients. The nature of these reviews is to

learn whether client accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Our firm does not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when our Asset Management, and Third Party Money Management clients are contacted.

Our firm may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

Financial Planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. Our firm does not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Financial Planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately engage our firm for a post-financial plan meeting or update to their initial written financial plan.

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

### **Fidelity and Wedbush Securities Inc.**

Our firm has no additional arrangements to disclose other than the arrangements outlined in Item 14 of this Brochure.

### **Product Sponsors**

Our firm occasionally sponsors events in conjunction with our product providers in an effort to keep our clients informed as to the services we offer and the various financial products we utilize. These events are educational in nature and are not dependent upon the use of any specific product. While a conflict of interest may exist because these events are at least partially funded by product sponsors, all funds received from product sponsors are used for the education of our clients. We will always adhere to our fiduciary duty in recommending appropriate investments for our clients.

Representatives of our firm will occasionally accept travel expense reimbursement provided by product sponsors in order to attend their educational events. The reimbursement is not directly dependent upon the recommendation of any specific product. Although we may be incentivized to recommend products from product sponsors that reimburse our travel, our representatives will always adhere to their fiduciary duty in recommending appropriate investments for our clients.

### **Client Referrals**

Our firm does not provide cash or non-cash compensation directly or indirectly to unaffiliated persons for the referral of prospective clients to our firm in accordance with Rule 206 (4)-1 of the Investment Advisers Act of 1940.

## Item 15: Custody

### **Deduction of Advisory Fees:**

While our firm does not maintain physical custody of client assets (which are maintained by a qualified custodian, as discussed above), we are deemed to have custody of certain client assets if given the authority to withdraw assets from client accounts, as further described below under “Third Party Money Movement.” All of our clients receive account statements directly from their qualified custodian(s) at least quarterly upon opening of an account. We urge our clients to carefully review these statements. Additionally, if our firm decides to send its own account statements to clients, such statements will include a legend that recommends the client compare the account statements received from the qualified custodian with those received from our firm. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

### **Third Party Money Movement:**

On February 21, 2017, the SEC issued a no-action letter (“Letter”) with respect to Rule 206(4)-2 (“Custody Rule”) under the Investment Advisers Act of 1940 (“Advisers Act”). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of authorization (“SLOA”) is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with our custodian:

- The client provides instructions to the qualified custodian, in writing, that includes the client’s signature, the third party’s name, and either the third party’s address or the third party’s account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian’s form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client’s qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client’s authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instructions with the client’s qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client’s instructions.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client’s qualified custodian sends the client, in writing, an initial notice confirming the instructions and an annual notice reconfirming the instructions.

Onward Advisors LLC is under common ownership with Wedbush Securities Inc., a recommended custodian. As such, our firm is deemed to have custody. The client funds and securities of which our firm has custody are verified by actual examination at least once during each calendar year by an independent public accountant (“IPA”) registered with the Public Company Accounting Oversight Board (“PCAOB”), at a time that is chosen by the accountant without prior notice or announcement



to our firm and that is irregular from year to year. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

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

Our firm manages accounts on a discretionary basis. After you sign an agreement with our firm, we're allowed to buy and sell investments in your account without asking you in advance. Any limitations will be described in the signed advisory agreement. We will have discretion until the advisory agreement is terminated by you or our firm.

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

Our firm does not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, our firm will forward them to the appropriate client and ask the party who sent them to mail them directly to the client in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

### **Item 18: Financial Information**

Our firm is not required to provide financial information in this Brochure because:

- Our firm does not require the prepayment of more than \$1,200 in fees when services cannot be rendered within 6 months.
- Our firm does not take custody of client funds or securities.
- Our firm does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.

Our firm has never been the subject of a bankruptcy proceeding.