



# Wealth Enhancement Advisory Services™

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Form ADV | Part 2A Appendix 1: Wrap Brochure

**March 2024**

## ITEM 1 – COVER PAGE

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This brochure provides information about the qualifications and business practices of Wealth Enhancement Advisory Services. If you have any questions about the contents of this brochure, please contact us at (800) 492-1222 or e-mail us at [compliance@wealthenhancement.com](mailto:compliance@wealthenhancement.com). The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Wealth Enhancement Advisory Services is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view Wealth Enhancement Advisory Services' information on this website by searching for Wealth Enhancement Advisory Services. You may also search for information by using the firm's IARD/CRD number 116407.

Registration as an investment advisor does not imply a certain level of skill or training.

## ITEM 2 – MATERIAL CHANGES

This brochure contains changes from the last update of this brochure dated March 2023. The following is a summary of certain changes made to this brochure since the date of its last annual updating amendment, dated March 2023.

Item 4 of the brochure, “**Services, Fees, and Compensation**”, was updated to reflect as of the March 2023 annual update the addition of WEAS charges fees in arrears or in advance verses in arears only.

Item 4 of the brochure, “**Services, Fees, and Compensation**”, was updated to reflect as of the March 2023 annual update the addition of information related to billing adjustments on deposit and withdrawal transaction; accrued interest; asset management fees charged on cash and cash equivalents.

Item 5 of the brochure, “**Account Requirements and Types of Clients**”, was updated to reflect as of the March 2023 annual update the change in range of minimum investment amount from \$25,000 to \$100,000 to \$100,000 to \$5,000,000.

Item 9 of the brochure, “**Additional Information**”, was updated to reflect as of the March 2023 annual update the addition of Compensation Received for Client Referrals.

Please refer to the item numbers listed above for complete details about these changes in the brochure.

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## ITEM 4 – SERVICES, FEES, AND COMPENSATION

Wealth Enhancement Advisory Services, LLC (also referred to as “WEAS,” the “firm”, “we” or “our” throughout this document), is an investment adviser registered with the U.S. Securities and Exchange Commission and has been operating as an investment adviser since December 21, 2001.

WEAS is a Minnesota limited liability company and wholly owned subsidiary of Wealth Enhancement Group, LLC (“WEG”). As of October 2021, private investment vehicles affiliated with TA Associates Management, L.P. (“TA Associates”) and Onex Partners each indirectly hold a controlling interest in WEG. Further information about TA Associates and Onex Partners Manager LP (each of which is also a registered investment adviser) is set forth in their respective Forms ADV filed with the U.S. Securities and Exchange Commission, available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

This brochure discusses the asset management services WEAS offers through our wrap-fee program. Under a wrap-fee program, advisory services and execution of transactions are provided for one fee. This is different from traditional management programs in which advisory services and execution costs are separately charged to clients (either on a per-transaction basis, such as a ticket charge or commission, or percentage of assets under management, or asset-based pricing). Although wrap-fee programs can introduce certain conflicts of interest (discussed throughout this brochure) of which clients should be aware, from a management perspective, WEAS does not manage wrap-fee accounts differently than non-wrap advisory accounts.

In addition to the wrap program, WEAS offers personalized investment advisory services, including financial planning and consulting, asset management, referrals to third-party money managers, and seminars, on a non-wrap basis. Additional information about other services offered by WEAS is available in its ADV Part 2A Brochure, which is available upon request or by looking us up at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Asset Management Services Program**

Asset Management Service Program begins with a WEAS financial advisor evaluating and assessing the client’s investment positions and recommend investments based on the client’s investment objectives, risk tolerance and financial circumstances (client investment profile). WEAS financial advisor will establish an investment account composed of publicly traded and privately listed securities and investments that meet the client’s financial need. Each client is also provided with an opportunity to impose reasonable restrictions on the management of their accounts. A WEAS Financial Adviser, using discretionary authority granted by the client in their agreement with us, monitors the client’s investment portfolio and executes securities transactions that are in alignment with the client’s investment profile. In addition, the WEAS financial advisor will periodically, but no less than annually, attempt to connect with the client, either in person or via conference call, to discuss account performance and any updates to the client’s objectives or financial circumstances.

### **Asset Management Services Program Fees**

Fees paid to WEAS for its services may vary from client to client for similar services but shall not exceed 2% per year of the value of assets under management.

### **Separate Investment Manager Program**

In those instances where WEAS determines that a client may benefit from receiving separate portfolio management services, WEAS may recommend a Separate Manager Service (including NorthCrest Asset Management, LLC, an affiliate of WEAS that is described in greater detail in Item 9 below). This Service may be offered with the assistance of manager search program sponsors that specialize in assisting investment advisers, such as WEAS, in providing advice about separate investment managers and preparing reports for use in monitoring the performance of portfolios managed by separate investment managers. Independent searches by WEAS may also be performed without manager search program sponsor assistance.

A Separate Investment Manager service begins with a WEAS financial advisor identifying the client’s investment objectives and manager selection criteria. WEAS then presents the investment management firm(s) we believe is/are best suited to meet the client’s objectives. Clients may enter into an investment management agreement directly with the separate investment management firm or WEAS may engage a separate investment management firm on the client’s behalf using discretionary authority granted in the client agreement. Separate Investment Management Service program sponsors may assist WEAS with manager presentations and with other duties relating to providing this service. WEAS financial advisors will meet periodically with their clients and discuss the performance of the manager, recommending adjustments as needed based on the client’s objectives and financial circumstances.

WEAS generally uses manager background information prepared by the manager or by manager search program sponsors which describe the histories, investment philosophies, risk factors, investment returns, and investing time frames on investment management firms. Generally, these firms have agreed to accept accounts and to provide management services to a client provided the client's account size and other conditions meet any applicable minimum standards and that the client's investment objectives are consistent with the manager's investment philosophy. To facilitate account reporting, account assets may be held at a custodian designated by the Separate Investment Manager Services sponsor. These Separate Investment Manager Services are often securities broker-dealers which will also provide custodial services. They may also generally require a client to have all securities transactions for the client's account processed by them.

After hiring a manager, WEAS provides the manager with information about the client's financial background and investment objectives to the extent such information is provided by the client. WEAS also provides periodic assistance in evaluating manager performance and, if necessary, recommendations to replace the manager selected.

WEAS generally does not recommend the replacement of a manager based on short-term performance results. In the event WEAS becomes aware of a significant change in the manager's investment philosophy, loss of significant investment management personnel or a change in ownership, we will re-evaluate the manager to determine whether to recommend a change to the client.

Separate investment managers are granted complete and unlimited discretionary trading authority in the client agreement, which means that the manager is able to execute transactions at their discretion in a client's account. Each client has the opportunity to impose reasonable restrictions on the management of their accounts. Clients may contact the manager directly for other purposes. Each client account managed by a separate investment manager is managed separately from the manager's other clients. Each client receives confirmations of all securities transactions placed in their accounts, periodic custodian account statements, and a summary of account performance (prepared by the manager search program sponsor or by the client's manager) at least quarterly.

Even though certain managers may have achieved higher relative total returns than other managers, the higher performing managers may not be presented to clients by WEAS due to any number of relevant factors, including, but not limited to, the suitability of the portfolio manager's investment style to the client's risk tolerance.

#### **Separate Investment Manager Program Fees**

Clients pay a management fee to separate managed account investment managers. The total fees paid to the separate investment manager and WEAS may exceed 2%. The fee WEAS receives shall not exceed 2%. Separate investment manager fees may range from range from .10% to 2.0%

#### **Strategic Wealth Management Platform**

Through its relationship with LPL Financial, LLC, a registered broker-dealer and FINRA/SIPC member, WEAS has access to the SWM and SWM II programs offered under LPL's Strategic Wealth Management Platform (the "Platform"). Through LPL's SWM and SWM II programs, WEAS is able to select from over 6,600 funds from more than 350 fund families, individual stocks and bonds, options, unit investment trusts, certain alternative investments (such as hedge funds and managed futures), and fee-based variable annuities in creating customized portfolios to address each client's unique financial needs.

The difference between the two programs offered under the Platform is who pays applicable transaction costs. Clients are responsible for transaction costs in the SWM program and authorize LPL to deduct transaction charges and other applicable fees directly from their brokerage account. WEAS covers transaction costs in the SWM II program. This disclosure brochure focuses on the SWM II program.

#### **Transaction Costs**

The cost of transactions executed through the Platform varies by security; transaction costs as of the date of this brochure are: \$0.00 or \$26.50 for mutual funds transactions (further discussed below); \$7.00 for equities, and \$35.00 for unit investment trusts. LPL does not charge a fee for transactions in fixed income securities (such as bonds or structured products) because it acts as a principal in such transactions (meaning that LPL serves as the counterparty to the transaction and receives a markup or markdown from the offering price). LPL uses that compensation from mutual funds to reduce its platform and trading costs, and therefore, assesses a lower transaction charge to clients. Although a Full Participating fund has a \$0 transaction charge, Full Participating Funds tends to have a higher expense ratio, which is borne by the client. LPL does not charge a transaction charge for fixed income securities (e.g., bonds or structured products); however, LPL acts as principal on fixed income security transactions and receives a mark- up/down on the transaction.

All transaction costs mentioned above are used as a revenue source by LPL to defray costs associated with trade execution and are not directly related to LPL's transaction expenses. Such costs are subject to change at the sole discretion of LPL. LPL may adjust the price of transaction fees if the nature or scope of WEAS' business changes or does not reach certain levels. In this case, transaction fees would likely revert to LPL's higher standard rates.

In certain cases, LPL may agree to charge particular WEAS clients different transaction fees than what other WEAS clients may be charged based on the nature and scope of the services provided by WEAS for such clients or the nature and scope of business, or expected future business, conducted by a particular associated person of WEAS. Clients will be notified of any changes to the fees applicable to their accounts, including through periodic account statements.

Because WEAS covers transaction costs under the SWM II program, it has an economic incentive to trade less or recommend fewer transactions with respect to assets held in such accounts. However, as WEAS manages portfolios, primarily in models, model changes will propagate across custodians regardless of custodian and/or platform mitigating the risk that clients will not receive WEAS's most current advice.

### **Ongoing Costs and Expenses**

Various share classes are available through the Platform, including share classes specifically designed for advisory programs such as, for example, Class I, institutional, retail, service, administrative, and platform share classes (collectively, "Platform Shares") and others, such as Class A shares. LPL receives compensation for services provided with respect to certain Platform Shares, such as recordkeeping fees, asset-based service fees, or 12b-1 fees. If the aggregate amount received by LPL for performing such services on behalf of a mutual fund offering Platform Shares reaches a certain amount set by LPL, then LPL reduces its transaction cost to \$0.00 for transactions in such shares.

In many cases, Platform Shares are not the least expensive share class available for a particular mutual fund but are included in the SWM II program because LPL receives additional compensation for services it renders on behalf of the fund. Neither WEAS nor your WEAS financial advisor receives any portion of such compensation. Other financial services firms may offer a different share class of the same mutual fund at a lower overall cost than what is available through the SWM II program.

LPL also makes load-waived Class A shares available on a no transaction fee basis, meaning that LPL does not charge any fees in connection with transactions in these shares. LPL is able to offer these shares without charging transaction costs because it has negotiated with the mutual fund sponsors to be compensated through revenue sharing agreements that pay LPL an ongoing, asset-based fee. Neither WEAS nor your WEAS financial advisor receives any portion of such fees. Platform Shares do not pay LPL revenue-sharing fees.

Class A shares generally have higher internal expense ratios than Platform Shares. This means that, all else being equal, clients holding Platform Shares will typically pay lower fees over time than those holding Class A shares.

Clients should understand the conflicts involved with participating in the Platform and the effect of any additional indirect expenses borne as a result of the mutual fund fees when negotiating their advisory fee with their WEAS financial advisor. Clients are encouraged to discuss the Platform, all applicable fees, and whether comparable options offered by other product sponsors are available at lower costs with their WEAS representative.

### **Strategic Wealth Management Platform Fees**

Generally speaking, an ongoing fee for investment advisory services may cost you more than assets held in a traditional brokerage account through LPL Financial or another Broker/Dealer. In a traditional brokerage account, a client is charged a commission for each transaction, and the WEAS financial advisor, acting in their separate capacity as an LPL Financial Registered Representative, has no duty to provide ongoing advice with respect to the account. If clients plan to follow a buy-and-hold strategy for some or all assets, or if a client does not want to purchase ongoing investment advice or management services, a brokerage account should be considered. Please speak with a WEAS financial advisor to discuss the differences between a WEAS fee-based investment advisory account and a brokerage account.

### **Investment Management Services**

To the extent you decide to sign up for our Investment Management Services, we begin the arrangement with an initial interview and data-gathering process to determine your financial circumstances and individual needs, investment objectives, investment time horizons and risk tolerance.

You will receive a general overview of investment recommendations consistent with your long-range goals (i.e.,

retirement planning) or other components of an investment plan that you may request. Thereafter, WEAS identifies a mix of investments for diversification of your portfolio. Diversification helps to manage the risk of loss due to lack of variety of asset classes.

As needed, and on a client-by-client basis, WEAS may also assist in selecting one or more separate account management firms and will also help in establishing an account with the manager(s) selected. In the WEAS Services Agreement that clients must execute, the client grants authority to WEAS to enter into and terminate agreements with separate account management firms on behalf of the client. These services are provided by the separate account manager. The fees charged by a separate account manager are separate and distinct from those charged by WEAS. Descriptions of the third-party manager programs used by WEAS are included in Item 5 of this document.

Investment Management Services, where appropriate, may include the acceptance of a transfer in-kind of securities for the purpose of liquidation and reallocation. WEAS may also accept a transfer in-kind of securities to be held as part of a client's overall financial plan.

Investment Management Services also includes periodic monitoring and review of portfolio assets by WEAS (including assets managed by separate account managers). Such reviews are performed by your WEAS financial advisor and by the WEAS Investment Management Department, at the times they deem appropriate to determine if investment options in the portfolio continue to match your investment objective.

If changes to the mix of investments are required, WEAS will complete the changes using discretionary authority granted by the client. Depending on the portfolio created to meet your investment objective, the management, which includes analysis, trading, and rebalancing of the portfolio may be done through your WEAS financial advisor or by WEAS' Investment Management Department. Portfolio strategies created by WEAS' Investment Management Department are managed through due diligence analysis of the products within the portfolios, portfolio performance, and rebalancing and are regularly reviewed and discussed during Investment Committee meetings. The Investment Committee consists of the Chief Investment Officer and certain members of the WEAS Investment Management Department. In addition to the Investment Committee, WEAS has a Product Committee, consisting of a variety of WEAS senior leaders. The Product Committee meets regularly to evaluate and approve new investment products to be offered through WEAS.

WEAS financial advisors may receive additional compensation in the form of annuity and mutual fund trail fees and/or bonuses based upon the value of investments held in a client account. Clients are encouraged to read each investment's prospectus for a description of these fees. (Please refer to Item 9 of this brochure for more information.)

Each client's account is monitored by the appropriate WEAS financial advisors and managed by the WEAS Investment Management Department. Thus, clients have a direct and beneficial interest in their respective individual securities, rather than an undivided interest in a pool of securities.

Please refer to the ADV Part 2B Brochure Supplement in this disclosure document for additional information on the education, business standards and business backgrounds of the WEAS Investment Management Department.

### **WEAS Program Fee Schedule**

Fees for Investment Management Services are calculated and payable either quarterly or monthly. Fees are due each billing period. (This could differ with other investment programs and/or platforms.) Fees are determined as a percentage of assets under management. Account values for fee calculation purposes are determined on the last business day of each billing period. WEAS charges fees in arrears on either a quarterly or monthly basis but will charge fees in advance in certain situations. Fees billed in advance are based upon the account value on the last day of the previous billing period.

A monthly fee schedule is calculated each billing period as:  $((\text{billable assets under management}) * (\text{annual fee rate})) \div 12$ .

A quarterly fee schedule is calculated each billing period as:  $((\text{billable assets under management}) * (\text{annual fee rate})) \div 4$ .

The fees (if any are charged) are waived for two years on investment products sold to a client for whom a WEAS financial advisor earned a commission. Fees may also be waived or discounted for employees or relatives of employees of Wealth Enhancement Group, LLC, the parent company of WEAS, who have assets under management with WEAS.

Billing mechanics for some WEAS clients who became clients of WEAS as a result of the assignment to WEAS of their agreement for Investment Management Services, are expected to vary from WEAS's standard methodology. This would typically arise in connection with the acquisition by WEAS of assets from a client's predecessor adviser. The variation would only apply for a limited period of time following that assignment while the client's account is being transitioned to WEAS's systems. During this transition period, the client will be billed in a manner consistent with how the client was billed at the client's predecessor firm.

The advisory fees for Investment Management Services are negotiable and depend upon the complexity of services and are set at the discretion of the WEAS financial advisor providing services. Fees paid to WEAS for its services may vary from client to client for similar services but shall not exceed 2% per year of the value of assets under management. Clients should be aware that fees in excess of 2% per year for an advisory program are considered to be high, and that other advisory firms may be able to provide similar services at lower costs.

The advisory fees shown in the schedule below represent fees for advisory services only. However, at their sole discretion, WEAS and its affiliates in some instances provide additional, non-advisory services for clients at no additional cost or at a reduced cost to the client, which may be viewed as reducing the effective advisory fees being paid by those clients. WEAS may amend its fee schedule upon 30 days advance notice to client.

Clients pay transaction and other fees to broker-dealers providing transaction and custody services through this program. Other fees include, but are not limited to, short-term redemption fees, which the fund may charge for each redemption of mutual funds purchased and held for 90 days or less. The short-term redemption fee varies by fund and can be a set fee or a percentage of position values which may include a minimum fee and maximum fee, assessed by the custodian. Not all funds have short term redemption fees. Custodians may grant a short-term redemption fee exemption for WEAS managed accounts. Custodians would therefore not apply their short-term redemption fees on mutual funds held less than 90 days. This exemption is subject to periodic review by the custodians, and they reserve the right to modify or cancel the exemption at any time with or without notice. Custodians also reserve the right to exempt certain funds from this fee, including custodian Mutual Funds that may charge a separate redemption fee, and funds that accommodate short-term trading.

Clients also pay a management fee to separate managed account investment managers if such managers are used. The total of all these fees may exceed 2% in some product platforms, especially if a separate managed account platform is used. The fee WEAS receives for its services, as mentioned above, shall not exceed 2%.

A flat-rate annual fee percentage may also be used, as well as other special tiered fee-rate schedules, and flat fees in certain circumstances. WEAS will disclose a minimum annual fee, if applicable, which may be waived by WEAS in its sole discretion. These fee rates and schedules are negotiated in advance with each client.

The fee schedule that will be applicable to a client will be disclosed in the WEAS Services Agreement. In some cases, a grandfathered fee schedule may be used with certain clients. For clients with flat fee schedules, the sample charges are below:

<b>Sample Flat-Rate Based Fees</b>	
<b>Portfolio Size</b>	<b>Annual %</b>
\$999,999 or less	1.50%
\$1,000,000–\$2,000,000	1.25%
Over \$2,000,000	1.00%

Based upon the sample schedule above, the annual fee examples are listed below:

- A client with \$500,000 would be charged 1.50% annually, billed monthly or quarterly.
- A client with \$1,500,000 would be charged 1.25% annually, billed monthly or quarterly.
- A client with \$2,500,000 would be charged 1.00% annually, billed monthly or quarterly.

If a flat rate fee schedule, a client with \$1,900,000 and a negotiated flat rate of 1.00% annually, would be charged 1.00% annually, billed monthly or quarterly.

WEAS calculates billing adjustments on all deposit and withdrawal transactions. If you make a deposit of additional assets into your Account during a billing period, you will pay a pro-rated fee on the market value of the additional assets. The Fee will be calculated based on the net deposit and prorated for the number of days remaining in the



billing period, starting with the date of deposit. This fee will be collected in the billing period after the date of the net deposit. If you make a withdrawal from your Account during a billing period, you will similarly receive pro rata adjustment or refund of your prepaid fee on the next billing period.

Accrued interest is the amount of interest earned on a debt obligation, such as a bond, but not yet collected. Interest accumulates from the date a loan is issued or when a bond's coupon is made. The principal amount of the bond as well as the accrued interest are included in the billable value of an account.

WEAS charges the asset management fee on cash and cash equivalents.

WEAS will request payment of fees through a direct debit to the client's account by the custodian holding the client's funds and securities. Clients may have the option, depending upon the custodian, of debiting fees from a designated managed account to pay fees for another managed account as agreed upon in writing.

Since WEAS financial advisors may receive a commission on certain investments, the commission is an incentive to the WEAS financial advisor to recommend the investments. The receipt of continuing 12b-1 fees, which are based upon the value of mutual funds held in a portfolio, may also represent an incentive to WEAS financial advisors to purchase and hold funds with 12b-1 fees over others, and funds with higher 12b-1 fees over those with lower 12b-1 fees. WEAS financial advisors may select both Load and No-Load mutual funds depending upon the client's goals and objectives. WEAS advisory fees (if any are charged) are waived for two years on investment products sold to a client for whom a WEAS financial advisor earned a commission.

A client may terminate the Investment Management Services Agreement without penalty (full refund or no fees due) within five (5) business days of signature of the agreement if the client has not received the WEAS ADV Part 2A (Disclosure Brochure) and the Part 2B (Brochure Supplement) before or at the time of signing the Investment Management Services Agreement. After such time, either party may terminate services upon receipt of a 30-day advance written notice. After termination, the client becomes totally responsible for managing their account. If the termination occurs before the end of the client billing period, clients charged fees in arrears will be invoiced only for those services provided up to the time of termination. Clients charged fees in advance will be refunded on a prorated basis up to the time of termination.

The Account Fee is an ongoing fee for investment advisory services and other administrative and custodial services. The Account Fee may cost the client more than purchasing a Program's services separately, for example, paying an advisory fee plus commissions for each transaction in the account. Factors that bear upon the cost of the account in relation to the cost of the same services purchased separately include the:

- Type and size of the account
- Historical and or expected size or number of trades for the account; and
- Number and range of supplementary advisory and client-related services provided to the client

### **Wrap Fee Disclosures**

Wrap programs offer both advisory services and brokerage (i.e., transaction) costs for one set fee. The total fees paid under a wrap program may be more or less than if advisory and brokerage services were paid for separately. Factors that can influence whether a wrap fee would be beneficial for a client include: the size of the account, number of expected transactions, strategies employed, type of securities within an account, and whether trades are placed through a brokerage firm other than the custodian recommended by WEAS (which are not covered under WEAS's wrap program and result in transaction charges to the account).

Except as otherwise noted above, wrap fees paid by clients cover WEAS's advisory fee and, except as noted, most transaction commission costs. The fee does not include the following: (a) charges for services provided by WEAS or third parties which are outside the scope of this Agreement; (b) mark-ups and mark-downs charged on principal trades; (c) commissions and other fees for transactions placed through a broker-dealer other than a custodian recommended by WEAS; and (d) commissions and fees for transactions and activities performed after the date notice of termination of this Agreement is provided by either party to the other.

Some mutual funds do not impose sales charges, but transaction fees may be charged on certain mutual fund transactions by the brokerage firm processing the trades. Mutual funds and exchange-traded funds also incur internal costs, such as investment management fees and other internal expenses, which are more fully described in the prospectus of each fund. These internal costs are incorporated in the calculation of the funds' net asset value, which is the cost clients pay to purchase fund interests (and is separate from and in addition to the fees client pays to

WEAS). Clients should be aware that such funds may be available outside of a WEAS wrap program at no charge. Because in certain cases, transaction costs are covered by WEAS, our Financial Advisors have a financial incentive in those cases to not make frequent trades in client accounts because doing so may increase our transaction costs and reduce revenues (which is shared with the Financial Advisor). Because fees are asset-based, an incentive exists for the Financial Advisor to recommend that clients not reduce their positions because doing so would reduce the fee received by WEAS. WEAS may receive more compensation in this program than others which require separate payment for advice, brokerage, and other services. WEAS's wrap fee charged to any particular client may be more or less than that charged by WEAS to another client for similar services, and by other advisers for similar services.

### **Class Action Administration Services**

WEAS offers clients access to class action administration services through its relationship with Broadridge Financial Solutions ("Broadridge") and on a limited basis, Chicago Clearing Corporation ("Chicago Clearing"). Chicago Clearing and Broadridge will automatically file securities class action settlement claims on behalf of WEAS clients who are enrolled for the services for cases in which clients are eligible to participate. Although we recommend clients use the services of Broadridge, and when applicable Chicago Clearing, clients are never obligated or required to use their services. The services of WEAS, Broadridge, and Chicago Clearing are separate and distinct from one another. Broadridge and Chicago Clearing generally directly deduct fees, as percentage from the class action proceeds, for services as outlined in the client agreement. There is no common ownership between WEAS, Broadridge, and Chicago Clearing. WEAS reserves the right, at its sole discretion, to cover or reimburse these fees for certain clients.

## **ITEM 5 – ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

WEAS generally provides investment advice to the following types of clients:

- Individuals
- High-net-worth individuals
- Trusts, estates, and charitable organizations
- Corporations and other businesses
- Pension and profit-sharing plans

To establish investment advisory services, all clients are required to execute an investment advisory agreement.

### **Minimum Investment Amounts Required**

Separately managed account investment managers generally establish minimum account sizes for accounts. Minimum requirements are established by the separately managed account investment managers that WEAS has agreements with. Minimums can range between \$100,000 and \$5,000,000 and can vary considerably based upon factors outside of WEAS's control. Accounts below the stated minimums may be accepted on an individual basis at the discretion of the separately managed account investment managers.

## **ITEM 6 – PORTFOLIO MANAGER SELECTION AND EVALUATION**

WEAS does not select, review, or recommend other investment advisors or portfolio managers to manage assets through its wrap program. WEAS financial advisors are responsible for the investment advice and management offered to clients, and clients select the WEAS financial advisor who manages their account.

WEAS does not calculate the performance record of individual WEAS financial advisors, however, personal performance reports are available for each client participating in the wrap program. Clients receive individual quarterly performance information on a time weighted basis that is intended to inform clients as to how their investments have performed over the period, on an absolute basis, and allow them to compare to leading investment indices.

### **Performance-Based Fees and Side-By-Side Management**

WEAS does not charge or accept performance-based fees that can be defined as fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

### **WEAS Method of Analysis in Formulating Advice and Portfolio Diversification**

WEAS believes that common-risk premiums (equity, credit, interest rate term structure, etc.) have relatively stable long-term, expected returns and covariance. As a result, the primary means of providing advice used by WEAS is to recommend portfolios that utilize modern portfolio theory to provide strategic allocations with optimal risk-adjusted return characteristics. Building on modern portfolio theory, WEAS moves beyond diversifying by asset classes (equity, fixed income, alternatives) to diversifying by risk classes (company risk, interest rate risk, purchasing power risk, manager skill risk). WEAS believes allocating across risk classes is preferable to asset classes because risk classes have more stable covariance and more predictable long-term, expected returns. While WEAS believes that long-term premiums are relatively stable, in the mid-term 3-7 years, expected premiums may vary from the long term. As a result, WEAS monitors markets to look for abnormal pricing, which may indicate a deviation from long-term, expected premiums. If such a deviation is identified, fundamental analysis is utilized to determine if the mispricing presents a risk or opportunity; from such analysis portfolio reallocation may occur.

WEAS expresses its strategic allocations with a combination of passive, quantitative and active managers. WEAS prefers low-cost, passive strategies over the more active strategies. Research utilized by WEAS indicates, however, that there are certain factors that pay premiums above the common-risk premiums within a given risk category; these factor premiums include value, momentum, profitability, and low volatility. WEAS is continually researching additional premiums to add to portfolios. WEAS will select managers, ETFs, or individual securities to capture these factor premiums. In addition, WEAS will use more costly active managers if WEAS believes that the managers can access a return stream that has statistically significant alpha and/or positive expected returns and low and stable correlation to company risk (equities and credit).

WEAS uses both subjective and objective factors. Subjective factors may include but are not limited to manager style, previous experience, investment approach, and the size of their firm. Objective factors may include but are not limited to price-earnings ratio (P/E), size of the fund (assets), the number of holdings, yield, and turnover.

### **Portfolio Diversification**

The concept of asset allocation or spreading investments across a number of asset classes (domestic stocks vs. foreign stocks; large cap stocks vs. small cap stocks; corporate bonds vs. government securities) is generally in the forefront of strategies used by WEAS. Asset allocation seeks to achieve an efficient diversification of assets, to lessen risk while not sacrificing the effectiveness of the portfolio in order to yield the client's objectives. Since WEAS believes that risk reduction is a key element to long-term investment success, asset allocation principles are a key part of the firm's overall approach in preparing advice for clients.

WEAS measures an investor's risk tolerance, time horizon, goals and objectives and tax status through an interview process in an effort to determine a plan/portfolio to best fit the client's profile. Investment strategies may be based upon a number of concepts and determined by the type of client. Investment strategies may include long-term, mid-term and short-term purchases depending upon the individual needs of the client.

If deemed to be appropriate for the client, WEAS sets out to determine if one or more advanced investment strategies may be desirable to the client, as outlined above. Advanced investment strategies may include but not limited to alternative investments (Private Placement, Hedge Funds), Separately Managed Accounts, Options Overlays, Structured Notes, REITS, or other investment strategies appropriate for the client. When the firm is engaged for the delivery of long-term Investment Management Services, WEAS communicates with its clients on a regular basis to make sure that investment information is communicated in a timely fashion.

In providing Financial Planning Services, WEAS looks to the long term. After WEAS evaluates the client's financial needs, the client's WEAS financial advisor will design investment and risk management strategies to help the client achieve their financial goals.

WEAS financial advisors do not review casualty insurance (i.e., homeowners, auto, liability, etc.). However, because coverage may be critically important, clients are encouraged to obtain a review by a qualified casualty representative or firm of their choice.

Recommendations for purchases of investments will be based on publicly available reports and analysis. In the case of mutual funds, recommendations will be based on reports and analysis of performance and managers, and certain computerized and other models for asset allocation and investment timing. WEAS utilizes many sources of public information to include financial news, software prepared by outside firms, and research materials.

## **WEAS Implementation Strategies for Managing Client Assets**

Depending on the individual circumstances of each client, WEAS may use the following implementation strategies:

- **Long-Term purchases:** WEAS considers itself a firm that invests for the long term. However, if a client's investment reaches a price objective quickly, WEAS may recommend the sale of the investment even if it has been held for only a short period.
- **Short-Term purchases:** Investments sold within a year.
- **Trading:** Securities sold within 30 days.
- **Margin Transactions:** When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest from a brokerage firm. For example, an investor may buy \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Margin relationships are established between the client and the firm with custody of their assets.
- **Tactical Asset Allocation:** Allows for a range of percentages in each asset class (such as Stocks = 40% to 50%). These are minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.
- **Strategic Asset Allocation:** Calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a buy-and-hold strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client's goals and needs change and as the time horizon for major events, such as retirement and college funding, grow shorter.
- **Structured Notes Transactions:** A structured note is a financial instrument that combines two elements, a debt security and exposure to an underlying asset or assets. It is essentially a note, carrying counter party risk of the issuer. However, the return on the note is linked to the return of an underlying asset or assets (such as the S&P 500 Index or commodities). It is this latter feature that makes structured products unique, as the payout can be used to provide some degree of principal protection, leveraged returns (but usually with some cap on the maximum return), and be tailored to a specific market or economic view. In addition, investors may receive long-term capital gains tax treatment if certain underlying conditions are met, and the note is held for more than one year. Finally, structured notes may also have liquidity constraints, such that the sale thereof before maturity may be limited.

## **Risk of Loss**

The Select and MEP program strategies, as with any investment strategy, involve the risk of loss. Clients should be prepared to bear losses in their accounts. Investments fluctuate daily and WEAS cannot guarantee that investment decisions will limit losses or achieve their portfolio's objective.

The portfolios subject the investor to various risks inherent with their objective. These include but are not limited to market risks, foreign investment risk, currency risk, interest rate risk, and trading risk associated with alternative investments or strategies and allocation risk.

Clients should understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in any type of security (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different type of investments, there may be varying degrees of risk. *You need to be prepared to bear investment loss including loss of original principal.*

Because of the inherent risk of loss associated with investing, WEAS and WEAS financial advisors *cannot* represent, guarantee, or even imply that our services and methods of analysis can or will:

- Predict future results; or
- Successfully identify market tops or bottoms or insulate you from losses due to market corrections or declines.

There are certain additional risks associated with investing in securities through the WEAS investment management programs.

- **Market Risk or Systemic Risk:** Risk that affects the entire market and is non-diversifiable.
- **Equity (Stock) Market Risk:** Common stocks are susceptible to general stock market fluctuations and to

volatile increases and decreases in value as market confidence and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.

- **Company Risk:** When investing in stock positions, there is always a certain level of company or industry-specific risk that is inherent in each investment. This is also referred to as a non-systemic risk and it can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- **Options Risk:** Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- **Credit Risk:** When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments.
- **Inflation Risk:** Individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed income investors receive set, regular payments that face the same inflation risk.
- **Interest Rate Risk:** The risk that an investment's value will change due to a change in the absolute level of interest rates. Interest rate risk affects the value of bonds more directly than stocks, and it is a major risk to all bondholders. As interest rates rise, bond prices fall and vice versa.
- **ETF and Mutual Fund Risk:** When a client invests in an exchange-traded fund (ETF) or mutual fund, it will bear additional expenses based on the pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage transaction costs when purchasing ETFs.
- **Variable Annuity (VA) Risk:** When a client invests in a VA, it will bear additional expenses based on the product and the riders that are added to the VA contract. A VA will normally have a surrender schedule; if liquidated before the elapse of the surrender period, there will be a fee assessed by the VA carrier. This fee is called a surrender charge. It is important that clients read the prospectus of the VA product before purchasing a VA and that they consult with the WEAS financial advisor regarding the fees associated with a VA.
- **Management Risk:** An investment's value varies with the success and failure of the investment strategies, research, analysis, and determination of portfolio securities. If investment strategies do not produce the expected returns, the value of the investment will decrease.
- **Liquidity Risk:** Liquidity risk is the risk that may occur due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process. Liquidity risk generally arises when a business or individual with near-term or even immediate cash needs, holds a valuable asset that it cannot trade or sell at market value due to a lack of buyers, a previously agreed to lengthy holding period (e.g. 10 years) or due to an inefficient market where it is difficult to bring buyers and sellers together.
- **Structured Note Risk:** Structured notes do not pay interest, dividend payments, provide voting rights or guarantee any return of principal at maturity unless specifically provided through products that are designed with this purpose in mind. Most structured note payments are based on the performance of an underlying index (i.e., S&P 500) and if the underlying index were to decline 100% then the payment may result in a loss of a portion or all of a client's principal. Notes are not insured through any governmental agency or program and the return of principal and fulfillment of the terms negotiated on behalf of clients is dependent on the financial condition of the third party issuing the note and the issuer's ability to pay its obligations as they become due. Structured notes purchased for clients will not be listed on any securities exchange. There may be no secondary market for such structured notes, and neither the issuer nor the agent will be required to purchase notes in the secondary market. Some of these structured financial products are callable by the issuer only, therefore the issuer (not the investor) can choose to call in the structured notes and redeem them before maturity. In addition, the maximum potential payment on structured notes will typically be limited to the redemption amount applicable for a payment date, regardless of the appreciation in the underlying index associated with the note. Since the level of the underlying index at various times during the term of the structured notes held by clients could be higher than on the valuation dates and at maturity, clients may receive a lower payment if redeemed early or at maturity than if a client would have

invested directly in the underlying index. While the payment at maturity of any structured notes would be based on the full principal amount of any note sold by the issuer, the original issue price of any structured note purchased for clients includes an agent's commission and the cost of hedging the issuer's obligations under the note. As a result, the price, if any, at which an issuer will be willing to purchase structured notes from clients in a secondary market transaction, if at all, will likely be lower than the original issue price and any sale before the maturity date could result in a substantial loss. Structured notes will not be designed to be short-term trading instruments so clients should be willing to hold any notes to maturity.

## **Voting Client Securities**

### **General Policy**

WEAS offers clients access to proxy voting services on a limited basis through its relationship with Broadridge Financial Solutions ("Broadridge"). Our general policy is to not vote proxy proposals on behalf of clients. Our standard form of client agreement explicitly states that WEAS does not have authority to vote proxies on behalf of the client. If a client relationship is enrolled in the proxy voting service, an addendum to our standard agreement will be provided to the client.

Clients not enrolled in proxy voting services will retain exclusive authority to vote all proxy proposals they may receive. WEAS will forward to clients any materials it receives related to proxy voting or legal proceedings related to client holdings. As a general practice, neither WEAS nor its Financial Advisors will provide any advice to clients related to proxy voting or legal proceedings involving securities or other investments held in their accounts.

The following proxy voting policies and procedures do not apply to those situations where clients have retained voting discretion.

The proxy voting policy described below applies to clients for whom we provide proxy voting services under an addendum to the firm's client agreement and is designed to provide reasonable assurance that proxies are voted in the best interest of such clients. In general, proxies are voted in a manner that we believe will maximize the value of client investments. In evaluating proxy proposals, we take into consideration, among other things, management's assertions regarding the proposal, our determination of how the proposal will impact clients and our determination of whether the proposal may result in dilution of value for shareholders.

Our general policy is to vote in support of management's recommendations on issues related to general business operations matters since management's ability is a key factor, we consider in selecting equity securities for client portfolios. We generally believe that a company's management should have the latitude to make decisions related to the company's business operations. However, when we believe a company's management is acting in a manner inconsistent with our clients' best interests, we may vote against the management's recommendations.

We have established a Proxy Review Committee that determines how to vote proxies on behalf of clients for which we have retained proxy-voting authority and reviews and considers how to address all material conflicts of interest between us and clients. We have a duty to recognize and resolve material conflicts of interest between us and clients before voting any proxies. Material conflicts of interest are those that, in the opinion of the Proxy Review Committee, a reasonable investor would think is important to know before allowing another party to vote on the investor's behalf. Upon identifying a material conflict of interest relating to a specific proxy vote, the Proxy Review Committee will take actions it deems appropriate to ensure any voting decision is based solely on the client's best interests, including:

1. Referring the proxy to a client or to a representative of the client for voting purposes;
2. Disclosing the conflict to the affected clients and seeking their consent to vote the proxy prior to casting the vote; or
3. Disclosing the conflict to the affected clients and notifying them that we will not cast a vote on their behalf due to the conflict.

Our Proxy Review Committee is responsible for ensuring that proxies are voted in accordance with our Proxy Voting Policy. From time to time, a situation may arise where we may wish to recommend a vote contrary to our base guidelines. In such circumstances the Proxy Review Committee will review the relevant information and determine whether to deviate from the applicable base proxy voting guideline. The Proxy Review Committee periodically reviews our Proxy Voting Policy to make any necessary or appropriate updates.

Clients may obtain a complete copy of our proxy voting policy and procedures and information on how proxies were voted on their behalf upon request by calling us at 763-417-1700. Clients are responsible for instructing their account



custodian to forward copies of all proxy and shareholder communications relating to the client's investment assets 1) to WEAS, if elected to have proxies voted on the client's behalf, or 2) to the client, if the client wishes to retain proxy-voting authority.

## ITEM 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

WEAS financial advisors obtain the necessary financial data from clients and assist clients in setting appropriate investment objectives for their respective accounts. WEAS financial advisors obtain this information by having clients complete an account application as part of the account opening process. Clients should contact their WEAS financial advisor if there have been any changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions on the management of their accounts or add reasonable modifications to existing restrictions. Clients should be aware that the overall investment objective they select in connection with the account opening process is an overall objective for their entire account and particular holdings, viewed individually, may not appear to be consistent with it. WEAS strives to achieve its clients' investment objectives but reminds clients that meeting their stated investment objectives is a long-term goal.

## ITEM 8 – CLIENT CONTACT WITH PORTFOLIO MANAGERS

WEAS does not place any restrictions on a client's ability to contact and consult with WEAS financial advisors.

## ITEM 9 – ADDITIONAL INFORMATION

### **Disciplinary Information**

WEAS has not been involved in any legal or disciplinary events that are material to the evaluation of our business or the integrity of our management.

### **Other Financial Industry Activities and Affiliations**

WEAS is not and does not have management personnel registered with a futures commission merchant, commodity pool operator, or a commodity trading advisor.

Further, WEAS and its management personnel do not have material arrangements with a related person that is: (1) a municipal securities dealer, government securities dealer or broker; (2) an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund); (3) a registered security-based swap dealer or participant; (4) a futures commission merchant, commodity pool operator, or commodity trading advisor; (5) a banking or thrift institution; (6) an accountant or accounting firm; (7) a lawyer or law firm; (8) a pension consultant; (9) a real estate broker or dealer; or (10) a sponsor or syndicator of limited partnerships.

### **Fee-Based Insurance**

WEAS has partnered with DPL Financial Partners, LLC ("DPL"), a third-party provider of insurance consultancy services to SEC-registered investment advisers to help clients who have a need for insurance products, based on their financial situation. WEAS pays a fixed annual fee to DPL for membership to DPL's insurance platform. Through DPL's licensed insurance agents, who are also registered representatives of The Leaders Group, Inc. and Johnstone Brokerage Services, unaffiliated SEC-registered broker-dealer and FINRA members, DPL offers WEAS a variety of services related to fee-based insurance products. DPL's services include, among other things: (i) providing WEAS with analyses of its current methodology for evaluating client insurance needs; (ii) educating and acting as a resource to WEAS regarding insurance products generally, and specific insurance products owned by WEAS clients or that clients are considering purchasing; and (iii) providing WEAS access to and product marketing support regarding fee-based products that insurers have agreed to offer to WEAS' clients through DPL's platform. For providing services to WEAS and other advisers, DPL is compensated by the insurance carriers for their service as a distributor, on behalf of the insurance carriers. The cash value of any insurance product placed with a client under this arrangement shall be included in WEAS' assets under management for the purposes of calculating WEAS' management fees. As such, WEAS' recommendation that a client utilize DPL for insurance services presents a conflict of interest if WEAS will earn a new (or increase its current) advisory fee, as WEAS' recommendation to use DPL could be made on the basis of compensation to be received, rather than on a client's need.

### **Relationship with Affiliated and Unaffiliated Broker-Dealers**

Separate from the wrap program described herein, certain WEAS financial advisors also provide services in their capacity as Registered Representatives of LPL Financial LLC, Fort Mill, SC, a registered Broker-Dealer, Member FINRA/SIPC, referred to as a hybrid advisor. WEAS hybrid financial advisors may offer products available through LPL Financial that pay commissions. Commissions may be higher or lower than those charged by other broker-dealers. Commissions are earned by WEAS hybrid financial advisor, Wealth Enhancement Brokerage Services, LLC (WEBS), an affiliate of WEAS, and by LPL Financial. Clients are under no obligation to affect recommended securities transactions through their WEAS hybrid financial advisor. However, if they do choose to purchase, sell securities, or implement securities recommendations made through a financial plan by their WEAS hybrid financial advisor, commissions will be earned by their WEAS hybrid financial advisor, WEBS, and LPL Financial.

The receipt of commissions for recommended products could represent an incentive for WEAS hybrid financial advisors, to recommend products that pay a commission over other products, thereby creating a conflict of interest. Additionally, if the client implements a financial plan through WEAS hybrid financial advisors, clients are limited to those products and services available through LPL Financial. WEAS financial advisors that are not Registered Representatives of LPL Financial, LLC do not offer securities.

Under the rules and regulations of FINRA, LPL Financial has obligations to maintain records and perform other due diligence functions regarding certain aspects of the investment advisory activities of WEAS hybrid financial advisors. As a result of this relationship, LPL Financial may have access to certain confidential information (e.g., financial information, investment objectives, transactions, and holdings) about WEAS clients, even if the client does not establish any account through LPL Financial. If you would like a copy of the LPL Financial privacy policy, please contact Wealth Enhancement Group, LLC, Attn: Compliance Department, 505 N. Hwy 169, Plymouth, MN, 55441, 763-417-1700.

In certain instances, LPL Financial will collect, as paying agent for WEAS, the investment advisory fee remitted to WEAS by the account custodian, and LPL Financial will retain a portion as a charge WEAS (not the client) for the functions that LPL Financial is required to carry out by FINRA. This fee will not increase execution or brokerage charges to the client or the fee the client has agreed to pay WEAS pursuant to any client's advisory agreement. A portion of the fee retained by LPL Financial may be re-allowed to other Registered Representatives of LPL Financial who, as Registered Representatives of LPL Financial, are responsible for the supervision of other representatives and assist LPL Financial with the functions described above.

WEAS is affiliated with Wealth Enhancement Brokerage Services, LLC (WEBS). WEBS is a limited purpose broker-dealer, member FINRA/SIPC. Securities based commissions earned by WEAS hybrid financial advisors, I, are paid to WEBS. WEAS hybrid financial advisors, I, are also associated with WEBS in order to earn the commission. There are currently no client accounts established or processed through this broker-dealer.

Some product sponsors may provide to WEAS, as a result of sales activities directed to the sponsor, financial assistance such as sponsorship of conferences, educational sessions, marketing support, incentive awards, pay of travel expenses, and tools to assist WEAS and /or its associated person. Hard dollars received in the form of reimbursement or other marketing support are paid to WEBS through LPL Financial.

WEAS also has entered into an agreement with Mutual Securities Inc., a registered broker-dealer, member FINRA and SIPC, whereby Mutual Securities provides operational support services as a platform provider of clients directly held investments. These might include mutual funds, 529 plans and variable annuities. Clients of Mutual Securities, through written consent, request ongoing investment advisor services which is provided by WEAS. WEAS is compensated by Mutual Securities through a percentage of the overall assets under management not exceeding 0.55%.

### **Relationship with Affiliated and Unaffiliated Investment Advisers**

WEAS has an agreement with LPL Financial LLC, a registered broker-dealer, member FINRA and SIPC and registered investment adviser with the U.S. Securities and Exchange Commission, which enables WEAS hybrid financial advisors, to offer LPL Financial Advisory Platform to WEAS clients. All client accounts and advisory services to clients are through WEAS. Please refer to Section 4 in WEAS ADV Part 2A.

WEAS is under common control with several SEC registered investment advisors. Other than NorthCrest Asset Management, LLC, which is described below, the relationship between WEAS and its related investment advisors is not material to its advisory business because clients of WEAS are not clients of these other investment advisors and the related investment advisor firms provide no services to WEAS clients.



TA Associates indirect holding a controlling interest in Wealth Enhancement Group and a registered investment adviser, has an indirect investment in WEAS. However, TA Associates, and their affiliates do not have any role in the Firm's investment process related to the management of client assets.

#### **WEAS Financial Advisors as Insurance Agents**

The WEAS affiliate, American Benefits Planning Group ("ABPG") is a wholly owned subsidiary of WEG and is a licensed insurance agency, and in such capacity may offer for sale, insurance-related products on a commission basis, including the sale of such products to investment advisory clients of WEAS. ABPG's insurance-related activities are currently limited to individual and group life and health insurance line sales on a commission basis.

WEAS financial advisors providing insurance advice must be licensed insurance agents. Normal commissions from insurance products are earned and paid by insurance companies to American Benefits Planning Group (ABPG) when such products are placed directly with their personal clients. Insurance products offered through various insurance vendors are often recommended to clients of WEAS to minimize clients' exposure to identified risks.

Although clients are under no obligation to purchase insurance products or utilize the companies recommended by WEAS, clients often do purchase such products when the needs arise. For clients of WEAS who do purchase such products, causing commissions or recurring revenue to be generated, compensation may be paid to the WEAS financial advisors.

#### **Wealth Enhancement Trust Services, LLC**

WEAS affiliate, Wealth Enhancement Trust Services, LLC ("WETS") is a wholly owned subsidiary of WEG and a South Dakota Chartered Trust Company, and in such capacity may offer services for a fee to investment advisory clients of WEAS.

WETS offerings are recommended to clients of WEAS on an individual basis and based upon a good faith judgment of a client's specific needs. The recommendation could result in conflicts of interest for WEAS as an affiliate. WEAS will directly benefit from a client utilizing an affiliate's services based upon its recommendation because it will generate revenue for the affiliated subsidiary and WEAS. Further, WEAS employees may receive compensation related to WEAS clients who use WETS offerings. The direct financial incentive creates another conflict of interest.

Fees for trust services may be separate and distinct from the advisory fee charged by WEAS.

#### **NorthCrest Asset Management, LLC**

WEAS affiliate NorthCrest Asset Management, LLC ("NCAM") is a wholly owned subsidiary of WEG and a registered investment adviser, and in such capacity offers services for a fee to some investment advisory clients of WEAS. NCAM primarily acts as sub-adviser to WEAS to provide investment strategies for the benefit of WEAS clients.

Some WEAS financial advisors providing advice also have a role with NCAM as portfolio manager of NCAM investment strategies. NCAM services are recommended to or selected for clients of WEAS on an individual basis and based upon the client's needs and investment objectives. In recommending or selecting NCAM services to or for its clients (including increases in allocations to NCAM strategies), WEAS experiences a conflict of interest because a client that utilizes an affiliate's services based upon WEAS's recommendation or selection will generate revenue for the affiliated subsidiary, which indirectly benefits WEAS. Further, as an affiliate, WEAS employees are in some instances entitled to receive referral fees related to WEAS clients who use NCAM services. This scenario results in additional conflicts, as some WEAS employees are expected to have a direct financial incentive to refer clients to NCAM. WEAS financial advisors select sub-advisers, including NCAM, to manage all or a portion of their clients' accounts consistent with the fiduciary duties WEAS owes to its clients.

Clients are under no obligation to purchase services from NCAM. Fees for services provided by NCAM to WEAS clients are generally separate and distinct from the advisory fee charged by WEAS.

### **Code of Ethics, Participation in Client Transactions and Personal Trading**

#### **Code of Ethics Summary and Offer**

Wealth Enhancement Advisory Services recognizes that the personal investments of the supervised persons of our firm demand the application of the highest standards of conduct and must be carried out in a way that does

not conflict with the interests of our clients. We therefore have established a Code of Ethics designed to, among other things, limit or restrict the participation of supervised persons' investments through personal trading rules, reporting requirements, Compliance monitoring, and explicit prohibition on activity such as insider trading and other forms of prohibited or unethical business conduct.

Section 204A-1 of the Investment Advisers Act of 1940 requires all Investment Advisors to establish, maintain and enforce a Code of Ethics. The Act defines an Investment Advisor is a fiduciary and as a fiduciary, it is an Investment Advisor's responsibility to provide full and fair disclosure of all material facts and to act solely in the best interest of each of its clients at all times. WEAS has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for WEAS's Code of Ethics. WEAS requires all of its supervised persons 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 or affiliation, and annually, all supervised persons acknowledge that they have read, understand, and agree to comply with WEAS's Code of Ethics. WEAS has the responsibility to make sure that our advisors place the interests of all clients ahead of WEAS's or its supervised person's own investment interests. Our advisors disclose all material facts and potential conflicts of interest to clients before conducting any services. WEAS and its supervised persons 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 WEAS's Code of Ethics. Clients may review the WEAS Code of Ethics in its entirety by written request.

### **Annual Review of Supervisory Procedures and Systems**

Pursuant to Securities and Exchange Commission guidelines, WEAS performs an annual review of its Code of Ethics, supervisory procedures, and internal systems to ensure that procedures, client interactions, Investment Management Department functions, compliance controls, and reporting systems are properly aligned and operating in a regulatory compliant manner.

### **Personnel Trading Policy**

As a condition of employment, WEAS associated persons are required to comply with WEAS' Code of Ethics policy. The Code of Ethics, as described above, establishes rules of conduct for WEAS associated persons relating to their personal securities trading activities. WEAS and WEAS financial advisors may purchase or own the same securities and investments that WEAS and/or WEAS financial advisors recommend to the clients. Because of this, the Code of Ethics is designed to prevent activities which could lead to or give an appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct.

At times, the interest of WEAS or related persons' investment accounts may coincide with the interest of clients' account to the extent a purchase or sale in the same security may benefit WEAS, WEAS financial advisor, associated person of WEAS and client account(s). In addition to the Code of Ethics policy, WEAS has adopted policies and procedures to ensure that such conflicts are fully disclosed and that neither WEAS, its financial advisors, nor associated persons may trade ahead of, or otherwise against, the interest of clients. It is the policy of WEAS that the interests of client accounts are placed ahead of the interests of WEAS accounts, as well as WEAS financial advisor, and associated person's personal accounts.

WEAS requires financial advisors and associated persons to obtain pre-clearance of certain securities transactions and private held-away investments, report transaction in their personal trading accounts quarterly and to report all securities positions which they have a beneficial interest at least annually. All of which are reviewed by the firm to manage potential conflicts.

The foregoing policies and procedures are not applicable to transactions in any account for which neither WEAS nor its advisory affiliates have any direct or indirect influence or control; and transactions in securities that are direct obligations of the U.S. government, bankers' acceptances, bank certificates of deposit, commercial paper, and high-quality, short-term debt instruments, including repurchase agreements or shares issued by registered open-end investment companies.

WEAS recognizes that some securities being considered for purchase or sale on behalf of its client's trade in sufficiently broad markets to be without any appreciable impact on the markets of such securities. Under certain limited circumstances, exceptions may be made to WEAS's Code of Ethics.

WEAS has also established policies and procedures to ensure that its supervised persons comply with applicable provisions of The Insider Trading and Securities Fraud Enforcement Act of 1988 (ITSFEA). To avoid conflicts of

interest with clients and to ensure compliance with ITSFEA, WEAS, among other things, does the following:

- Provides ongoing continuing education regarding avoiding conflicts of interest and complying with ITSFEA
- Requires supervised persons to report quarterly securities trading in personal accounts for covered securities (i.e., individual stocks, bonds, ETFs)
- Prohibits supervised persons from executing securities transactions for clients or on their personal accounts based on information that is not available to the public upon reasonable inquiry
- Informs clients that they are not required to purchase securities through WEAS or its financial advisors, although if they choose to purchase securities through their WEAS financial advisor, the transaction must be affected through a WEAS-approved trading platform

### **Review of Accounts**

Investment Management involves frequent monitoring and occasional rebalancing of client portfolios at both the individual account level and/or at the household level. Please refer to Item 4 (Portfolio Rebalancing) for more information. This generally occurs at least quarterly (or as often as the client may prefer) and reviews of portfolio assets and client contact at least on an annual basis.

Depending on the type of investment strategy, the reviewers will either be the WEAS Investment Committee, a sub-committee of the Investment Management Department, WEAS financial advisor in consultation with the Investment Committee, or the WEAS financial advisor independent of the Investment Committee. The Investment Committee consists of WEAS senior investment personnel. A review of the investment strategies managed by the Investment Management Department is conducted by the Investment Committee. The Investment Committee examines investment results and asset allocations to assess if the strategies are aligned with their objectives. In addition, the WEAS financial advisor will review the client's objectives, time horizon and risk tolerance to determine if the WEAS investment strategy continues to meet the client's needs. Lastly, review of client portfolios that are not invested in a WEAS investment strategy are reviewed by WEAS financial advisors or a combination of WEAS financial advisors in consultation with the Investment Committee. The review considers investment results, asset allocation, client objectives, time horizons and risk tolerance to ensure the investment strategy continues to conform to the clients' needs. Clients are required to immediately notify WEAS of any changes in the client's financial status as new information may result in an update in the investment strategies.

WEAS has a dedicated Financial Planning department that generates financial plans based on the client's goals and objectives that have been discussed with the WEAS financial advisor. The Financial Planning department and members of that department, or financial planners on WEAS financial advisor teams prepare the financial plans with review by the WEAS financial advisor before the presentation of the plan to the client. These financial plans are also reviewed as part of the WEAS client review process.

Financial Planning Services provide advice on retirement, tax, and estate planning, as well as insurance issues. Planning Services terminate upon delivery of the plan. A new agreement can be executed at any time to secure Investment Management Services. The advice given may include the recommendation of annual reviews/updates to existing plans. The client is responsible for updating goals or securing additional services as may be needed.

Clients may also secure general Investment Consultation Services. Consultation Services terminate upon delivery of the requested advice. Clients are welcome to secure additional Consultation Services as may be needed and under an amended engagement. Clients also have the option to secure ongoing consulting services that run for 12 months and can automatically renew. Administrative personnel may assist with computer data entry. All decisions, account reviews and primary client contacts are conducted by WEAS financial advisors.

At least annually, WEAS will contact clients to offer them a review of their investments, investment manager performance and ongoing needs. The client reviews are noted in our client relationship management system (CRM). Various reports are generated for client review, which the WEAS financial advisor shares and discusses with the client then reviews. The outcome of the review is noted in our CRM. Clients are encouraged to contact WEAS promptly if there has been any change in the client's financial status, to determine if there should be a change in investment objectives and investment strategies WEAS employs. Clients may contact their WEAS financial advisor at any time during normal business hours to discuss the client's account, financial situation, or investment needs. Clients may impose reasonable restrictions on the client's account.

Clients receiving Investment Management Services receive standard quarterly, and as transactions may occur, account statements from investment sponsors and broker-dealer firms providing custody and transaction services. WEAS prepares quarterly asset management reports for Investment Management Services clients, which include a consolidated summary of the client's accounts (including accounts that are not part of the assets managed by WEAS), a valuation of the assets and a performance report for the assets managed by WEAS. The preferred delivery method for quarterly asset management reports is through the Client Portal, however Clients may request a paper copy mailed to them in lieu of accessing the quarterly report through the Client Portal. Clients receiving services from the WEAS affiliated trust company, Wealth Enhancement Trust Services ("WETS"), receive reports no less than quarterly from WETS, unless otherwise requested by the client.

Clients in the SEI Program will receive monthly statements from SEI Trust Company indicating holdings. A quarterly report, indicating market value, cash flows, gains and losses, asset allocation, and performance as it relates to market indices, is also available if the investor elects to receive it. Annually, the client will receive a tax report for the account.

Financial Planning Services and Consultation Services clients receive plans and/or reports as agreed to in advance between the client and their WEAS financial advisor.

## **Client Referrals and Other Compensation**

### **Other Compensation**

Some of the WEAS associated persons are also independently licensed insurance agents, who can sell insurance products, and can earn commissions when selling insurance products. Some of WEAS associated persons are active with Wealth Enhancement Tax & Consulting Services, LLC (WETCS), a wholly owned subsidiary of the parent company of WEAS. These associated persons can prepare tax returns and provide associated consulting services, earning fees for such services that benefit them, WETCS and, indirectly, the parent company of WEAS. This creates an incentive to recommend WETC over other similar service providers. Clients of WEAS are under no obligation to purchase services WEAS financial advisors may recommend through WETCS.

A limited number of WEAS financial advisors act in a personal capacity as a trustee for a trust. In this capacity, they earn fees for the services they provide on behalf of the trust. Some of the WEAS financial advisors are Registered Representatives of LPL Financial, a registered Broker-Dealer, Member FINRA and SIPC. These persons sell securities in their separate capacity as Registered Representative of LPL Financial. Certain programs offered by WEAS financial advisors involve investments in mutual funds that are offered by LPL Financial. The load and no-load mutual funds may pay annual distribution expenses, sometimes referred to as "12b-1 fees". These 12b-1 fees come from fund assets, and thus indirectly the clients' assets. These fees may initially be paid to LPL Financial and be partially reallocated to WEAS financial advisors providing clients advice on these programs. The receipt of these fees represents an incentive to purchase funds with 12b-1 fees or higher 12b-1 fees over those with no or lower fees. WEAS financial advisors will not receive any portion of any other transaction or administrative fees. Since WEAS financial advisors may receive a commission on load funds, this may represent incentive to recommend load funds in favor of funds without a load. In addition, WEAS and/or its financial advisors, associated with LPL, have a conflict of interest because of the brokerage business conducted with LPL and the compensation received verses attaining best execution for client transactions.

Wealth Enhancement Brokerage Services, LLC, a limited use broker-dealer, has arrangements with LPL Financial to receive distribution fees related to the sale of certain investment products. Clients should be aware that the receipt of additional compensation through 12b-1 fees, servicing fees, nominal sales awards and/or expense reimbursements creates a conflict of interest that may impact the judgment of the associated persons when making advisory recommendations related to the sale of LPL Financial products.

WEAS and/or its Financial Advisors not associated with LPL may be incented to use certain broker-dealer – qualified custodian platforms because of certain compensation arrangements they receive. The compensation arrangements could include, but not be limited to bonuses, enhanced pay-outs, forgivable loans and/or business transition loans, and transition assistance/reimbursement. Furthermore, there may or may not be production goals associated with the recommendation of a transaction from your WEAS financial advisor. The receipt of any such compensation may be considered a conflict of interest in that the recommendation of certain broker-dealer-qualified custodians are based on such compensation and perhaps not based exclusively on attaining the best possible execution for our client transactions. We encourage you to review this Form ADV Part 2A closely and discuss any potential conflicts of

interest with your WEAS financial advisor.

WEAS and/or its Financial Advisors may be eligible to receive incentive-based awards such as trips to LPL Financial Educational Conferences or trips to conferences and seminars conducted by product sponsors. From time to time, WEAS may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense-sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing, and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made. WEAS has no solicitor arrangement with product sponsors.

#### **Compensation Received for Client Referrals**

WEAS may enter into promoter arrangements with other entities whereby WEAS may be compensated for referring clients to such entities. If a compensation arrangement exists, the relationship will be outlined in a formal written agreement between WEAS and the other entity. In the applicable cases, a disclosure statement will be provided to the referred advisory clients defining the arrangement and the fee payment structure.

#### **Compensation Paid for Client Referrals**

WEAS may enter into promoter arrangements with individuals or entities who provide client referrals to WEAS and WEAS may compensate them for referrals. If a compensation arrangement exists, the relationship will be outlined in a formal written agreement between WEAS and the promoter. In the applicable cases, a Promoter Arrangement Disclosure Statement will be provided to the referred advisory clients defining the arrangement and the fee payment structure. The fees paid by advisory clients referred to WEAS will not be affected by the payments to promoters who have made referrals.

#### **Schwab Advisor Network® Referrals**

WEAS receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through WEAS's participation in the Schwab Advisor Network® ("SAN") client referral program ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with WEAS. Schwab does not supervise WEAS and has no responsibility for WEAS's management of clients' portfolios or WEAS's other advice or services. WEAS pays ongoing fees to Schwab on all managed assets obtained through the Service.

WEAS's participation in the Service may raise potential conflicts of interest described below.

WEAS pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab. The Participation Fee paid by WEAS is a percentage of the value of the assets in the client's accounts held at Schwab. WEAS pays Schwab the Participation Fee for as long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to WEAS quarterly and may increase or decrease based on the overall value of the total household assets in custody with Schwab that were obtained through the Service. Some Participation Fees may be waived by request, on a case-by-case basis. Participation Fees are paid by WEAS and not the client. WEAS has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs WEAS charges clients with similar portfolios who were not referred through the Service.

In addition, WEAS has agreed to pay Schwab the One Time Transfer Fee if client assets obtained through the Service are transferred away from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The One Time Transfer Fee is calculated using basis points on the amount of referred assets in the Household before the time of transfer. The One Time Transfer Fee is higher than the Participation Fees an Advisor generally would pay in a single year. Thus, WEAS will have an incentive to recommend that client accounts obtained through the Service remain in custody at Schwab.

For accounts of WEAS clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from WEAS clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, WEAS may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. WEAS nevertheless acknowledges its duty to seek best execution of trades for client

accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for WEAS's other clients. Thus, trades for accounts with custody at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

#### **Fidelity Wealth Advisor Solutions® Referrals**

WEAS participates in the Fidelity Wealth Advisor Solutions® Program (the "WAS Program"), through which WEAS receives referrals from Fidelity Personal and Workplace Advisors LLC (FPWA), a registered investment adviser and Fidelity Investments company. WEAS is independent and not affiliated with FPWA or any Fidelity Investments company. FPWA does not supervise or control WEAS, and FPWA has no responsibility or oversight for WEAS's provision of investment management or other advisory services.

Under the WAS Program, FPWA acts as a solicitor for WEAS, and WEAS pays referral fees to FPWA for each referral received based on WEAS's assets under management attributable to each client referred by FPWA. The WAS Program is designed to help investors find an independent investment advisor, and any referral from FPWA to WEAS does not constitute a recommendation or endorsement by FPWA of WEAS's particular investment management services or strategies. More specifically, WEAS pays the following amounts to FPWA for referrals: the sum of (i) an annual percentage of 0.10% of any and all assets in client accounts where such assets are identified as "fixed income" assets by FPWA and (ii) an annual percentage of 0.25% of all other assets held in client accounts. In addition, WEAS has agreed to pay FPWA an annual program fee in the amount of \$50,000 to participate in the WAS Program. These referral fees are paid by WEAS and not the client. To receive referrals from the WAS Program, WEAS must meet certain minimum participation criteria, but WEAS may have been selected for participation in the WAS Program as a result of its other business relationships with FPWA and its affiliates, including Fidelity Brokerage Services, LLC ("FBS"). As a result of its participation in the WAS Program, WEAS may have a potential conflict of interest with respect to its decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for certain client accounts, and WEAS may have a potential incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to WEAS as part of the WAS Program.

Under an agreement with FPWA, WEAS has agreed that WEAS will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to FPWA as part of the WAS Program. Pursuant to these arrangements, WEAS has agreed not to solicit clients to transfer their brokerage accounts from affiliates of FPWA or establish brokerage accounts at other custodians for referred clients other than when WEAS's fiduciary duties would so require. Therefore, WEAS may have an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of FPWA. However, participation in the WAS Program does not limit WEAS's duty to select brokers on the basis of best execution.

#### **Financial Information**

This item is not applicable to the WEAS Disclosure brochure as we do not require or solicit prepayment of more than \$1,200 in fees per client, 6 months or more in advance. Additionally, WEAS is not required to include a balance sheet for our most recent fiscal year. Finally, WEAS is not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients and we have not been the subject of a bankruptcy petition at any time.

**Wealth Enhancement Advisory Services, LLC**  
**PRIVACY OF CLIENT FINANCIAL**  
**INFORMATION**

At Wealth Enhancement Advisory Services, LLC (WEAS), maintaining the trust and confidence of our clients is a high priority. That is why we want you to understand how we protect your privacy as we collect and use your information in order to provide products and services that support your investment needs. We are strongly committed to fulfilling the trust that is the very foundation of your expectations. Therefore, we have adopted and adhere to the following policy regarding the privacy of our clients' nonpublic personal information.

**1. NONPUBLIC PERSONAL INFORMATION THAT WE COLLECT**

We collect nonpublic personal information about our clients from some, or all, of the following sources:

- Information we receive from the completion of our new account form, fact-finding questionnaires, and product applications;
- Investment transactions with us, our affiliates, and those product sponsors with whom we have selling agreements or other arrangements for the provision of services to clients;
- Consumer reporting agencies; and
- Affiliated and nonaffiliated product sponsors whose products are owned by our clients.

**2. USE OF NONPUBLIC PERSONAL INFORMATION**

We disclose, to the extent collected as defined above, nonpublic personal information to affiliated and nonaffiliated companies that provide contracted services in order to service our clients more effectively and efficiently. We ensure contractual restrictions on the affiliated and nonaffiliated companies use and disclosure of the nonpublic personal information we disclose. Affiliated companies are defined as companies related by common ownership or control. Nonaffiliated companies are defined as companies not related by common ownership or control.

Affiliated and nonaffiliated companies with whom we disclose nonpublic personal information include, but are not limited to:

- WEAS affiliated companies;
- Mutual fund companies, insurance companies and other product sponsors to effect purchases and sales and allow for the servicing of client accounts;
- The broker-dealer through whom we execute securities transactions;
- Clearing agencies through whom we clear and settle securities transactions;
- Third-party investment advisory firms with whom we have relationships for the management of client advisory accounts;
- Broker-dealer firms having regulatory requirements to supervise certain activities of representatives who are also registered with a broker-dealer;
- Banks and other financial institutions with whom we have arrangements for the marketing and sale of our products and services; and
- Companies that provide services to us that assist with the maintenance of required books and records or to facilitate mailings on our behalf.

We do not disclose your information to nonaffiliated companies who intend to market their products to you.

**3. PROTECTION OF NONPUBLIC PERSONAL INFORMATION**

We have established information security practices and procedures to prevent unauthorized use or access to nonpublic personal information. Access to nonpublic personal information is made available to our who process or service transactions and fulfill compliance, legal or audit functions. Our computer systems utilize password protection to prevent access by unauthorized personnel, and we employ other physical, electronic, and procedural safeguards to ensure the protection of nonpublic personal information in accordance with state and federal privacy regulations.

#### **4. “OPT-OUT” OF NONAFFILIATED THIRD-PARTY DISCLOSURES**

If you do not want us to share your nonpublic personal information (except as permitted by law) with a nonaffiliated company, including a Registered Representative servicing your account should they leave our firm, you may “Opt-Out” of nonaffiliated company disclosures.

**Note:** If you became a client of your WEAS financial advisor before the time your WEAS financial advisor joined WEAS or one of its affiliates, and your WEAS financial advisor elects to leave our firm and join another registered broker-dealer and/or investment advisory firm, we may allow your WEAS financial advisor to take your confidential information with them to the new firm, subject to the requirements or limitations of applicable law. If you do not want WEAS to share your nonpublic personal information with your WEAS financial advisor in the event your WEAS financial advisor departs our firm, please send a Letter of Instruction to the address listed below. If you have previously notified WEAS of your decision to “Opt-Out,” then no further action is required on your part. The Letter of Instruction requires the following information: your name, address, city, state, ZIP code, daytime phone, cell phone number, and your account number(s), along with your signature. In addition, there are some states that require you as a client to “Opt-In” before we will share information with a departing WEAS financial advisor. If you live in one of these states, we will ask you to sign an acknowledgment before we share any of your nonpublic personal information.

#### **5. CONTACT US**

If you have any questions about our Privacy Policy, or if you have any questions concerning your account, please contact us at 800-492-1222. If you prefer, you may write to us at Wealth Enhancement Advisory Services, LLC, Attn: Compliance, 505 North Highway 169, Suite 900, Plymouth, MN 55441. We appreciate your business and look forward to serving your financial services needs.



## Wealth Enhancement Advisory Services, LLC

### ADV PART 2B BROCHURE SUPPLEMENT

This brochure supplement provides information about James Cahn, Gary Quinzel, Doug Huber, Ariel da Silva, and This brochure supplement provides information about James Cahn, Gary Quinzel, Doug Huber, Ariel da Silva, and Chris Moffett and that supplements the Wealth Enhancement Advisory Services ADV Part 2A brochure. You should have received a copy of that brochure. If you have any questions or if you did not receive the Wealth Enhancement Advisory Services (also referred to as “WEAS”) ADV Part 2A brochure, please contact us in writing: Wealth Enhancement Advisory Services, LLC, Attention: RIA Operations, 505 North Highway 169, Suite 900, Plymouth, MN 55441.

#### Item 1 – General Information

##### OFFICE LOCATIONS:

- 505 North Highway 169, Suite 900, Plymouth, MN 55441 | Phone number: 763-417-1700

#### Item 2 – Advisor Name, Title, DOB and Educational Background and Business Experience

<b>NAME:</b> James Cahn	<b>TITLE:</b> Chief Investments & Business Development Officer	<b>YEAR OF BIRTH:</b> 1980
<b>EDUCATIONAL BACKGROUND:</b> <ul style="list-style-type: none"> <li>• Master of Business Administration; University of Chicago Booth School of Business, Chicago, IL: 2009</li> <li>• Bachelor of Science in Economics and Performance Studies; Northwestern University, Evanston, IL: 2002</li> </ul>		
<b>BUSINESS BACKGROUND:</b> <ul style="list-style-type: none"> <li>• Wealth Enhancement Advisory Services, Investment Advisor Representative, 04/2012 – Present</li> <li>• Wealth Enhancement Group, Chief Investments &amp; Business Development Officer, 04/2012 – Present</li> <li>• LPL Financial, Registered Representative, 04/2012 – Present</li> <li>• Wealth Enhancement Brokerage Services, Registered Representative, 05/2012 – Present</li> <li>• Vestian Group Inc., Chief Investment Officer/Portfolio Manager, 05/2009 – 04/2012</li> <li>• Wanger Investment Management, Inc., Senior Vice President, 08/2007 – 05/2009</li> </ul>		
<b>NAME:</b> Gary Quinzel	<b>TITLE:</b> Director of Portfolio Consulting, CFA®, CFP®	<b>YEAR OF BIRTH:</b> 1977
<b>EDUCATIONAL BACKGROUND:</b> <ul style="list-style-type: none"> <li>• Seton Hall University, Master of Business Administration – Finance; South Orange, New Jersey; 2009</li> <li>• The College of New Jersey, Bachelor of Science – Business Administration; Ewing Township, New Jersey; 2002</li> </ul>		
<b>BUSINESS BACKGROUND:</b> <ul style="list-style-type: none"> <li>• Wealth Enhancement Advisory Services, Investment Advisor Representative, 10/2019 – Present</li> <li>• Wealth Enhancement Group, Sr. Portfolio Manager, 10/2019 – Present</li> <li>• American Economic Planning Group, Inc., Chief Investment Officer, 12/2016 – 10/2019</li> <li>• Merrill Lynch, Senior Investment Analyst, 09/2003 – 12/2016</li> </ul>		
<b>NAME:</b> Doug Huber	<b>TITLE:</b> Senior Portfolio Manager	<b>YEAR OF BIRTH:</b> 1985
<b>EDUCATIONAL BACKGROUND:</b> <ul style="list-style-type: none"> <li>• Babson College, BS- Finance and Economics, Wellesley, MA- 2008</li> </ul>		
<b>BUSINESS BACKGROUND:</b> <ul style="list-style-type: none"> <li>• Wealth Enhancement Advisory Services, Investment Advisor Representative. 04/2021- Present</li> <li>• Wealth Enhancement Group, Senior Portfolio Manager. 04/2021- Present</li> <li>• North American Management, Director of Manager research, 09/2014 – 04/2021</li> </ul>		
<b>NAME:</b> Ariel da Silva	<b>TITLE:</b> Director of Fixed Income	<b>YEAR OF BIRTH:</b> 1974
<b>EDUCATIONAL BACKGROUND:</b> <ul style="list-style-type: none"> <li>• Loyola Marymount University, BBA – Business Administration with Emphasis in International Business, Los Angeles, CA; 1997</li> </ul>		
<b>BUSINESS BACKGROUND:</b> <ul style="list-style-type: none"> <li>• Wealth Enhancement Advisory Services, LLC, Investment Advisor Representative, 07/2021 – Present</li> <li>• Wealth Enhancement Group, Director of Fixed Income, 07/2021 – Present</li> <li>• Oakwood Capital Management LLC, SVP, Director of Fixed Income Investments, 05/2014 – 06/2021</li> </ul>		

<b>NAME:</b> Chris Moffett	<b>TITLE:</b> Senior Portfolio Manager, CFA®	<b>YEAR OF BIRTH:</b> 1986
<b>EDUCATIONAL BACKGROUND:</b> <ul style="list-style-type: none"> <li>• University of Rochester, Bachelor of Arts – Financial Economics; Certificate of Management Studies with Concentration in Finance and Accounting, Rochester, NY; 2008</li> </ul>		
<b>BUSINESS BACKGROUND:</b> <ul style="list-style-type: none"> <li>• <b>Wealth Enhancement Advisory Services, LLC, Senior Portfolio Manager, 06/2021 – Present</b></li> <li>• <b>Wealth Enhancement Group, Senior Portfolio Manager, 06/2021 – Present</b></li> <li>• <b>MACRO Consulting Group, Portfolio Manager, 01/2019 – 06/2021</b></li> <li>• <b>Loomis, Sayles &amp; Company, Equity Research Analyst, 09/2013 – 06/2018</b></li> </ul>		
<b>PROFESSIONAL DESIGNATIONS:</b> <p><b>CHARTERED FINANCIAL ANALYST (CFA®):</b> The Chartered Financial Analyst (CFA®) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA® Institute—the largest global association of investment professionals. There are currently more than 90,000 CFA® charter holders working in 134 countries. To earn the CFA® charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA® Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA® Institute Code of Ethics and Standards of Professional Conduct. The CFA® Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA® charter holders to: place their clients' interests ahead of their own, maintain independence and objectivity, act with integrity, maintain and improve their professional competence, disclose conflicts of interest and legal matters. The CFA® Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA® Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning. The CFA® Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.</p> <p><b>CERTIFIED FINANCIAL PLANNER™:</b> The CFP® certification is a financial planning credential awarded by the Certified Financial Planner Board of Standards Inc. to individuals who meet its education, examination, experience, and ethics requirements. Eligible candidates are generally required to have three years of financial planning related experience and possess a bachelor's degree from an accredited U.S. college or university. Certificants are further required to complete a CFP Board-Registered Education Program (or possess a qualifying professional credential); clear a personal and professional background check and pass the CFP® Certification Examination. In order to maintain the certification, CFP® designees must also complete at least 30 hours of continuing education every two years on an ongoing basis.</p>		

### Item 3 – Disciplinary Information

None of the investment management department members noted above has any legal or disciplinary events to report.

### Item 4 – Other Business Activities

#### ACTIVITY 1 – Registered Representative of LPL Financial

Although WEAS does not sell products or services other than investment advice, members of the investment management department may also be separately licensed as a Registered Representative with LPL Financial, a registered securities broker-dealer, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). WEAS and LPL Financial are not affiliated companies. This means the two companies are not under common ownership or owned by each other. When not acting in their separate capacity as a Registered Representative of LPL Financial, the investment management department members listed above are responsible for economic analysis, portfolio management, and the composition and allocation of portfolios at Wealth Enhancement Advisory Services LLC along with the day-to-day trading of all portfolios. Clients are never obligated or required to establish accounts through WEAS or LPL Financial. However, if a client does not choose to accept the investment management department members' advice or decides not to establish an account through LPL Financial, the investment management department members may not be able to provide management and advisory services to the client. Clients should understand that,

due to certain regulatory constraints, each investment management department member, in his/her capacity as an LPL Financial registered representative, must place all purchases and sales of securities products in commission-based brokerage accounts through LPL Financial or other LPL Financial approved institutions.

## **ACTIVITY 2 – Registered Representative of Wealth Enhancement Brokerage Services, LLC**

Wealth Enhancement Brokerage Services, LLC, is a limited use broker-dealer and an affiliate of WEAS. The investment management department members may also be registered representatives and associated persons of Wealth Enhancement Brokerage Services. However, there are currently no accounts established or processed through Wealth Enhancement Brokerage Services. All regular brokerage services provided by the investment management department members are done through LPL Financial as described in the previous section.

### **Item 5 – Additional Compensation**

In addition to the description of additional compensation provided in Item 4, the investment management department members will receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by the product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing, and seminar expenses.

Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated that sales will be made.

The investment management department members endeavor at all times to put the interest of the clients first as a part of WEAS and the investment management department members' fiduciary duty. However, clients should be aware that the receipt of additional compensation through 12b-1 fees, servicing fees, nominal sales awards and/or expense reimbursements creates a conflict of interest that may impact the judgment of the associated persons when making advisory recommendations. WEAS has established relationships with other investment advisers through which WEAS will act as a solicitor referring clients to the other investment advisers' management programs. When acting in this solicitor/referral capacity, WEAS will receive a portion of the fee paid to the other investment advisers by the client. Also, compensation for the investment management department members noted above may be obtained by increasing client assets under management and by client retention.

### **Item 6 – Supervision**

Under the direction of Stephanie Cain, Director, Supervision (phone number: 763-417-1700), the WEAS Supervision team monitors Supervised Persons' activities for adherence to our policies and procedures in the performance of their daily activities and responsibilities to us and you. WEAS has implemented a Code of Ethics, an internal compliance document that guides each Supervised Person in meeting their fiduciary obligations to clients of WEAS. WEAS also has controls in place to monitor our portfolio management processes in accordance with WEAS' fiduciary obligations to clients. In addition, Supervised Persons are required to complete regular compliance training. Further, WEAS is subject to regulatory oversight by various agencies. These agencies require registration by WEAS and its Supervised Persons. As a registered entity, WEAS is subject to examinations by regulators, which may be announced or unannounced.