



**Ancora Family Wealth Advisors, LLC**

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This brochure provides information about the qualification and business practices of Ancora Family Wealth Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 216-825-4000, or by email at [JGeers@ancora.net](mailto:JGeers@ancora.net). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Ancora Family Wealth Advisors, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Ancora Family Wealth Advisors, LLC is a registered investment advisor. Registration of an investment advisor does not imply a certain level of skill or training.

**December 31, 2023**

# Material Changes

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## Material Changes Since the Last Update

Since the last update to this brochure, the following material changes have been made:

- We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions through UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, "UPTIQ"). UPTIQ is compensated by sharing in the revenue earned by such third-party institutions for serving our clients. When legally permissible, UPTIQ shares a portion of this earned revenue with an affiliate of our firm. The affiliate distributes this revenue to us when we are licensed to receive such revenue (or when no such license is required) and the distribution is not otherwise legally prohibited. Further information on this conflict of interest is available in Items 4, 5, and 10 of this Brochure.

**This Brochure, dated December 31, 2023 replaces our Form ADV Part 2A dated September 1, 2023.**

## Full Brochure Availability

The Firm Brochure is available by contacting Jason Geers at (216) 825-4000 or by e-mail at [JGeers@ancora.net](mailto:JGeers@ancora.net) or by visiting our web site at [www.ancora.net](http://www.ancora.net)

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# Advisory Business

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## Firm Description

Ancora Family Wealth Advisors, LLC (Ancora), is an investment advisor registered with the SEC. We specialize in customized portfolio management for individual investors, high net worth individuals, families, pensions and profit-sharing plans.

## Principal Owners

### FOCUS FINANCIAL PARTNERS, LLC

Ancora Family Wealth Advisors, LLC is part of the Focus Financial Partners, LLC ("Focus LLC") partnership. Specifically, Ancora Family Wealth Advisors, LLC is a wholly-owned subsidiary of Focus Operating, LLC ("Focus Operating"), which is, directly and indirectly, a wholly-owned subsidiary of Focus LLC. Focus Financial Partners Inc. ("Focus Inc.") is the sole managing member of Focus LLC and has 100% of its governance rights. Accordingly, all governance is conducted through the voting rights and the Board of Directors at Focus Inc. Focus Inc. is the managing member of and owns, directly and indirectly, approximately 99% of the economic interests in Focus LLC. Focus Inc. is majority-owned, indirectly, and collectively, by funds affiliated with Clayton, Dubilier & Rice, LLC ("CD&R"). Funds affiliated with Stone Point Capital LLC ("Stone Point") are indirect owners of Focus Inc. Because Ancora Family Wealth Advisors, LLC is an indirect, wholly-owned subsidiary of Focus Inc., CD&R and Stone Point funds are indirect owners of Ancora Family Wealth Advisors, LLC. Focus LLC also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, business managers and other firms (the "Focus Partners"), most of which provide wealth management, benefit consulting and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Form ADVs. Ancora Family Wealth Advisors, LLC is managed by ("Ancora Family Wealth Advisors, LLC Principals"), pursuant to a management agreement between Terza Partners, LLC and Ancora Family Wealth Advisors, LLC. The Ancora Family Wealth Advisors, LLC Principals serve as officers and leaders of Ancora Family Wealth Advisors, LLC and, in that capacity, are responsible for the management, supervision and oversight of Ancora Family Wealth Advisors, LLC.

## Types of Advisory Services

We specialize in customized portfolio management for individual investors, high net worth individuals, families, pensions, and profit-sharing plans. As part of this service, we generally create an investment portfolio to meet the client's particular investment goals. Portfolios may consist of a combination of individual stocks, individual bonds, Mutual Funds, ETFs, other fixed income securities, as well as offering proprietary funds and other affiliated companies services. Our firm may also perform the role of an asset allocator or consultant for the trustees of qualified plans, foundations or endowments, and affluent families.

Our firm also provides lifetime planning and wealth advisory services, where we work closely with clients and their industry professionals to help you define and set future needs and goals. Our review will include client assets, liabilities, current and future cash flow and income needs, insurance needs, estate planning and related legal documents, and projected Social Security and other pension benefits. Clients may ask for

additional services, fee changes or other terms in their agreements. We implement investment advice on behalf of certain clients in held-away accounts that are maintained at independent third-party custodians. These held-away accounts are often 401(k) accounts, 529 plans and other assets that are not held at our primary custodian(s). The order management system that we use for held-away accounts is provided by Pontera Solutions, Inc. We review, monitor, and manage these held-away accounts in an integrated way with client accounts held at our primary custodian(s). Further information about this service is available in Item 5.

Ancora Family Wealth Advisors, LLC is a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) with respect to investment management services and investment advice provided to ERISA plan clients, including ERISA plan participants. Ancora Family Wealth Advisors, LLC is also a fiduciary under the Internal Revenue Code (the “IRC”) with respect to investment management services and investment advice provided to ERISA plans, ERISA plan participants, IRAs and IRA owners (collectively, “Retirement Account Clients”). As such, Ancora Family Wealth Advisors, LLC is subject to specific duties and obligations under ERISA and the IRC that include, among other things, prohibited transaction rules which are intended to prohibit fiduciaries from acting on conflicts of interest. When a fiduciary gives advice in which it has a conflict of interest, the fiduciary must either avoid or eliminate the conflict or rely upon a prohibited transaction exemption (a “PTE”).

As a fiduciary, we have duties of care and of loyalty to you and are subject to obligations imposed on us by the federal and state securities laws. As a result, you have certain rights that you cannot waive or limit by contract. Nothing in our agreement with you should be interpreted as a limitation of our obligations under the federal and state securities laws or as a waiver of any unwaivable rights you possess. This document will outline a typical client offering and interaction but it is important to understand each client situation is different and that you should read and understand all documents that Ancora provides.

## Tailored Relationships

Ancora Family Wealth Advisors, LLC can work with clients to make customized portfolios and provide advice for special situations and needs.

## Other Services

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions through UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, “UPTIQ”). Please see Items 5 and 10 for a fuller discussion of these services and other important information.

We help our clients obtain certain insurance solutions from unaffiliated, third-party insurance brokers by introducing clients to our affiliate, Focus Risk Solutions, LLC (“FRS”), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC. Please see Items 5 and 10 for a fuller discussion of these services and other important information.

## Client Assets

Ancora Family Wealth Advisors manages accounts primarily on a discretionary basis, but will advise clients on a non-discretionary basis under certain arrangements. As of December, 31, 2023, we managed approximately \$ 2,696,154,336 in client assets on a discretionary basis and \$ 12,685,491 on a non-discretionary basis.

# Fees and Compensation

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Management fees are based on the value of assets managed and fees are calculated as a percentage of assets under management. Ancora Family Wealth Advisors, LLC reserves the right to waive or discount fees and minimums in certain instances.

## Portfolio Management

Fees are based upon the client's total relationship with our firm. The billing schedule will be included as part of your management agreement. Our firm may charge a minimum annual fee for our services dependent on the scope of the relationship. The minimum may be waived or reduced at the Firm's discretion. This current fee schedule set forth below is for asset management purposes. These fees do not include Wealth Planning or Consulting Services, which are charged based on the scope of the engagement. Sub-Advised strategies, for example direct indexing, are provided by the sub-advisers for an additional fee. These fees are separate and distinct from the Ancora investment advisory fees.

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Assets Under Management	Max Annual Advisory Fee
Under 2 million	1.25%
2 million to 5 million	0.75%
5 million to 10 million	0.50%
10 million to 25 million	0.35%
25 million to 50 million	0.25%
Over 50 million	Negotiated

The above fees are progressive and are for the management of a client's portfolio. For example, if your account is \$3 million in value, the quarterly fee is calculated by multiplying \$2 million by .0125 plus multiplying \$1 million by .0075 then take the total sum and divide by 4 to arrive at the total due.

## Life Planning & Wealth Advisory Services

Ancora Family Wealth Advisors, LLC may charge a flat fee or a percentage of assets for Lifetime and Wealth Advisory Services based on the scope of the engagement, the depth of issues covered, time involved in preparation of the plan document(s) and the term of the engagement (i.e., one time plan versus continually evolving plan). The fees will be transparent, outlined and agreed to prior to commencement of the engagement. Fees are billed quarterly in advance.

## Corporate Retirement Planning

Assets Under Management	Max Annual Advisory Fee
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Up to \$500,000	1.00% of Plan Assets
\$500,000 to \$999,999	0.75% of Plan Assets
\$1,000,000 to \$3,000,000	0.50% of Plan Assets
\$3,000,000 to \$7,000,000	0.25% of Plan Assets
Over \$7,000,000	Negotiable

The fee-paying arrangements for pension consulting service will be determined on a case-by-case basis and will be detailed in the signed agreement. Client(s) will be invoiced directly for the above fees.

## Other Services

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions through UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, "UPTIQ"). Focus Financial Partners, LLC ("Focus") is a minority investor in UPTIQ, Inc. UPTIQ is compensated by sharing in the revenue earned by such third-party financial institutions for serving our clients. The revenue paid to UPTIQ also benefits UPTIQ Inc.'s investors, including Focus, our parent company. When legally permissible, UPTIQ also shares a portion of this earned revenue with our affiliate, Focus Solutions Holdings, LLC ("FSH"). For non-residential mortgage loans made to our clients, UPTIQ will share with FSH up to 25% of all revenue it receives from such third-party financial institutions. For securities-backed lines of credit ("SBLOCs") made to our clients, UPTIQ will share with FSH up to 75% of all revenue it receives from such third-party financial institutions. For cash management products and services provided to our clients, UPTIQ will share with FSH up to 33% of all revenue it receives from the third-party financial institutions and other intermediaries that provide administrative and settlement services in connection with this program. This earned revenue is indirectly paid by our clients through an increased interest rate charged by the third-party financial institutions or, for cash balances, a lowered yield. FSH distributes this revenue to us when we are licensed to receive such revenue (or when no such license is required) and the distribution is not otherwise legally prohibited. Further information on this conflict of interest is available in Item 10 of this Brochure. We help our clients obtain certain insurance solutions from unaffiliated, third-party insurance brokers by introducing clients to our affiliate, Focus Risk Solutions, LLC ("FRS"), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC. FRS has arrangements with certain third-party insurance brokers (the "Brokers") under which the Brokers assist our clients with regulated insurance sales activity. If FRS refers one of our clients to a Broker and there is a subsequent purchase of insurance through the Broker, then FRS will receive a portion of the upfront and/or ongoing commissions paid to the Broker by the insurance carrier with which the policy was placed. The amount of revenue earned by FRS for the sale of these insurance products will vary over time in response to market conditions. The amount of insurance commission revenue earned by FRS is considered for purposes of determining the amount of additional compensation that certain of our financial professionals are entitled to receive. The amount of revenue earned by FRS for a particular insurance product will also differ from the amount of revenue earned by FRS for other types of insurance products. Further information on this conflict of interest is available in Item 10 of this Brochure.

## Fee Billing and Fees Paid in Advance

Fees are charged quarterly (1/4 of annual fee) in advance based upon the value of assets managed based on valuations done by the client's custodian or other pricing services at the end of each calendar quarter unless the client has negotiated alternative terms.

When you sign your management agreement you may authorize Ancora Family Wealth Advisors, LLC to invoice your custodian or broker dealer to deduct your management fees. By signing a "Letter of Authorization" or similar document, you authorize your custodian to automatically deduct the management fees from your account and send them to Ancora Family Wealth Advisors, LLC. If your account does not have sufficient cash to or money market funds balance to cover the fees, you may deposit additional funds (subject to certain restrictions for IRA account and qualified retirement plan accounts) or make payment in an alternative method acceptable to Ancora Family Wealth Advisors, LLC. If you do not deposit additional funds into your account or make the payment in another manner, securities in your account will be sold in an amount sufficient to cover the fees due. Your account custodian or broker dealer statement will reflect the date and the amount deducted from your account. If you elect to pay Ancora Family Wealth Advisors, LLC from an account outside of our management services, you will receive a quarterly invoice with instructions on how and where to remit your payment.

Clients that open accounts after the beginning of a quarter will be charged in arrears at the end of the quarter. This means you will receive two bills at the next quarter end. One bill for the portion of the quarter your money has been invested and a second bill for the quarter for their quarterly management fee consistent with all other customers.

Ancora Family Wealth Advisors, LLC may charge prorated fees for funds that are deposited to an existing account during the quarter. Ancora Family Wealth Advisors, LLC does not typically charge on investments that the client holds in their account and in which Ancora does not provide advice. These assets are unsupervised and under the sole discretion of the client. Ancora Family Wealth Advisors, LLC, however, does reserve the right to charge prorated fees for funds deposited during the quarter.

## Other Fees and Charges

Our management fees are separate from charges assessed by third parties such as broker dealers, custodians, and mutual fund companies. Brokerage and other transaction costs charged by broker dealers executing transactions and custodians maintaining your assets are in addition to the management fees and are not negotiable. Mutual funds, variable annuities, insurance products and or other platforms will assess other fees and expenses such as 12b-1 fees or commissions in connection with the placement of your funds. For certain clients, we charge an advisory fee for services provided to the held-away accounts mentioned above in Item 4, just as we do with client accounts held at our primary custodians(s). The specific fee schedule charged by us is provided in the client's investment advisory agreement with us. Additional information and considerations that clients should review before making decisions can be found on form CRS.

## Terminating Advisory Services

Clients may terminate their advisory contract with Ancora Family Wealth Advisors, LLC in writing at any time. We recommend you use a mail service where a signed receipt is required. Fees will be refunded from the date written notice has been received through the end of the calendar quarter. Your death will not terminate the Investment Management Agreement or authority granted to Ancora Family Wealth Advisors,

LLC until we have received actual written notification of your death nor will a transfer in ownership in Ancora (e.g. Ancora Family Wealth Advisors, LLC is sold).

## Additional Compensation

Ancora Family Wealth Advisors, LLC does not receive any additional direct compensation from managed account clients other than detailed above. The firm may, however, receive indirect compensation or benefits from parties such as executing brokers and custodians for aggregating business with their firm. These benefits may include, but are not limited to, access to research, technology, and invitations to special events including conferences.

Some employees of Ancora Family Wealth Advisors, LLC are Registered Representatives of Inverness Securities LLC, member FINRA/SIPC. Inverness Securities LLC is an affiliate of our firm. Our supervised persons do accept compensation for the sale of securities or other investment products, including distribution or 12b-1 fees from the sale of mutual funds. Our firm's affiliation with Inverness Securities LLC presents a conflict of interest and may give our firm and/or our supervised persons an incentive to recommend investment products based on the compensation received. We mitigate this conflict by not paying your investment advisor representative commissions on investment advisory transactions. Employees of Ancora Family Wealth Advisors, LLC that are registered with the Ohio Department of Insurance may earn additional compensation for sales and referrals of insurance products.

Executing brokers and custodians for aggregating business with their firm, may provide benefits including, but not limited to, access to research, technology, consulting services, and invitations to special events including conferences. A conflict could be created by directing business to certain brokers or custodians that provide the most benefits to Ancora Family Wealth Advisors, LLC. This conflict is mitigated by presenting each client with the different fee structures and services provided by our broker and custodial partners and letting each client select the firm that best suits their needs.

A portion of Ancora Family Wealth Advisors, LLC events may be sponsored by mutual fund companies and custodial partners. These companies may contribute money towards an event in exchange for an opportunity to market their particular services. A conflict may exist because Ancora Family Wealth Advisors, LLC may have incentive to place a client in particular funds or with a particular custodian based on this sponsorship. This conflict is mitigated by our focus on long term performance track record as the fundamental reason for selecting a particular fund and by presenting each client with the different fee structures and services provided by our broker and custodial partners and letting each client select the firm that best suits their needs.

# Performance-Based Fees & Side-by-Side Management

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## Sharing of Capital Gains or Capital Appreciation

Typically, Ancora does not receive performance-based fees; that is fees based on a share of the capital gains or appreciation of the assets of the client. An exception for Ancora would occur when a specifically

designated account which typically hold a single security or concentrated positions and earns a fee based on a share of the capital gains or appreciation of the assets of the client. These investments may be similar to those made in other strategies or customized managed portfolios, all of which may have separately negotiated fees.

## Types of Clients

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### Description

Ancora Family Wealth Advisors, LLC specializes in customized portfolio management for individual investors, high net worth individuals and families, and pension, profit sharing and 401(k) plans.

### Account Minimums

Generally, a client account must be a minimum of \$750,000 unless related to other accounts which together total \$750,000. Our firm may charge a minimum annual fee for our services dependent on the scope of the relationship. The minimum may be waived or reduced at the Firm's discretion.

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

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### Methods of Analysis

#### Equity Methods of Analysis

Our equity investment methodology uses a combination of fundamental research and technical security analysis to identify individual securities that are likely to generate superior returns over time while minimizing risk of loss. We start with top-down analysis to judge risk versus return by looking at where we are in the current economic cycle, by comparing market valuations relative to history, deciding which sectors will be positively affected by current market conditions, identifying themes that will drive markets over the next market cycle, by examining the current political and regulatory environment, examining current Federal Reserve Bank policy, and finally by looking at current market technical conditions. We emphasize downside protection in our security selection. We favor high-quality companies that possess sustainable competitive advantages, shareholder friendly management teams, strong financials and predictable earnings, cash flow and dividends, global footprints, and a consistent record of rewarding shareholders over the long-term. We look for securities fitting this general profile that are priced at or below their five-year average multiples of earnings or cash flow. Our portfolios typically exhibit a contrarian bent with a valuation discount and yield advantage to broad market averages such as the Standard and Poor's 500 Index. We believe risk management is of primary importance.

Portfolios are structured based on our outlook for the market and our opinion on various market sectors. Portfolio are designed and managed individually through human direction rather than a quantitative model.

When managing portfolios we may use a combination of individual securities, mutual funds, and exchange traded funds to achieve appropriate diversification and to achieve targeted exposure to attractive segments of the markets. We may also employ alternative investments such as private equity, energy, and real estate investments to add diversification or to hedge portfolios to stock market and interest rate risk.

### **Fixed Income Methods of Analysis**

We analyze and invest in fixed income securities based on the current interest rate, economic, and inflationary environment of the markets. We will structure fixed income portfolios using instruments issued by the United States Government or agencies of the United States Government, states and municipalities, Investment grade and non-investment grade U.S. and foreign corporations, foreign governments, and convertible bonds or preferred stocks of high-quality U.S. and foreign corporations. Fixed Income mutual funds or exchange traded funds may also be utilized. As to maturity and quality, the U.S. Treasury yield curve and interest rate spreads (differential between treasuries and other types of securities) dictate how bond portfolios are structured. Portfolio holdings are also structured to meet the income needs and risk tolerance of the individual investor's needs and our own interest rate and spread forecasts when considered in relation to the individual investor's specific circumstances.

### **Managed Allocation Methods of Analysis**

For our managed portfolios we will sometimes purchase open end or closed end mutual funds. Ancora Family Wealth Advisors, LLC uses mutual funds to diversify across asset classes or gain exposure to a certain industry. The mutual funds selected by Ancora Family Wealth Advisors, LLC are purchased at NAV. Ancora Family Wealth Advisors, LLC does pay attention to the internal fees of mutual funds, but is seeking strong investment choices. The mutual funds chosen are done so with the client specific situation in mind therefore Ancora Family Wealth Advisors, LLC seeks to find the class with the lowest cost given the clients' needs.

## **Investment Strategies**

**Ancora Family Wealth Advisors, LLC manages portfolios for clients in the following separate categories:**

**Custom Portfolios** - We manage portfolios by first determining your risk profile and goals. Based on this an asset allocation strategy is determined. The portfolio can consist of a diverse mix of core equities, mutual funds, fixed income investments, and special situations. The core equities consist of well-known companies in their industries and are chosen because we believe they offer superior long term total return. They are bought at reasonable historic valuations. We use equity mutual funds or ETFs to diversify quickly across all areas of the stock market. Special situations consist of companies which may be smaller that are undergoing restructuring in their markets. These securities tend to be riskier but offer greater upside potential. Income investments are typically bought to preserve capital. They are generally government, corporate or municipal bonds. Income investments could also be in more "aggressive income" securities such as high yield mutual funds, REITS or preferred stocks. Cash or money markets may be held in your account depending on the availability of attractive investment opportunities.

*Potential Risks include a portfolio that may not keep pace with rising stock market indexes due to its vast diversification and ETFs may not keep pace with the index they are tracking due to fees within the fund and advisory fees.*

**Model Portfolios – ETFs/Mutual Funds** - The process begins with a detailed client discussion of risk tolerance and goals. We have created four asset allocation ranges and match the client's risk and goals to an asset allocation range. Within each range we will utilize either mutual funds or ETFs to create a comprehensive diversified model. The model will be diversified across multiple asset classes and be managed on a tactical basis. The goal is to maximize returns while minimizing risk for each stated risk level. Mutual funds and ETFs are screened using proprietary metrics with a focus on low cost, performance and yield. The best opportunities are placed into the portfolios and allocated across all accounts invested in the model.

*Potential Risks include a portfolio that may not keep pace with rising stock market indexes due to its vast diversification and ETFs may not keep pace with the index they are tracking due to fees within the fund and advisory fees.*

**Managed Allocation** - This strategy is targeted toward helping high net-worth individuals preserve, protect and grow their assets by utilizing traditional assets classes (large cap equities, small cap equities, bonds) while also incorporating additional asset classes such as real assets (commodities, REITs and infrastructure assets such as oil and gas pipeline operators) and alternative investments (lower correlation, non-long only/hedged strategies) into client portfolios when appropriate. The purpose of including these additional asset classes is to generate a potentially more diversified pool of return streams through the use of active (individual stocks and mutual funds) and passive (ETFs) management. The method can be tailored to cater to client's specific risk tolerance and goals.

*Potential Risks include a portfolio that may not keep pace with rising stock market indexes due to its vast diversification and ETFs may not keep pace with the index they are tracking due to fees within the fund and advisory fees.*

**Investors should carefully consider the investment objectives, risks, charges and expenses of the funds carefully before investing. Depending upon market conditions and the availability of attractive investment opportunities, Ancora may hold cash or money market funds in lieu of, or as part of each category.**

## Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. Investment values will fluctuate both up and down, are subject to market volatility, and may be worth more or less than the original cost. All securities risk the loss of principal. In addition, while we believe our methodology and strategies will be profitable, there is no assurance this will always be the case.

While your brokerage account may allow margin transactions, we generally do not recommend the use of margin. We want you to understand the risks of margin transactions and recommend that you read your broker dealer's written disclosure document describing margin trading and its related risks. Some of our strategies may include option transactions. You should understand the risks involved when trading options therefore Ancora recommends that you read the "Characteristics and Risks of Standardized Options" published by the Options Clearing Corporation.

## Cybersecurity

The computer systems, networks and devices used by Ancora Family Wealth Advisors, LLC and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

## Disciplinary Information

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### Legal and Disciplinary

SEC Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Ancora Family Wealth Advisors, LLC and the integrity of our management of your assets.

Ancora Family Wealth Advisors, LLC has no such information to report.

## Other Financial Industry Activities and Affiliations

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### Broker-dealer or Registered Representative

Ancora Family Wealth Advisors, LLC is affiliated with Inverness Securities, LLC, a FINRA member broker dealer through common ownership. Some employees of Ancora Family Wealth Advisors, LLC may be registered representatives of Inverness Securities, LLC and may earn fees as described in the “Additional



Compensation” section of this Brochure. No non-directed orders are placed through Inverness Securities, LLC.

## Material Relationships or Arrangements within Financial Industry

Ancora Family Wealth Advisors, LLC’s parent company is Ancora Holdings Group LLC who owns three additional registered investment advisers with the United States Securities and Exchange Commission; Ancora Advisors, LLC, Ancora Alternatives, LLC, and Ancora Retirement Plan Advisors, LLC. In addition, it owns two insurance agencies: Ancora Insurance Solutions LLC and Inverness Securities LLC. Inverness Securities is a FINRA & SIPC member broker dealer. These entities are considered affiliated through common ownership.

Ancora Advisors LLC serves as investment manager for the Ancora Trust (also known as the Ancora Family of Mutual Funds). Ancora Advisors’ investment managers serve as portfolio managers for the Ancora Income Fund, Ancora/Thelen Small-Mid Cap Fund (as of 1/1/13), Ancora MicroCap Fund Ancora and the Ancora Dividend Value Equity Fund. In addition, Ancora Advisors’ staff members serve as officers and/or provide services to the Ancora Trust. Ancora Alternatives LLC serves as the General Partner and investment manager to Ancora’s Private Funds and is registered with the Commodity Futures Trading Commission as part of the services it performs for Ancora’s Commodity Fund. The private fund entities are investment partnerships. Ancora Advisors LLC acts as a sub-adviser for several non-affiliated 40 act Funds. Insurance services are offered through affiliate Ancora Insurance Solutions. As noted above in response to Item 4, certain funds affiliated with CD&R collectively are indirect majority owners of Focus Inc., and certain funds affiliated with Stone Point are indirect owners of Focus Inc. Because Ancora Family Wealth Advisors LLC is an indirect, wholly-owned subsidiary of Focus Inc., CD&R and Stone Point investment vehicles are indirect owners of Ancora Family Wealth Advisors LLC.

## Recommend or Select Other Investment Advisers

Ancora Family Wealth Advisors, LLC may also perform the role of the asset allocator or consultant for the trustees of qualified plans, foundations or endowments, and sometimes affluent families. The services we provide are as follows:

- Develop a formal written Investment Strategy Statement;
- Conduct all necessary 3rd party manager searches and conduct due diligence.
- Perform on-going asset allocation studies; and recommend investment managers or securities based on client needs.
- Provide research assistance regarding stock, bonds and mutual funds held in client portfolios.
- Review all portfolios to make sure they are consistent with the investment strategy.
- Meet with the client or committee and provide asset allocation and performance reports periodically (to be determined on strategy statement).
- Make sure all managers are complying with the Investment Strategy Statement;
- Help the client negotiate and reduce costs with 3rd party investment managers.
- Complete any specific projects the client may wish to review.

## Other Services

### UPTIQ Credit and Cash Management Solutions

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions through UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates,



“UPTIQ”). These third-party financial institutions are banks and non-banks that offer credit and cash management solutions to our clients, as well as certain other unaffiliated third parties that provide administrative and settlement services to facilitate UPTIQ’s cash management solutions. UPTIQ acts as an intermediary to facilitate our clients’ access to these credit and cash management solutions.

We are a wholly owned subsidiary of Focus Financial Partners, LLC (“Focus”). Focus is a minority investor in UPTIQ, Inc. UPTIQ is compensated by sharing in the revenue earned by such third-party financial institutions for serving our clients. The revenue paid to UPTIQ also benefits UPTIQ Inc.’s investors, including Focus. When legally permissible, UPTIQ also shares a portion of this earned revenue with our affiliate, Focus Solutions Holdings, LLC (“FSH”). For non-residential mortgage loans made to our clients, UPTIQ will share with FSH up to 25% of all revenue it receives from the third-party financial institutions. For securities-backed lines of credit (“SBLOCs”) made to our clients, UPTIQ will share with FSH up to 75% of all revenue it receives from such third-party financial institutions. For cash management products and services provided to our clients, UPTIQ will share with FSH up to 33% of all revenue it receives from the third-party financial institutions and other intermediaries that provide administrative and settlement services in connection with this program. This earned revenue is indirectly paid by our clients through an increased interest rate charged by the third-party financial institutions for credit solutions or reduced yield paid by the providers of cash management solutions. FSH distributes this revenue to us when we are licensed to receive such revenue (or when no such license is required) and the distribution is not otherwise legally prohibited. This revenue is also revenue for FSH’s and our common parent company, Focus. Additionally, the volume generated by our clients’ transactions allows Focus to negotiate better terms with UPTIQ, which benefits Focus and us. Accordingly, we have a conflict of interest when recommending UPTIQ’s services to clients because of the compensation to us and to our affiliates, FSH and Focus, and the transaction volume to UPTIQ. We mitigate this conflict by: (1) fully and fairly disclosing the material facts concerning the above arrangements to our clients, including in this Brochure; and (2) offering UPTIQ’s solutions to clients on a strictly nondiscretionary and fully disclosed basis, and not as part of any discretionary investment services. Additionally, we note that clients who use UPTIQ’s services will receive product-specific disclosure from the third-party financial institutions and other unaffiliated third-party intermediaries that provide services to our clients.

We have an additional conflict of interest when we recommend credit solutions to our clients because our interest in continuing to receive investment advisory fees from client accounts gives us a financial incentive to recommend that clients borrow money rather than liquidate some or all of the assets we manage..

## **Credit Solutions**

Clients retain the right to pledge assets in accounts generally, subject to any restrictions imposed by clients’ custodians. While credit solution programs that we offer facilitate secured loans through third-party financial institutions, clients are free instead to work directly with institutions outside such programs. Because of the limited number of participating third-party financial institutions, clients may be limited in their ability to obtain as favorable loan terms as if the client were to work directly with other banks to negotiate loan terms or obtain other financial arrangements.

Clients should also understand that pledging assets in an account to secure a loan involves additional risk and restrictions. A third-party financial institution has the authority to liquidate all or part of the pledged securities at any time, without prior notice to clients and without their consent, to maintain required collateral levels. The third-party financial institution also has the right to call client loans and require repayment within a short period of time; if the client cannot repay the loan within the specified time period, the third-party financial institution will have the right to force the sale of pledged assets to repay those loans. Selling assets to maintain collateral levels or calling loans may result in asset sales and realized losses in a declining market, leading to the permanent loss of capital. These sales also may have adverse tax consequences. Interest payments and any other loan-related fees are borne by clients and are in addition to the advisory fees that clients pay us for managing assets, including assets that are pledged as collateral. The returns on pledged assets may be less than the account fees and interest paid by the account. Clients should consider carefully and skeptically any recommendation to pursue a more aggressive investment

strategy in order to support the cost of borrowing, particularly the risks and costs of any such strategy. More generally, before borrowing funds, a client should carefully review the loan agreement, loan application, and other forms and determine that the loan is consistent with the client's long-term financial goals and presents risks consistent with the client's financial circumstances and risk tolerance.

We use UPTIQ to facilitate credit solutions for our clients.

### **Cash Management Solutions**

For cash management programs, certain third-party intermediaries provide administrative and settlement services to our clients. Engaging the third-party financial institutions and other intermediaries to provide cash management solutions does not alter the manner in which we treat cash for billing purposes. Clients should understand that in rare circumstances, depending on interest rates and other economic and market factors, the yields on cash management solutions could be lower than the aggregate fees and expenses charged by the third-party financial institutions, the intermediaries referenced above, and us. Consequently, in these rare circumstances, a client could experience a negative overall investment return with respect to those cash investments. Nonetheless, it might still be reasonable for a client to participate in a cash management program if the client prefers to hold cash at the third-party financial institutions rather than at other financial institutions (e.g., to take advantage of FDIC insurance).

We use UPTIQ to facilitate cash management solutions for our clients.

### **Focus Risk Solutions**

We help clients obtain certain insurance products from unaffiliated insurance companies by introducing clients to our affiliate, Focus Risk Solutions, LLC ("FRS"), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC ("Focus"). FRS acts as an intermediary to facilitate our clients' access to insurance products. FRS has agreements with certain third-party insurance brokers (the "Brokers") under which the Brokers assist our clients with regulated insurance sales activity.

If FRS refers one of our clients to a Broker and there is a subsequent purchase of insurance through the Broker, FRS will receive a portion of the upfront and/or ongoing commissions paid to the Broker by the insurance carrier with which the policy was placed. The amount of revenue earned by FRS for the sale of these insurance products will vary over time in response to market conditions. The amount of insurance commission revenue earned by FRS is considered for purposes of determining the amount of additional compensation that certain of our financial professionals are entitled to receive. The amount of revenue earned by FRS for a particular insurance product will also differ from the amount of revenue earned by FRS for other types of insurance products. This revenue is also revenue for our and FRS's common parent company, Focus. Accordingly, we have a conflict of interest when recommending FRS's services to clients because of the compensation to certain of our financial professionals and to our affiliates, FRS, and Focus. We address this conflict by: (1) fully and fairly disclosing the material facts concerning the above arrangements to our clients, including in this Brochure; and (2) offering FRS solutions to clients on a strictly nondiscretionary and fully disclosed basis, and not as part of any discretionary investment services. Additionally, we note that clients who use FRS's services will receive product-specific disclosure from the Brokers and insurance carriers and other unaffiliated third-party intermediaries that provide services to our clients.

The insurance premium is ultimately dictated by the insurance carrier, although in some circumstances the Brokers or FRS may have the ability to influence an insurance carrier to lower the premium of the policy. The final rate may be higher or lower than the prevailing market rate, and may be higher than if the policy was purchased directly through the Broker without the assistance of FRS. We can offer no assurances that the rates offered to you by the insurance carrier are the lowest possible rates available in the marketplace.

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

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## Code of Ethics

Ancora Family Wealth Advisors, LLC has adopted a formal Code of Ethics. This Code of Ethics includes requirements to make sure that we meet our fiduciary responsibilities which include the following subjects:

- The adviser's fiduciary duty to its clients;
- Compliance with all applicable Federal Securities Laws;
- Reporting and review of personal securities transactions and holdings;
- Reporting of violations of the code; and
- The provision of the code to all supervised persons.

Ancora Family Wealth Advisors, LLC will provide a copy of our Code of Ethics to clients and prospective clients upon request. To obtain a copy contact Jason Geers at (216) 825-4000 or by e-mail at [JGeers@ancora.net](mailto:JGeers@ancora.net). All Ancora Family Wealth Advisors, LLC employees are required to affirm our Code of Ethics at least annually.

## Recommend Securities with Material Financial Interest

Frederick DiSanto was elected to the Board of Directors of The Eastern Company symbol "EML", Ampco-Pittsburgh Corp "AP" and Regional Brands Inc. symbol "RGBD". A conflict of interest may exist because; 1) Mr. DiSanto in his capacity as a Chief Executive Officer for Ancora, has a fiduciary obligation to advisory clients and 2) as a Director for this company, Mr. DiSanto has an obligation to take action in the best interest of the company and their shareholders. In addition, there may be instances where Mr. DiSanto in his position as a Director could become knowledgeable of material non-public information. If this situation occurs, Ancora would be unable to purchase or sell securities related to these Corporation until that information would become public information (information that is available to the general public). These self-imposed black-out periods could cause Ancora to miss market opportunities in these Companies, perceived to be available to investors of the general public.

Brian Hopkins was elected to the Board of Directors of Regional Brands Inc. symbol "RGBD". At the time of Mr. Hopkins' election to the Board of Directors, accounts managed by Ancora owned shares of Regional Brands Inc. A conflict of interest may exist because; 1) Mr. Hopkins in his capacity as a Portfolio Manager for Ancora, has a fiduciary obligation to advisory clients and 2) as a Director for this company, Mr. Hopkins has an obligation to take action in the best interest of the company and their shareholders. In addition, there may be instances where Mr. Hopkins in his position as a Director could become knowledgeable of material non-public information. If this situation occurs, Ancora would be unable to purchase or sell securities related to these companies until that information would become public information (information that is available to the general public). These self-imposed black-out periods could cause Ancora to miss market opportunities in these companies, perceived to be available to investors of the general public.

Ryan Hummer was elected to the Board of Directors of Legato symbol “LEGO”, and serves on the Advisory Board for Turn Capital. At the time of Mr. Hummer’ election to this board, accounts managed by Ancora owned shares of Legato, and investments in Turn Capital. A conflict of interest may exist because; 1) Mr. Hummer in his capacity as a Portfolio Manager for Ancora, has a fiduciary obligation to advisory clients and 2) as a Director for this company, Mr. Hummer has an obligation to take action in the best interest of the company and their shareholders. In addition, there may be instances where Mr. Hummer in his position as a Director could become knowledgeable of material non-public information. If this situation occurs, Ancora would be unable to purchase or sell securities related to these companies until that information would become public information (information that is available to the general public). These self-imposed blackout periods could cause Ancora to miss market opportunities in these companies, perceived to be available to investors of the general public.

## **Invest in Same Securities Recommended to Clients**

On occasion, Ancora employees may decide to transact in securities that are also transacted in client accounts or may transacted in securities in which a related person may have some financial interest. This practice could create a conflict of interest if the transactions are structured to impact the market after the employee has transacted in the security. Our Code of Ethics and Personal Securities Trading Policy stipulates that our employees, with limited exceptions, may not transact in securities three days prior to or three days subsequent to the firm transacting in such securities for its clients. Additionally, personal securities transactions for common stocks, ETFs, preferred stocks, ADRs, closed-end funds, options, IPOs, private placements and mutual funds for which an affiliate serves as the investment adviser or sub-adviser must be preapproved. Employee transactions are reviewed daily for compliance with firm policy.

## **Personal Trading Policies**

Ancora has a formal Personal Securities Trading Policy. As part of this policy Ancora requires that our employees and affiliated persons submit personal trading requests through our compliance software for approval prior to placing their personal transactions. Further, employees must also submit a Personal Securities Transaction Report quarterly and an Annual Holdings Report to the compliance department to affirm that no reportable trades were done outside of the firm’s supervision. Other blackout period restrictions on securities due to client trades and MNPI may be in place and are monitored by compliance. The CCO will review any exception requests and make a determination if one will be granted on a case by case basis and will hold ultimate authority on all exception requests.

## **Cross Trading Policies**

A cross trade is a pre-arranged transaction between two or more accounts, each of which managed by the same adviser. In some situations, the adviser may need to buy and sell the same security at substantially similar times and the adviser may determine that crossing the transaction is beneficial to both clients as opposed to exposing each individual trade to the current market. Ancora must always act in the best interests of both the buyer and seller in any such transaction.

Each portfolio manager must notify Compliance prior to arranging a cross trade. Compliance will ensure that the cross trade and the manner of execution are appropriate under applicable law. No cross trades will be permitted without Compliance approval.

Ancora may use an unaffiliated broker-dealer or custodian to cross investments and/or cash between Client accounts when such a transaction is advantageous for each participant. However, no accounts subject to ERISA may participate in such transactions without receiving CCO approval and following compliance with an applicable regulatory exemption.

Ancora may also use an affiliated broker-dealer to cross investments and/or cash between Client accounts when such a transaction is advantageous for each participant. No accounts subject to ERISA may be included in any cross trade, without receiving CCO approval and following compliance with an applicable regulatory exemption.

In addition to the procedures described above, Ancora will follow additional procedures required by Rule 206(3)-2 under the Advisers Act when using an affiliated broker-dealer to cross assets and/or cash between Client Accounts. Agency cross trade procedures include:

- Ancora will provide any Client that may participate in agency cross trades with full written disclosure that Ancora or an affiliate will act as broker for, receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to such transactions;
- Any Clients that may participate in agency cross trades, after receiving full written disclosure, with execute written consent prospectively authorizing such transactions;
- Ancora or its affiliate will send a written confirmation to any Client participating in an agency cross transaction that includes:
  - I. A statement of the nature of the transaction;
  - II. The date the transaction took place;
  - III. An offer to furnish, upon request, the time when the transaction took place, and;
  - IV. An offer to furnish, upon request, the source and amount of any other remuneration received or to be received by Ancora and its affiliates in connection with the transaction
- Ancora or its affiliate(s) send to each Client, at least annually and as part of any written account statement or summary, a written disclosure statement identifying the total number of agency cross transactions since the date of the last such statement, as well as the total amount of all commissions or other remuneration received or to be received by Ancora and its affiliates in connection with such transactions.
- Each written disclosure statement and confirmation sent in connection with agency cross trades must include a conspicuous statement that the Client's consent to such transactions may be revoked at any time by written notice to Ancora or its affiliates.

## Brokerage Practices

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### Selecting Brokerage Firms

You are free to select any custodian / broker dealer for custody of your account.

Ancora Family Wealth Advisors, LLC has established relationships with Charles Schwab and Fidelity. Should you choose to place your assets at one of these brokerage firms, we will continue to be your primary source of contact for all account related needs.

If you choose a brokerage firm that we do not have a relationship with, Ancora Family Wealth Advisors, LLC will have limited capacity to service the account. Many services will have to be performed at the custodian directly.

Please refer back to the “Additional Compensation” section of this document for any potential conflicts when selecting your brokerage firm.

## Trading

Trading instructions are given by a Portfolio Manager to a Trader verbally, in writing via email or hardcopy trade ticket, and/or through the Company’s order management system. Verbally placed and emailed orders will be reduced to a formal trade ticket by a Trader and will be confirmed with the Portfolio Manager prior to executing the trade. The Brokerage Committee is responsible for reviewing and approving broker-dealers to be utilized as execution counterparties. The Committee’s level of review of counterparties will be based, in part, on the amount of counterparty risk the Company expects to incur with the broker-dealer. The Trader decides upon the appropriate means of executing the trade. When determining which trading venue(s) to use, the Trader may consider, among other things:

- Listed bids and asks;
- The opportunity for price improvement;
- Transaction costs;
- Anonymity;
- Liquidity;
- Speed of execution;
- Quality of research;
- Expertise with difficult securities; and
- Trading style and strategy.

The Company will ensure that the execution and services of broker-dealers are fair and reasonable. The Trader must ensure that Ancora creates and maintains a trade ticket, either electronically or in hard copy, for each trade. Pursuant to Rule 204-2(a)(3) under the Advisers Act, the trade ticket must show:

- The terms and conditions of the order, instruction, modification, or cancellation;
- The person at Ancora who recommended the trade;
- The person at Ancora who placed the trade;
- The Client account(s) for which the trade was entered;
- If applicable, how the trade will be allocated among Clients;
- The date the trade was entered;
- The broker-dealer or bank with which the trade was placed; and
- Whether the order was placed pursuant to Ancora’s discretionary authority.

All trade tickets will be time stamped for the time of entry by a Trader, and orders placed for the Mutual Funds will also record the time such transaction was executed. All paper trade tickets will be retained by the Company. Trades are communicated to broker-dealers by telephone, approved instance messaging systems, and the order management system. Ancora uses Omgeo’s Affirm/Confirm solution to ensure that executing broker-dealer trade details match the Company’s records and are promptly affirmed. Following affirmation, Ancora maintains contact with both the custodian and executing broker-dealer to ensure settlement takes place as expected. A fixed income Portfolio Manager will ensure that all trades are confirmed in writing by the executing broker-dealer upon completion of the trade. Confirmations are delivered by mail or electronic means. Each confirmation must include:



- The security traded;
- Whether the trade was a buy or a sell;
- The price;
- The quantity traded;
- The trade date;
- The settlement date; and
- All commissions, taxes, and other settlement charges.

Special requirements may arise for certain types of transactions such as swaps or options. Ancora typically receives a daily feed from custodians into the Advent APX portfolio accounting system where the Company can reconcile securities positions against the files provided by the custodians. Portfolio Managers periodically review custodial records to identify any deviations from intended Client holdings. The CCO will receive a daily electronic report with the previous day's trading activity and review the report for any trading abnormalities.

## Research and Other Services

Ancora Family Wealth Advisors, LLC may direct brokerage for research in a "soft dollar" manner for any account in which brokerage was not directed by the client. However, most research is done internally and most non-directed trades are placed on the basis of execution quality and liquidity.

Ancora Family Wealth Advisors, LLC does not currently receive any other material benefits for directing brokerage.

Ancora Family Wealth Advisors, LLC (Ancora), has entered into an arrangement with Fidelity, and Schwab (together known as platform providers), to provide services which may include but are not limited to custodial, execution of securities and administrative support. As part of the arrangement, the platform providers will make available products and services to Ancora, at no additional charge, which without this arrangement, Ancora might be compelled to purchase the same or similar services at its own expense.

**Services that Benefit You.** Platform provider's brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through platform providers include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Platform provider's services described in this paragraph generally benefit you and your account.

**Services that May Not Directly Benefit You.** Platform providers also makes available to Ancora other products and services that benefit Ancora but may not directly benefit you or your account. These products and services assist Ancora in managing and administering our clients' accounts. They include investment research, both platform provider's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at platform providers. In addition to investment research, platform providers also make available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and

- assist with back-office functions, recordkeeping and client reporting.

**Services that Generally Benefit Only Ancora.** Platform providers also offer other services intended to help Ancora manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Platform providers may provide some of these services themselves. In other cases, they will arrange for third-party vendors to provide the services to Ancora. Platform providers may also discount or waive their fees for some of these services or pay all or a part of a third party's fees. Platform providers may also provide Ancora with other benefits such as occasional business entertainment of our personnel.

As a result of receiving such services for no additional cost, Ancora may have an incentive to continue to use or expand the use of the platform providers' services. Ancora examined this potential conflict of interest when it chose to enter into the arrangement with the platform providers and has determined that the arrangement is in the best interest of Ancora's clients and satisfies its client's obligations, including its duty to seek best execution.

Ancora and the platform providers are not affiliates, and no broker dealer affiliated with Ancora is involved in the relationship between Ancora and the platform providers

## Brokerage for Client Referrals

Ancora Family Wealth Advisors, LLC does not engage in the practice of directing brokerage trades for client referrals.

## Best Execution

As part of its fiduciary duty to Clients, Ancora has an obligation to seek the best price and execution of Client transactions when Ancora is in a position to direct brokerage transactions. While not defined by statute or regulation, "best execution" generally means the execution of Client trades at the best net price considering all relevant circumstances. Ancora will seek best execution with respect to all types of Client transactions, including equities, fixed income, options, futures, foreign currency exchange, and any other types of transactions that may be made on behalf of Clients. Ancora will conduct the following types of reviews to evaluate the qualitative and quantitative factors that influence execution quality:

- Initial and periodic reviews of individual broker-dealers;
- Contemporaneous reviews by Ancora's Traders;
- Quarterly meetings of the Brokerage Committee; and
- Third-party analyses.

## Directed Brokerage

Ancora Family Wealth Advisors, LLC may trade based on the client's direction. In those instances, clients request that are placed directly with the client's custodian. In some cases, the client may direct us to trade



the security with a certain brokerage firm and settle it with the client's custodian as part of a COD transaction.

Ancora aims to place all non-directed trades for the same side in the same security with the same broker to aggregate orders and give all clients their pro-rata allocation of the trade at the same price. Ancora aims for a similar process for directed brokerage. All orders for the same side in the same security with the same directed broker will be aggregated and allocated pro-rata at the same price whenever possible. Ancora will place non-directed trades before directed trades. Directed trades are grouped together and traded on a rotational basis based on custodian. When placing Client transactions through multiple broker-dealers, a rotation schedule is used to be fair to all Clients over time.

It is important to note that if you do not give Ancora Family Wealth Advisors, LLC discretion to direct trades, you may limit our ability to negotiate favorable commissions and seek best execution for trades in your account. You may also be excluded from block trades and average price transactions.

## Order Aggregation and Allocation

As part of Ancora's fiduciary duty to its clients, Ancora has an obligation to seek best price and execution for all trades, to trade assets in a manner that is fair to all clients, and to exercise diligence and care throughout the trading process.

Ancora will aggregate trades whenever it has the ability to do so. Typically, directed brokerage and non-directed brokerage orders cannot be combined.

The Portfolio Manager will prepare a written preallocation that identifies each participating account and each such account's expected participation, measured in shares, principal value, as a percentage of the block, or as a percentage of the account's value. In determining the written preallocation, the Portfolio Manager will consider each participating account's size, diversification, cash availability, investment objectives, and any other relevant factors. The Portfolio Manager will generally deliver the written preallocation to the Trader before the Trader starts executing the block.

If the trade is fully filled by the end of the day, the Trader will give the executing broker-dealer allocation instructions that match the written preallocation. If the trade is partially filled at the end of the day, the Trader will instruct the broker-dealer to allocate the trade pro-rata based on the written preallocation. De minimis deviations from the preallocation are permitted in the interest of placing round lots in Client accounts or to meet certain minimum ticket charges.

If a Trader receives a new trade order for an investment where a block trade is already pending, the Trader will form a new block that includes the new participants' order, as well as the original participants' order.

If a Portfolio Manager is unable to complete a written preallocation because an investment opportunity is available for a limited time, then the Portfolio Manager will set the order size based on an estimate of the appropriate level of participation for all Clients. The Portfolio Manager will provide a written allocation for the trade to the Trader no later than the close of business on the trade date.

The Trader will place non-directed trades before directed trades. Directed trades are grouped together and traded on a rotational basis based on custodian. When placing Client transactions through multiple broker-dealers, the Traders will use a rotation schedule designed to be fair to all Clients over time. The Head Trader is responsible for developing, and maintaining a record of, the rotation schedule. The CCO periodically reviews pro rata allocations and rotational patterns for the directed account group.

Where applicable, Ancora may seek to step-out transactions amongst broker-dealers to include directed traded with non-directed trades in an aggregated order. In all cases, the Trader will instruct executing broker-dealers to allocate trades to specific Client accounts before the close of business on the trade date, notwithstanding extenuating circumstances.

# Review of Accounts

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## Periodic Reviews

Portfolio Managers review each portfolio at least annually. The frequency and level of review is determined by the complexity of your portfolio, changes in economic or market conditions, tax law and your individual situation. Portfolios are reviewed informally more frequently.

It is recommended that Investment Advisors meet with clients at least twice a year to review and go over their account(s) with them in person. If it is discovered that a change in the client's situation has materially affected the way we are currently managing their portfolio(s), we will immediately update our records and management process to correspond to the changes.

We will base our management process on the original management agreement unless we are notified in writing of changes.

## Review Triggers

Portfolio managers informally review portfolios at least monthly. When any security held by clients should be sold, accounts are reviewed immediately; either just prior to or after the security is sold. When any security is bought for clients, accounts are reviewed immediately; either prior to or just after the security is purchased.

## Regular Reports

The broker dealer handling your account or custodian typically sends you monthly, but at least quarterly account statements. These Account statements show money balances, securities held in the account, investment values and transactions made. Ancora also sends out quarterly reports that include the same information noted above and other information such as performance of your investments. We encourage you to review and compare the brokerage account statements with your Ancora reports. If you see a discrepancy, please contact your investment representative and bring it to their attention.

# Client Referrals and Other Compensation

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## Economic Benefits

Ancora Family Wealth Advisors, LLC does not receive any direct or indirect economic benefits or compensation for referring business other than described in the "Additional Compensation" section of this document.

## Third Party Solicitors

We may pay individuals or other organizations (solicitors) for client referrals and to introduce potential clients to Ancora Family Wealth Advisors, LLC if the individual or organizations meet qualifications and have entered into a solicitation agreement with Ancora Family Wealth Advisors, LLC. Solicitors, typically, will only be used for obtaining clients for our investment limited partnership. Solicitors for investment limited partnerships must be properly registered with broker dealers. Solicitors may solicit clients for any other products or services of Ancora Family Wealth Advisors, LLC. Compensation to the solicitor is a percentage of our management fees. The individual solicitor is required to provide a written statement describing the compensation paid to him/her or the organization they represent. A solicitor is not permitted to offer investment advice on behalf of Ancora Family Wealth Advisors, LLC. Clients obtained through this referral process do not pay higher fees than clients not obtained through referrals. This means that no additional fees or charges will be charged to the client because of the solicitor relationship.

Ancora Family Wealth Advisors, LLC's parent company is Focus Financial Partners, LLC ("Focus"). From time to time, Focus holds partnership meetings and other industry and best-practices conferences, which typically include Ancora Family Wealth Advisors, LLC, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including Ancora Family Wealth Advisors, LLC. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors and other third-party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including Ancora Family Wealth Advisors, LLC. Although the participation of Focus firm personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at such meetings and conferences could cause Ancora Family Wealth Advisors, LLC to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including Ancora Family Wealth Advisors, LLC. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement. A list of entities that have provided conference sponsorship to Focus from January 1, 2021 to November 1, 2022 can be accessed on Focus' website through the following link: <https://focusfinancialpartners.com/conference-sponsors/>

# Custody

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## Asset Custody

Under SEC Rule 206(4)-2, Ancora Family Wealth Advisors, LLC may be viewed for regulatory purposes as having custody of certain client assets due to Ancora Family Wealth Advisors, LLC's ability to deduct fees directly from certain client accounts.

## Account Statements

The broker dealer handling your account or custodian typically sends you monthly, but at least quarterly account statements. These account statements show money balances, securities held in the account,

investment values and transactions made. Ancora Family Wealth Advisors, LLC also sends out quarterly reports that include the same information noted above and other information such as performance of your investments. We encourage you to review and compare the brokerage account statements with your Ancora Family Wealth Advisors, LLC quarterly reports. If you see a discrepancy, please contact your investment representative, and bring it to their attention.

# Investment Discretion

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## Discretionary Authority for Trading

Most clients give Ancora Family Wealth Advisors, LLC discretion over the selection, amount and timing of securities to be bought and sold. This means that the portfolio manager or advisor representative may purchase or sell securities consistent with your investment objectives without contacting you prior to entering the transaction.

In a limited capacity, we may also manage assets on a non-discretionary basis and may perform Life Planning and Wealth Advisory Services for accounts outside of assets management.

## Limited Power of Attorney

Investment management agreements often include limited power of attorney to permit Ancora to make securities trades and other transactions on our clients' behalf. However, the authority granted in those agreements does not provide Ancora with the ability to transfer funds out of the client's account to a third party without the client's prior permission. Investment authority may be subject to specific investment objectives and guidelines and/or conditions imposed by you. For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of your portfolio or you may have restriction or prohibitions of transactions in the securities of a specific company industry such as no tobacco stocks. Please detail any such specifications or exception in writing prior to engaging our services.

# Voting Client Securities

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## Proxy Voting

As a general rule, most clients will enter into an agreement with or take actions to direct proxies to Ancora to be voted. We have adopted a proxy voting policy which is reasonably designed to ensure that proxies are voted in the best interests of our clients, consistent with stated investment objectives, in accordance with our fiduciary duties and in accordance with SEC Rule 206(4)-6 of the Investment Advisors Act of 1940. Clients are also free to vote their own proxies as they see fit.

Proxies are an asset of our client's accounts and Ancora takes voting very seriously. Ancora will vote each proxy in accordance with its fiduciary duty to its Clients. Ancora will generally seek to vote proxies in a way that maximizes the value of Clients' assets. However, Ancora will document and abide by any specific proxy voting instructions conveyed by a Client with respect to that Client's securities. Ancora also offers clients

the ability to vote in accordance with Taft-Hartley Guidelines. Clients may also retain the authority to vote proxies.

The proxy voting policy is premised on the following principles:

- maximization of each investment's return is the primary component of the client's best interests;
- good corporate governance will help maximize investment returns;
- increasing shareholder involvement in corporate governance will help maximize investment returns;
- antitakeover defenses inhibit maximization of investment returns; and
- self-dealing by or conflicts of interest of company insiders are not in the client's best interests.
- unless the client provides specific written instructions to Ancora the advisor will vote proxies according to its policy under the authority granted by the client.

A copy of the firm's proxy voting procedures is available upon request. Clients may obtain information on how their proxies were voted and/or proxy voting procedures by writing the firm or contacting Jason Geers at (216) 825-4000 or by e-mail at [JGeers@ancora.net](mailto:JGeers@ancora.net) to request this information.

## Financial Information

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### Prepayment of Fees

Fees for your investment advisor services are generally charged quarterly in advance based upon the value of assets managed, with valuations done by the client's custodian or other pricing services at the end of each calendar quarter. We do not require more than one quarter of pre-paid fees.

### Financial Condition

Ancora Family Wealth Advisors, LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients.

### Bankruptcy

Ancora Family Wealth Advisors, LLC has not been subject to a bankruptcy proceeding.

## Requirements for State-Registered Advisers

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This item does not apply to Ancora Family Wealth Advisors, LLC.