



## **Winthrop Capital Management, LLC**

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### **Part 2A of Form ADV DISCLOSURE BROCHURE**

This Brochure provides information about the qualifications and business practices of Winthrop Capital Management, LLC ("WCM"). If you have any questions about the contents of this Brochure, please contact WCM at (866) 481-0783 or [ghahn@winthropcm.com](mailto:ghahn@winthropcm.com). 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.

WCM is a SEC registered investment advisor. Registration of an investment advisor does not imply a certain level of skill or training.

Additional information about Winthrop Capital Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 2 Material Changes

Form ADV Part 2 requires registered investment advisors to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

- None

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## Item 4 Advisory Business

### Description of Winthrop Capital Management

Winthrop Capital Management, LLC ("WCM"), offers investment advisory, investment sub-advisory and consulting services to pension and profit-sharing plans, corporations, insurance companies, Taft-Hartley plans, charitable organizations, foundations, endowments, trusts, other investment advisors and high net worth individuals. Clients retain WCM to manage and provide investment advice on their assets according to a specific investment strategy, or multiple strategies, based on their investment objectives and risk tolerance.

WCM primarily serves individuals and institutional clients through financial intermediaries such as investment consultants and financial advisors (collectively, "Advisors"). WCM provides investment management services to clients of other advisors which are not affiliated with WCM. Those Advisors conduct their own independent due diligence of WCM. Advisors will offer all or some of WCM's investment strategies to their clients. Some Advisors have entered into an advisory agreement with WCM, while others require WCM to enter into such agreements with the end client directly. In either agreement scenario in which an Advisor is involved, the Advisor typically remains WCM's primary point of contact for related communications and updates to client or account information.

When an Advisor is involved as an intermediary with a client of WCM, clients should be aware that WCM will not be provided with sufficient information from Advisors to perform an assessment as to the suitability of WCM's services for their accounts. WCM relies on the Advisors who, within their fiduciary duty, must determine not only the suitability of WCM's services for a client, but also the suitability of WCM. This also includes any assessment of whether a particular wrap platform is appropriate.

WCM also has clients who have access to WCM's investment advisory services directly. These clients may have designated authorized individuals to act on their behalf. Any such arrangements will have been designated in either the investment management agreement or in a separate written document.

### Types of Services Offered

The services WCM provides include:

1. Investment Advisory Services – WCM continuously reviews client investment portfolios and implements changes based on WCM client's needs and objectives. WCM will assist certain qualified clients in selecting and investing in institutional quality, external investment managers for their portfolios. In addition, WCM may retain the use of an investment manager through a custodian's "market place" designed to access investment managers for a specific engagement at a fixed fee.

2. Portfolio Models - WCM constructs and manages portfolio models for clients. Portfolio models are constructed utilizing a Risk Scoring methodology that combines various securities including mutual funds and ETFs, into an asset allocation based on an expected level of risk. The Risk Score incorporates the expected standard deviation of the specific securities as well as the correlation movement of the securities within the portfolio. Where appropriate to meet client goals, WCM may hire institutional quality external managers as sub-advisers as well as terminate the ongoing management of such firms as WCM deems necessary.

3. Sub-advisory Services - WCM offers its investment strategy and portfolio modeling services to other investment advisors on a sub-advisory basis. In such arrangements, WCM enters into a sub-advisory agreement with the investment advisor for WCM's investment management services and the use of investment models and asset allocation strategies. WCM constructs an asset allocation and selects the underlying investments for each investment model portfolio based on client investment objectives provided by the investment advisor. Client accounts are generally managed via a third-party

investment management platform (“Platforms”).

Sub-advisory services may be on a discretionary or nondiscretionary basis depending on the sub-agreement. In a discretionary arrangement, WCM creates an investment model portfolio for a particular investment style, and based on that model, WCM exercises investment discretion over the transactions in the client accounts and is responsible for effecting such transactions. In a nondiscretionary arrangement, the investment advisors receive WCM’s investment model portfolio for a particular investment style, and based on that model, the investment advisor exercises investment discretion over the transactions in the client accounts and WCM is responsible for affecting such transactions.

WCM offers its investment services to registered investment companies on a sub-advisory basis.

4. Unified Management Account Programs - WCM offers its investment strategy and portfolio modeling services to Unified Management Account (“UMA”) programs. WCM constructs an asset allocation and selects the underlying investments for each investment model portfolio based on client investment objectives. The UMA program sponsor receives WCM’s investment model portfolio for a particular investment style and is responsible for effecting transactions in client accounts.

WCM generally limits its portfolio modeling to mutual funds, real estate funds (including REITs), equities, ETFs (including ETFs in the gold and precious metal sectors) and non-U.S. securities. WCM may use other securities as well to help diversify a portfolio model when applicable.

5. Private Placements – Privately placed debt encompasses a wide variety of fixed income investments including corporate obligations, real estate related, project finance and asset-backed loans for midsize to large companies. It seeks to provide an enhanced yield over comparably rated public securities as well as access to issuers that are not available in the public market. Engaging WCM as a private placement investment manager is appropriate for sophisticated clients who can accept fluctuations in principal value and limited liquidity.

6. Specialty Services - WCM may provide independent investment advice, research and analysis that is outside of the traditional Investment Management Agreement and is designed to meet WCM’s client’s goals and objectives. WCM’s investment consulting services are primarily focused on the insurance industry and assisting in risk examinations as an Investment Specialist for state Insurance Departments. In Addition, WCM offers customized specialty services including ERM Integration, Investment Policy Statement Review, Rating Agency Support, Peer Group Analysis, Tax Modeling, Liquidity Management, Insurance Regulatory Support, Income Forecasting, and Online Portfolio Reporting.

WCM also offers its insurance clients access to structured securities, private credit, and commercial mortgage loans under investment management agreements separate from the management services described above. Through sub-advised relationships WCM offers a risk-controlled, actively managed approach to managing private placements and Commercial Mortgage Loans (1505 Capital Management & ACORE Capital, LP), and hedge funds (Indie Asset Management). Additional information about 1505 Capital, ACORE Capital, and Indie Asset Management is available on the Securities and Exchange Commission’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **How WCM Services are Tailored to Fit your Needs**

While many of WCM’s investment strategies are offered through Portfolio Models, many of WCM’s client’s portfolios are structured to meet their specific needs. WCM’s goal is to provide long-term investment performance results consistent with the risk tolerance and investment objectives of each client. Some of WCM’s clients impose restrictions on investing in certain securities or types of securities as outlined in their investment policy statement. In addition, some of WCM’s clients impose restrictions on the ability to

realize gains or losses through the sale of securities within a certain period.

### **Wrap Fee Programs**

As a money manager, WCM currently manages client portfolios through the wrap fee programs for Stifel Nicolaus (Horizon Program), Sanctuary Wealth (Separate Account Exchange), Morgan Stanley (Custom Solutions), and UBS Financial Services, Inc. (Managed Accounts Consulting Program). WCM is not a sponsor of a wrap fee program.

### **Assets under Management**

As of December 31, 2023, WCM provides continuous management services for \$3,796,348,151 in client assets on a discretionary basis, and \$243,653 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **Compensation for Advisory Services**

#### Investment Advisory Fees

WCM typically charges investment advisory fees in advance ranging from 0.10% to 1.50% per annum on the value of the assets on the last day of the previous quarter based on the size and nature of the account and type of management strategy employed. Advisory fees are negotiated with each client. At WCM's sole discretion, WCM may provide account management services at discounted rates for special situations which might include related accounts of significant clients, household related accounts, friends and family accounts, and employees.

Published fee schedules are considered the standard fee schedule based on individual investment strategies as follows:

#### Non-Discretionary Accounts

Fees for non-discretionary accounts are negotiable depending upon the size of the portfolio and scope of services to be provided, but will not exceed the fee schedules disclosed below. Minimum account size is \$1,000,000 which may be waived at the discretion of WCM.

#### Discretionary Accounts

WCM manages client portfolios directly and through Advisors in a discretionary manner in several strategies. The fees for discretionary accounts are negotiable depending upon the strategy, the size of the portfolio and the scope of services to be provided, but will not exceed the fee schedules disclosed below. The fees and minimum account size will vary depending on whether the client is a direct relationship with WCM or whether WCM is providing investment management services through an Advisor. The minimum account size for a discretionary account is generally \$500,000 which can be waived at the sole discretion of WCM.

#### Discretionary Accounts - Wealth Management

First \$3,000,000	1.00%
Next \$2,000,000	0.75%
Next \$5,000,000	0.60%
Over \$10,000,000	0.50%

#### Large Cap Blend Equity (Formerly: Value Income)

First \$1,000,000	1.00%
Next \$2,000,000	0.90%
Next \$2,000,000	0.80%

Next \$10,000,000	0.75%
Over \$15,000,000	Negotiable

#### Dividend Growth Equity

First \$1,000,000	1.00%
Next \$2,000,000	0.90%
Next \$2,000,000	0.80%
Next \$10,000,000	0.75%
Over \$15,000,000	Negotiable

#### Focused Growth Equity

First \$1,000,000	1.00%
Next \$2,000,000	0.90%
Next \$2,000,000	0.80%
Next \$10,000,000	0.75%
Over \$15,000,000	Negotiable

#### Balanced Portfolio

First \$3,000,000	1.00%
Next \$2,000,000	0.75%
Next \$5,000,000	0.60%
Over \$10,000,000	Negotiable

#### Tactical Income

First \$1,000,000	0.75%
Next \$2,000,000	0.65%
Next \$2,000,000	0.55%
Next \$5,000,000	0.45%
Over \$10,000,000	Negotiable

#### Core Fixed Income

First \$1,000,000	0.50%
Next \$2,000,000	0.45%
Next \$2,000,000	0.40%
Next \$5,000,000	0.35%
Over \$10,000,000	Negotiable

#### Intermediate Fixed Income

First \$1,000,000	0.50%
Next \$2,000,000	0.45%
Next \$2,000,000	0.40%
Next \$5,000,000	0.35%
Over \$10,000,000	Negotiable

#### Municipal Bond

First \$1,000,000	0.50%
Next \$2,000,000	0.45%
Next \$2,000,000	0.40%
Next \$5,000,000	0.35%
Over \$10,000,000	Negotiable

#### Intermediate Municipal Bond

First \$1,000,000	0.50%
Next \$2,000,000	0.45%
Next \$2,000,000	0.40%
Next \$5,000,000	0.35%
Over \$10,000,000	Negotiable

#### Ultra-Short Fixed Income

First \$1,000,000	0.45%
Next \$4,000,000	0.40%
Next \$5,000,000	0.35%
Next \$10,000,000	0.30%
Over \$20,000,000	Negotiable

#### Short Duration High Yield Fixed Income

First \$1,000,000	0.50%
Next \$2,000,000	0.45%
Next \$2,000,000	0.40%
Next \$5,000,000	0.35%
Over \$10,000,000	Negotiable

#### Preferred Securities

First \$1,000,000	0.50%
Next \$2,000,000	0.45%
Next \$2,000,000	0.40%
Next \$5,000,000	0.35%
Over \$10,000,000	Negotiable

#### Investment Models

WCM offers Investment Model management services to Advisors and platforms. The platforms include Envestnet, Adhesion and SmartX. The fees generally range from 0.20% to 0.30% depending on the specific Portfolio Investment Model and the servicing required.

WCM offers corporate and municipal bond ladder strategies. These strategies are passively managed and the fees range from 0.12% to 0.25%.

#### Registered Investment Company Portfolios

WCM may serve as a sub-advisor to a mutual fund. The fees for mutual fund sub-advisory services generally range from 0.20% to 0.40% depending on the specific investment strategy, reporting and



serving requirements required.

### Investment Consulting

WCM offers investment consulting services to certain clients, with a focus in the analysis of insurance portfolios. Investment consulting services can be charged in one of two ways:

1. As a fixed fee, typically ranging from \$500 to \$35,000, depending on the amount of time, the nature and complexity of the client's circumstances.
2. On an hourly basis, ranging from \$150 to \$500 per hour, depending on the nature and complexity of the client's circumstances. If appropriate, an estimate for total hours may be determined at the start of the investment consulting relationship.

Consulting services fees are negotiated with each client. WCM may from time to time provide account management services at discounted rates for special situations which might include related accounts of significant clients, household related accounts, friends and family accounts, and employees.

### Financial Planning

Upon request, WCM may provide a client with an analysis and financial plan. This may include modeling, budgeting and projecting portfolio returns for a client's entire estate or a specific portion of their assets. WCM utilizes financial planning software to assist in the plan development and reporting. The software includes assumptions on the expected returns of financial assets over the plan horizon. WCM may at its discretion alter the assumptions based on its own expectations for investment returns. The client is responsible for providing WCM with all relevant information necessary to produce the plan. Generally, WCM charges 50 basis points for developing a financial plan for the client. Alternatively, WCM may negotiate a fixed rate for development of a financial plan. This fee may be waived at the discretion of WCM.

### **How Advisory Fees are Collected**

Generally, the fees for investment advisory services are billed and payable quarterly in advance based on the value of the assets on the last day of the previous quarter. Clients are responsible for verifying that the fee is properly calculated. WCM may deduct fees directly from client custodial accounts, or bill Advisors or clients for fees. The manner in which fees are deducted is detailed in the investment management agreement with the Advisor or client.

Generally, the fees for investment consulting services are billed and payable monthly in arrears.

### **Refund of Payment of Fees in Advance**

Investment advisory agreements may be cancelled by either party, 30 days from receipt of written notice. Upon receipt of written notice, any excess fees paid will be refunded on a pro-rata basis to the client under the terms of the Investment Management Agreement.

### **Additional Fees and Expenses**

As part of WCM's investment advisory services to you, WCM may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to WCM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You may also incur transaction charges and/or brokerage fees, mutual fund fees, exchange traded fund fees, sub-adviser and third-party manager fees, hedge fund fees, and other private placement fees, and other transactions costs when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. WCM does not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost

you will incur, you should review all the fees charged by mutual funds, exchange traded funds, WCM, and others. For information on WCM's brokerage practices, refer to the *Separately Managed Accounts & Brokerage Practices* section of this brochure.

#### **Compensation for the Sale of Securities or Other Investment Products**

WCM does not accept compensation for the sale of securities or other investment products.

### **Item 6 Performance-Based Fees and Side-By-Side Management**

WCM does not accept performance-based fees, defined as fees based on a share of capital gains or capital appreciation of the client's assets. (Note: WCM's advisory fees are based on the assets in the account; therefore, appreciation in the account value will increase WCM's advisory fees.)

To address any potential conflicts of interest associated with the allocation of trading and investment opportunities, WCM adopted an investment trade allocation policy. WCM's trade allocation policy seeks to ensure that WCM allocates investment opportunities across accounts fairly.

### **Item 7 Types of Clients**

WCM implement relative-value-based investment strategies in both equity and fixed income portfolios and serve both institutional and individual investors. WCM's clients may include pension and profit-sharing plans, corporations, insurance companies, Taft-Hartley plans, charitable organizations, foundations, endowments, trusts and high net worth individuals.

The minimum initial account size is \$500,000 for discretionary management and is flexible in some circumstances. Examples of these circumstances would include a previous client relationship, friends, family and employees all of whom may have access to discretionary management services with an account of less than \$500,000. WCM may waive the minimum account size at its discretion.

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

#### **Analysis and Investment Strategies**

WCM blends a top-down view of the economy and capital markets with a disciplined process of security selection. WCM's asset allocation is a function of WCM's world view of global economies and capital markets. WCM utilizes a risk-management process, which focuses on both qualitative and quantitative measures of risk, and expectations for investment returns for certain asset classes and securities, in building and managing WCM's asset allocation for each portfolio.

The core of WCM's investment process is the generation of investment ideas. WCM screens databases, analyze publications and company research reports produced by independent and Wall Street firms. In addition, WCM may talk with suppliers, vendors, competitors and management to identify companies that fit WCM's investment criteria. WCM uses databases to screen criteria and to identify certain securities that may meet WCM's investment criteria. In addition, WCM conducts fundamental analysis on companies in which WCM invests to understand both the inherent risks and the opportunities. WCM implements a disciplined relative-value assessment on securities considered for investment. WCM's process for portfolio construction uses a bottom-up approach overlaid with a top-down asset allocation strategy, which helps to manage portfolio risk and meet performance objectives. The investment process is ongoing and each portfolio is continually monitored and evaluated.

WCM's investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

Exchange-Listed Securities  
Securities Traded over the Counter  
Warrants  
Corporate Debt  
Hybrid Securities  
Mortgage-Backed Securities  
Asset-Backed Securities  
Commercial Mortgage-Backed Securities  
Collateralized Mortgage Obligations  
Collateralized Loan Obligations  
Commercial Paper  
Certificates of Deposit  
United States Government Securities  
Options Contracts on Securities  
Derivatives Contracts on indexes  
Exchange Traded Funds (ETFs)  
Mutual Funds  
Municipal Bonds

Because some types of investments involve certain additional risks, they may not be suitable for certain clients and will only be utilized with client's stated investment objectives, tolerance for risk, liquidity and suitability.

The specific investment strategies which WCM offers include:

Large Cap Blend (previously known as the Value Income Equity)

The Large Cap Blend strategy seeks to achieve long-term capital appreciation by identifying equity securities with significant total return potential over a 12-month and longer horizon. Security selection is based on fundamental analysis including the analysis of (i) free cash flow growth; (ii) improvement in operating margins; (iii) attractive valuation based on discounted cash flow or enterprise value; (iv) a strong competitive position; (v) a market capitalization above \$10 billion; and (vi) one or more catalysts for improvement in profitability. Portfolios generally include 45 securities and are measured against the S&P 500 Index as a benchmark.

Dividend Growth Equity

The Dividend Growth Equity strategy seeks to invest in large public companies that create shareholder returns through above average and sustainable dividend payments. The portfolio generally consists of a higher allocation to cyclically defensive companies with very stable business models. WCM's relative value discipline allows WCM to measure risk and reward for each security within a company's capital structure and invest where WCM sees the best opportunity. Portfolios generally include 40 securities and are measured against the S&P 500 Index as a benchmark.

Focused Growth Equity

The Focused Growth Equity strategy is a concentration of Winthrop Capital's top equity ideas across medium- and large-cap companies. The portfolio invests in companies with above-average revenue and earnings growth, performance momentum, and a sustainable business model for the future. WCM's relative value discipline allows WCM to measure risk and reward for each security within a company's capital structure and invest where WCM sees the best opportunity. Portfolios generally include 15 to 20 securities and are measured against the S&P 500 Index as a benchmark.

Balanced Portfolio

The Balanced Portfolio strategy seeks to achieve long-term capital appreciation by blending fixed income and equity securities to help protect downside movements of the portfolio while still allowing for some appreciation. The asset allocation of the portfolio is established and monitored through WCM's investment committee. Portfolios generally include 45 to 80 securities, and performance is measured against a Policy Benchmark.

#### Tactical Income

The Tactical Income strategy seeks to achieve a higher level of income combined with long-term capital appreciation by investing the portfolio in asset classes which might include preferred stocks, convertible stocks, high dividend yielding stocks, convertible bonds, municipal bonds, investment grade bonds as well as high yield bonds. The asset mix is based on WCM's relative value assessment of the asset class and the individual security. Security selection is based on fundamental analysis including the analysis of (i) revenue growth; (ii) improvement in operating margins; (iii) attractive valuation based on enterprise or asset value; (iv) a strong competitive position; and (v) a strong catalyst for a change in earnings expectations. Additional emphasis is given to the dividend yield of the security as well as the potential for the dividend to grow. Portfolios generally include 50-60 securities and are measured against the Merrill Lynch 3-month U.S. Treasury Bill Index as the benchmark.

#### Core Fixed Income

The Core Fixed Income strategy seeks to consistently outperform the Bloomberg Capital U.S. Aggregate Bond Index while diversifying the portfolio, managing portfolio risk level and maintaining a controlled-duration discipline. WCM employs core fixed income strategies which are focused on individual security selection based on fundamental research. The strategy invests in all major investment-grade sectors of the bond market including corporate bonds, municipal bonds, mortgage-backed securities and other structured securities, as well as U.S. government securities. In addition, this strategy may invest up to 10% of portfolio assets in non-investment grade securities. Portfolio risk is managed through individual security selection, sector allocation and overall portfolio duration strategy relative to the benchmark. Portfolios are measured against the Bloomberg Capital U.S. Aggregate Bond Index as a benchmark.

#### Intermediate Fixed Income

The Intermediate Fixed Income strategy seeks to consistently outperform the Bloomberg Capital U.S. Intermediate Government/Credit 1-5 Year Bond Index while diversifying the portfolio, managing portfolio risk level and maintaining a controlled duration discipline. WCM employs intermediate fixed income strategies which are focused on individual security selection based on fundamental research. The strategy invests in all major investment-grade sectors of the bond market including U.S. government securities, corporate bonds, municipal bonds, mortgage-backed securities and other structured securities. Portfolio risk is managed through individual security selection, sector allocation and overall portfolio duration strategy relative to the benchmark. Portfolios are measured against the Bloomberg Capital U.S. Intermediate Government/Credit 1-5 Year Bond Index as a benchmark.

#### Ultra-Short Fixed Income

The Ultra-Short Fixed Income strategy offers higher yielding alternatives to short-term investments such as traditional money market funds while seeking a comparable level of price stability. The strategy is designed to provide liquidity and principal preservation, but with more of an emphasis on seeking returns that are superior to those of traditional money market offerings. WCM invests the Ultra-Short Fixed Income portfolio in the same high-quality, short-term securities seen in traditional money market vehicles, such as CDs, Treasury bills and commercial paper. However, the balance of the Ultra-Short Fixed Income portfolio is invested in a variety of higher-yielding, investment grade longer-term securities and non-investment grade securities, including short-duration corporate, mortgage and municipal securities. Because these investments can fluctuate in value, Ultra-Short Fixed Income strategies can also fluctuate above and below 100 cents on the dollar. They are therefore regarded as slightly less liquid than money market instruments. The Ultra-Short Fixed Income strategy is not intended to replace money market

strategies. Portfolios are measured against the Bloomberg Short-Term Government Credit as a benchmark,

#### Intermediate Municipal Bond

The Intermediate Municipal Bond strategy seeks to consistently outperform the Bloomberg Capital Municipal Bond 5-Year Index while diversifying the portfolio, managing portfolio risk level and maintaining a controlled-duration discipline. WCM employs tax-exempt fixed income strategies which are focused on individual security selection based on fundamental research. The strategy invests in all major investment-grade sectors of the municipal bond market including general obligation, revenue, special-purpose bonds, and tax-increment-financing (TIF) bonds. WCM may invest in municipal bonds which have their interest and principal payments guaranteed by an insurance company. Portfolio risk is managed through individual security selection, sector allocation and overall portfolio duration strategy relative to the benchmark. Portfolios are measured against the Bloomberg Capital Municipal Bond 5-Year Index as a benchmark.

#### Municipal Bond

The Municipal Bond strategy seeks to consistently outperform the Bloomberg Capital Municipal Bond Index while diversifying the portfolio, managing portfolio risk level and maintaining a controlled duration discipline. WCM employ tax-exempt fixed income strategies which are focused on individual security selection based on fundamental research. The strategy invests in all major investment grade sectors of the municipal bond market including general obligation, revenue, special purpose bonds, and tax increment financing bonds. WCM may invest in municipal bonds which have their interest and principal payments guaranteed by an insurance company. Portfolio risk is managed through individual security selection, sector allocation and overall portfolio duration strategy relative to the benchmark. Portfolios are measured against the Bloomberg Capital Municipal Bond Index as a benchmark.

#### Short Duration High Yield

The Short Duration High Yield Fixed Income strategy seeks to consistently outperform the Bloomberg Capital U.S. High Yield 1-5 Year Cash Pay Index by focusing on investing in high yield securities with maturity dates or call dates shorter than five years. WCM employs Short Duration High Yield Fixed Income strategies which are focused on individual security selection based on fundamental research. WCM invests primarily in high yield corporate bonds, but may also invest in investment-grade corporate bonds and municipal bonds. Portfolios are measured against the Bloomberg Capital U.S. High Yield 1-5 Year Cash Pay Index as a benchmark.

#### Preferred Securities

The Preferred Securities strategy seeks to consistently outperform the S&P U.S. Preferred Stock Index by focusing on investing in hybrid securities which includes preferred stocks, junior subordinate debentures, as well as convertible bonds and convertible preferred stocks. WCM is focused on individual securities based on fundamental research. In addition, WCM analyzes the structure of the security when determining its relative value. WCM invests in hybrid securities that are rated investment grade as well as high yield. Portfolios are measured against the S&P U.S. Preferred Stock Index as a benchmark.

#### Wealth Management

The wealth management strategy seeks to achieve asset protection, capital appreciation, portfolio diversification and reduced portfolio volatility over the long term. Each portfolio is constructed to meet the risk tolerances and investment objectives of the client. Portfolios are measured against a selected index which matches the investment objective and risk tolerances.

WCM may recommend for investment, for certain qualified buyers, investments in private placements

including: partnership interests in certain hedge funds, real estate investment partnerships, private equity partnerships and certain private investments. WCM charges the same asset management fee for investments in private placements as for a client's other portfolio assets.

#### Mutual Funds, Hedge Funds, Third Party Advisers, and Sub-Advisers

WCM may recommend mutual funds, hedge funds, third party advisers, and use sub-advisers to achieve investment goals for certain qualified clients. The strategy and composition of such funds must fit the objective and need of the portfolio. Due diligence may include analysis of performance, risk and volatility metrics, qualifications and experience of managers, and risk controls the firm and/or fund level. For hedge funds, third party advisers, and sub-advisers, additional due diligence will be performed including a review of the manager's disciplinary and regulatory history as well as internal and operational controls.

#### ESG Model Strategies

Responsible Investing/ESG Strategies: For certain accounts when agreed to by a client, WCM may provide investment advisory services with respect to customized investment strategies that include environmental, social and governance (ESG), "green" or other responsible investing criteria or principals.

#### **Risks Involved with Investment Strategies**

It is possible to lose money in your portfolio. Some of the risks which could adversely affect your value, depending on your investment strategy are:

Below-investment-grade securities risk: Below-investment-grade securities involve greater risk of default or downgrade and are more volatile than investment-grade securities. Below-investment-grade securities may also be less liquid than higher-quality securities.

Common stock risk: Investment in common stocks and other equity securities are subject to the risk of changing economic, stock market, industry and company conditions and the risks inherent in WCM's ability to anticipate changes that can adversely affect the value of the holdings.

Convertible securities risk: Convertible securities tend to be subordinate to other debt or equity securities. In part, the total return for a convertible security depends upon the performance of the underlying stock into which it can be converted. Issuers of convertible securities are often not as strong financially as those issuing securities with higher credit ratings, are more likely to encounter financial difficulties and typically are more vulnerable to changes in the economy, such as a recession or a sustained period of rising interest rates, which could affect their ability to make interest and principal payments. If the issuer stops making interest and/or principal payments the entire investment could be lost.

Credit risk: Debt securities are subject to the risk that an issuer will fail to make timely payments of interest or principal, or go bankrupt, or that the value of the securities will decline because of a market perception that the owner may not make payment on time. The lower the rating of a debt security, the higher its credit risk.

Counterparty Risk: By its nature, investing in securities involves exposure to the risk that the counterparty to a transaction will fail to perform its obligations under the transaction. This risk arises in the context of ordinary securities purchases and sales, where a counterparty may be unable to satisfy its obligation to deliver cash or securities necessary to settle the transaction, and is especially pronounced in derivative or other transactions that may not close or settle for an extended period of time and for which there may be no central clearinghouse or other facility that requires daily mark-to-market valuations, margin payments or other protections that are designed to reduce the financial impact of counterparty failure.

In an effort to mitigate counterparty risk WCM has adopted policies and procedures governing the evaluation and monitoring of counterparties and the manner in which it enters into transactions with such counterparties. While it is WCM's general policy to mitigate counterparty risk by trading with a range of approved counterparties, at times WCM will concentrate its trading in certain types of securities with a small number of counterparties or clearing firms because of the limited liquidity in the type of derivative or it believes the risk of doing so is reasonable in relation to the benefits of such concentration.

Derivatives risk: Investment in derivatives causes more exposure to volatility and potential loss. Losses on investments in certain types of derivatives may exceed the initial investment.

Floating rate loan risk: The risks associated with a floating rate loan involve the value of the collateral securing the loan may decline, causing a loan to be substantially unsecured. The sale and purchase of a bank loan are subject to the requirements of the underlying credit agreement governing such bank loan. These requirements may place conditions or restrictions on sales and purchases of bank loans.

Bank loans are not traded on an exchange, and purchases and sellers of bank loans rely on market makers, usually the administrative agent for a particular bank loan, to trade bank loans. These factors, in addition to overall market volatility, may negatively impact the liquidity of loans. Difficulty selling a floating-rate loan may result in a loss.

Borrowers may pay back principal before the scheduled due date when interest rates decline, which may require the replacement of the loan with a lower-yielding security. There may be less extensive public information available with respect to loans than for rated, registered or exchange-listed securities.

ESG Investing Risk: Strategies that select securities based on responsible investing "green" or environmental, social, and governance (ESG) or similar criteria, may forgo certain market opportunities available to strategies or products that do not use these criteria.

Foreign securities risk: Foreign securities involve special risks such as currency fluctuations, economic or financial stability, lack of timely or reliable financial information and unfavorable political or legal developments and delays in enforcement of rights. These risks increase in emerging markets.

Interest Rate Risk: Debt securities will generally lose value if interest rates increase. U.S. Government securities can exhibit price movements resulting from changes in interest rates. Interest rate risk is generally higher for investments with longer maturities or durations. Treasury-inflation-protected securities ("TIPS") can also exhibit price movement as a result of changing inflation expectations and seasonal inflation patterns.

Liquidity risk: A particular investment may be difficult to purchase or sell. The inability to sell an illiquid security at an advantageous time or price may pose a risk.

Loss of money risk: An investment may lose money.

Market changes risk: Investments may change because of broad changes in markets.

Management risk: Investment management applies investment techniques and risk analyses in making investment decisions for your portfolios, but there can be no guarantee that these decisions will produce desired results.

Pandemic Risk: Pandemic risk is the risk that the fear of the spread of illness combined with geo-political events to attempt to control the spread may increase the short-term market volatility and liquidity of the

capital markets. In addition, pandemic risk may have adverse long-term effects of the U.S. and world economies. Pandemics may adversely affect individual companies, sectors, industries, markets, currencies, interest rates, inflation, credit ratings, investor sentiment, as well as other factors. The impact of a pandemic is difficult to predict and may have a material adverse impact on a client's portfolio and the performance.

Prepayment and call risk: When mortgages and other obligations are prepaid and when securities are called, it may require reinvestment in securities at a lower yield or fail to recover additional amounts paid for securities with higher interest rates, resulting in unexpected capital loss.

Regulatory risk: Changes in government regulation may adversely affect the value of an investment.

Mutual Funds, Hedge Funds, Third-Party Advisors, and Sub-Advisors: WCM may recommend mutual funds, hedge funds, third-party advisors, and use sub-advisors to achieve investment goals for certain qualified clients. The strategy and composition of such funds must fit the objective and need of the portfolio. Due diligence may include analysis of performance, risk and volatility metrics, qualifications and experience of managers, and risk controls the firm and/or fund level. For hedge funds, third-party advisors, and sub-advisors, additional due diligence will be performed including a review of the manager's disciplinary and regulatory history as well as internal and operational controls.

Structured Products Risk: Investments in structured finance arrangements, including CMOs, CDOs, CBOs and CLOs, involve the risks associated with the underlying pool of securities or other assets, and also may involve risks different or greater than the risks affecting the underlying assets. In particular, these investments may be less liquid than other debt obligations, making it difficult for an account to value its investment or sell the investment in a timely manner or at an acceptable price.

Valuation risk: The financial risk that an asset is overvalued and is worth less than expected when it matures or is sold. Factors contributing to valuation risk can include incomplete data, market instability, financial modeling uncertainties and poor data analysis by the individuals responsible for determining the value of the asset. Overvalued assets can create losses for the client.

**Clients participating in sub-advisory arrangements are urged to review Form ADV Risk of Loss disclosures prepared by WCM's sub-advisors before investing.**

## **Item 9 Disciplinary Information**

WCM is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of WCM's advisory business or the integrity of WCM's management. WCM does not have any required disclosures under this item.

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

### **Arrangements with Affiliated Entities**

WCM is affiliated through common ownership with Chatham Capital Partners, LLC which serves as the general manager to Chatham Venture Partners, LLC (the "Fund"), a private pooled-investment vehicle in which you may be solicited to invest. The Fund is offered to "accredited investors" as defined in Rule 501 under the Securities Act of 1933, as amended. Investors to whom the Fund is offered will receive a private placement memorandum and other offering documents. The fees charged by the Fund are separate and apart from WCM's advisory fees. You should refer to the offering documents for a complete description of the Fund's fees, investment objectives, risks and other relevant information associated with investing in the Fund. Persons affiliated with WCM may have made an investment in the Funds and may have an incentive to recommend the Fund over other investments.



To the extent that WCM has active referral agreements for business development, these referral arrangements WCM has with affiliated entities present a conflict of interest because WCM may have a financial incentive to recommend WCM's affiliates' services. While WCM believes that compensation charged by WCM's affiliates are competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use WCM's affiliates' services and may obtain comparable services and/or lower fees through other firms.

Please see the Fees and Compensation section in this brochure for more information on the compensation received by investment adviser representatives who are affiliated with WCM.

As noted in Section 4, WCM has entered into sub-advisory relationships with 1505 Capital, ACORE Capital, and Indie Asset Management to invest in and manage, certain asset classes including commercial mortgage loans, private credit, and structured securities.

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

### **Code of Ethics**

WCM has adopted a Code of Ethics (the "Code of Ethics") for all WCM officers and employees which sets forth WCM's standards of conduct and requires compliance with federal securities laws. The Code of Ethics is based on the principle that the officers and employees owe a fiduciary duty to WCM's clients and as fiduciary, WCM owes WCM clients a duty of honesty, good faith and fair dealing. In addition, WCM employees who are in a position to exploit information about client securities transactions or holdings must conduct their personal securities transactions in a manner that does not violate the federal securities laws, interfere with client portfolio transactions or otherwise take unfair advantage of their relationship to the clients.

WCM's employees have an ethical and legal obligation to avoid any conflicts of interest situations and to report potential conflicts and seek clarification when warranted. Among other things, the Code of Ethics prohibits the acceptance of gifts, services, trips, entertainment and other items of value and participation in personal or unrelated business transactions that create a conflict of interest with WCM or WCM's clients.

WCM must not only adopt the WCM Code of Ethics, but also must implement and enforce its provisions effectively. WCM has adopted numerous compliance procedures to monitor compliance with the Code of Ethics. These procedures include pre-clearance of personal transactions; reporting certain personal securities transactions; and requiring all Associated Persons within the firm to identify certain securities accounts along with a listing of certain securities they own at the time they join WCM and annually afterward. It is the expressed policy of WCM that no Associated Person employed by WCM may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts. Annually, all employees must acknowledge and accept the Code of Ethics.

WCM's Code of Ethics is designed to assure that the personal securities transactions, activities and interests of WCM employees will not interfere with: 1) making decisions in the best interests of WCM's clients and 2) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Upon discovering a violation of the Code of Ethics, WCM may impose such sanctions as it deems appropriate, including, among other things, a letter of censure, disgorgement of profits obtained in connection with the violation, the imposition of fines, restrictions on future personal trading, suspension, termination of employment, or criminal referral of the violator.

A copy of the Code of Ethics will be mailed, either electronically or through the postal service, to any client at any time upon request. Current and prospective clients may request a copy of WCM's Code of Ethics by contacting WCM at (317) 663-7500.

### **Participation or Interest in Client Transactions**

WCM is affiliated through common ownership with Chatham Capital Partners, LLC which serves as the general manager to Chatham Venture Partners, LLC (the "Fund"), and an unregistered investment company organized as a limited liability company, a private pooled investment vehicle in which you may be solicited to invest. Persons associated with WCM may have significant investments in the Fund. If you are an investor in the Fund, please refer to the Fund's offering documents for detailed disclosures regarding the Fund. Additionally, individuals associated with WCM may buy or sell - for their personal account(s) - investment products identical to those purchased by the Fund. This practice may create a conflict of interest because WCM has the ability to trade ahead of the Fund and potentially receive more favorable prices than the Fund will receive. To mitigate this conflict of interest, it is WCM's policy that neither WCM nor persons associated with WCM shall have priority over the Fund in the purchase or sale of securities.

### **Conflicts of Interest**

WCM is subject to certain conflicts of interest in the management of its business. These conflicts will arise primarily from the involvement of WCM in other outside business activities that may conflict with WCM's business. WCM engages in a broad spectrum of activities.

In the ordinary course of business activities, WCM may engage in activities where their interests or the interests of their clients may conflict with WCM's interests. For example, this may include receiving research from broker-dealers or custodians which may provide an incentive to recommend their services to clients, and sponsoring conferences which may provide an incentive to clients attending the conference to utilize WCM's investment services.

To mitigate potential conflicts, WCM monitors all employees' activities when serving as an Investment Adviser to clients, which may include reviewing a sample of correspondence and monitoring client account holdings and transactions. Winthrop also attempts to mitigate conflicts of interest by requiring all employees to acknowledge the firm's Code of Ethics, their individual fiduciary duty to the clients of the Firm, which requires that employees put the interests of clients ahead of their own. To address any conflict of interest, WCM has implemented specific policies and procedures as described herein to ensure any transaction is in the client's best interest.

### **Personal Trading**

WCM does permit personal ownership by WCM officers and employees of the same securities owned by and recommended to WCM clients. This may occur when investment objectives are similar, and when clients complete transactions in securities already owned by WCM officers/employees, or WCM officers/employees complete transactions in securities already owned by clients. Officers/employees may not benefit, either directly or indirectly, from transactions placed on behalf of advisory accounts. Officers and employees are required to disclose to the Compliance Officer the names of all broker/dealer firms with whom personal accounts are maintained, and to arrange for each broker/dealer firm to send duplicate statements to the Compliance Officer. The client's interest will supersede the interest of any officer or employee, and every reasonable attempt will be made to avoid conflicts of interest.

## **Item 12 Separately Managed Accounts & Brokerage Practices**

### **Separately Managed Accounts**

WCM manages Separately Managed Accounts (SMAs) which are portfolios of actively managed, individual securities. A SMA holds your assets with a specific custodian. As a result, you may closely

monitor the portfolio's progress and evaluate their individual securities and asset allocation. Each SMA has an Investment Policy Statement which allows WCM to customize the portfolio and choose to invest in or avoid investing in certain securities or economic sectors, tailoring the portfolio to your distinct requirements and requests.

As a result of individual security ownership, SMAs may offer some flexibility through tax gain/loss management potentially reducing the tax impact of the portfolio in a given year. Furthermore, for financial planning purposes, individual portfolio positions may be gifted from a separately managed account. WCM is not a tax advisor. Clients should consult their professional advisors before making any tax or investment decisions.

WCM's primary custodians for SMAs are Charles Schwab & Co. (Schwab), TD Ameritrade (TDA), Stifel Nicolaus, and Fidelity Brokerage Services LLC (Fidelity).

### **Recommending Broker-Dealers**

WCM is retained to manage clients' accounts on a discretionary basis, and in such capacity, WCM is authorized to direct execution of portfolio transactions without specific consultation with the client on each trade. Clients may direct that WCM use particular broker-dealers to execute portfolio transactions. Clients who designate use of a particular broker-dealer should understand that (a) WCM will generally not attempt to negotiate commissions with designated broker-dealers; and (b) clients may pay higher commissions than they might have paid if they had not made such a designation. If a client does not designate a broker-dealer, WCM will select a broker/dealer to execute portfolio transactions. WCM's primary broker-dealers are Charles Schwab & Co. (Schwab), TD Ameritrade, and Fidelity Brokerage Services LLC (Fidelity).

### **The Primary Custodian and Brokers WCM Uses**

WCM does not maintain custody of your assets. However, under SEC rules, WCM may be deemed to have custody of your assets if you give WCM authority to withdraw assets from your account (see Item 15 Custody below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. WCM interface with a number of different custodians including Schwab, TD Ameritrade and Fidelity, registered broker-dealers, member SPIC, as qualified custodians. WCM is independently owned and operated and is not affiliated with custodians. Schwab, TD Ameritrade, Fidelity or a custodian designated by you will hold your assets in a brokerage account and buy and sell securities when WCM instructs them to do so. You will open your account by entering into an account agreement directly with the custodian/broker. WCM does not open the account for you, although WCM may assist you in doing so. Even though your account will be maintained at a custodian/broker, WCM can still use other brokers to execute trades for your account as described below (see Your Brokerage and Custody Costs).

### **How WCM Selects Brokers/Custodians**

WCM seeks to use a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. WCM considers a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services generally without a separate fee for custody
- Capability to execute, clear and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds)

- (ETFs), etc.)
- Availability of investment research and tools that assist WCM in making investment decisions
- Quality of service
- Competitiveness of price of those securities (commission rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength and stability
- Prior service to WCM and WCM's clients
- Availability of other products and services that benefits WCM (see "Products and Services Available to WCM From WCM's Primary Custodians/Brokers")

### Your Brokerage and Custody Costs

For WCM clients' accounts that Schwab, TD Ameritrade, or Fidelity maintains, they generally do not charge you separately for custody services but are compensated by charging you commissions or other fees on trades that it executes or that settle into your account. In addition to commissions, the custodian may charge you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that WCM has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer.

### Products and Services Available to WCM From WCM's Primary Custodians/Brokers

WCM's primary custody/broker relationships are through Schwab, TD Ameritrade, and Fidelity. They provide WCM and WCM's clients with access to its institutional brokerage, trading, custody, reporting and related services, many of which are not typically available to retail customers. Schwab, TD Ameritrade, and Fidelity also make available various support services. Some of those services help WCM manage or administer WCM's client's accounts; while others help WCM manage and grow WCM's business. The support services generally are available on an unsolicited basis and may be at no charge to us. The following is a more detailed description of support services:

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

*Services that May Not Directly Benefit You.* Schwab, TD Ameritrade and Fidelity also make available to WCM other products and services that benefit WCM but may not directly benefit you or your account. These products and services assist WCM in managing and administering WCM's clients' accounts. They include investment research, from Schwab, TD Ameritrade and Fidelity, as well as that of third parties. WCM may use this research to service all or a substantial number of WCM's clients' accounts, including accounts not maintained at Schwab, TD Ameritrade or Fidelity. In addition to investment research, Schwab and Fidelity 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 accounts
- Provide pricing and other market data
- Facilitate payment of WCM's fees from WCM's clients' accounts
- Assist with back-office functions, recordkeeping and client reporting

*Services that Generally Benefit Only Us.* Schwab, TD Ameritrade and Fidelity also offer other services intended to help WCM manage and further develop WCM's business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal and other needs
- Publications and conferences on practice management and business succession
- Access to employee benefit providers, human capital consultants and insurance providers

Schwab, TD Ameritrade or Fidelity may provide some of these services. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab, TD Ameritrade and Fidelity may also discount or waive its fees for some of these services or pay all or a part of a third-party's fees.

#### WCM's Interest in Schwab, TD Ameritrade and Fidelity Services

The availability of these services from Schwab, TD Ameritrade and Fidelity benefits WCM because WCM does not have to produce or purchase them. WCM's interest in receiving Schwab and Fidelity services that benefit WCM's business rather than based upon your interest in receiving the best value in custody services and the most favorable execution of your transactions may give WCM an incentive to maintain your account at Schwab, TD Ameritrade or Fidelity. This is a potential conflict of interest for WCM's clients. WCM believes, however, that WCM's selection of Schwab, TD Ameritrade or Fidelity as custodian and broker is in the best interest of WCM's clients. WCM's selection is primarily supported by the scope, quality and price of services (see How WCM Selects Broker/Custodians) and not the services that benefit only WCM.

WCM has no soft dollar arrangements.

WCM has no incentive to select or recommend a broker-dealer based on WCM's interest in receiving client referrals.

WCM has no directed brokerage.

#### **Aggregate Orders for Securities**

Since WCM is managing accounts with similar investment objectives, WCM may aggregate orders for securities for such accounts. The number of accounts included in a specific order is determined by a balance between an account's specific investment objective and the volume of eligible securities available from dealers, as well as the transaction costs that would be incurred by each account. WCM determines on an individual basis that the securities order is in the best interest of the client and consistent with the client's investment objectives. The terms negotiated for the aggregated transaction apply equally to each participating client. If there is more demand than available for a particular security transaction, the security is allocated in a fair manner using best efforts, taking into consideration cash availability in the relevant accounts.

#### **Trade Rotation Policy**

WCM has adopted a Trade Rotation Policy to address any potential conflicts which might arise in allocating trades fairly across its clients. It is WCM's policy to allocate trades fairly across all portfolios WCM manages. WCM considers the investment objective and risk tolerance of the client, the amount of cash in the account, and the existing structure of the account when WCM allocates trades.

#### **Cross-Trading Policy**

WCM has adopted a Cross-Trading Policy to address any potential conflicts which might arise from effecting trades between client accounts. It is WCM's firm policy that WCM will not affect any principal or

agency cross securities transaction for client accounts. Principal transactions are transactions where an advisor, acting as principal for its own account or the account of an affiliated broker dealer, buys from or sells any security to another advisory client. An agency cross transaction for an advisory client occurs when an advisor acts as a broker for a transaction in which one of the advisor's clients is on one side of the transaction and another person is on the other side of the transaction.

WCM may cross trade between non-ERISA client accounts under certain circumstances that benefit both clients and minimizes transaction costs. Cross trades may be executed if the following conditions are met:

- Prior to executing the trade, it is determined that no client will be disfavored by the cross trade;
- WCM does not receive any compensation on the transactions other than WCM's advisory fee;
- The trade is executed at an independent broker at a price determined by the independent broker where the broker determines a midpoint based on the bids-offers in the context of the market and then assesses a markup for both the buyer and the seller to cover trading and administrative expenses;
- Market quotations are readily available, or in the case of thinly-traded securities (such as municipal bonds), multiple bids and/or offers are provided.

WCM does not permit cross trading into or out of ERISA accounts unless certain conditions are met as stated under ERISA section 408(b)(19) that allow for an exemption.

WCM does not buy or sell for client accounts, securities in which WCM or a related person has a material financial interest.

## **Item 13 Review of Accounts**

### **Individually Managed Advisory Accounts**

The Chief Investment Officer is responsible for oversight of all investment activities, including portfolio management and trading. Portfolio Managers report to the Chief Investment Officer. Portfolio Managers are responsible for ongoing portfolio monitoring and compliance with investment guidelines with support from software that conducts daily testing. Portfolio holdings are reviewed on a regular basis through the Investment Committee. All portfolio reviews are based on the investment objectives and constraints set forth in each client's investment policy statement. In general, portfolio reviews are scheduled at least annually or on an as-needed basis with each client. Portfolio reviews may also be triggered by market conditions, the request of the client, a change in the client's investment objectives, or a rebalancing due to a change in the asset allocation. The assigned portfolio manager performs all client portfolio reviews.

The custodian will provide you with a report that may include relevant account and/or market-related information such as an inventory of account holdings and account performance on a quarterly basis. You will also receive confirmations of each transaction executed for the account and brokerage statement no less frequently than quarterly directly from the custodian. WCM may also generate interim reports at the request of the client.

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

### **Economic Benefits**

For Schwab, TD Ameritrade, and Fidelity custody accounts, WCM receives an economic benefit in the form of support products and services it makes available to WCM and other independent investment advisors. These products and services, how they benefit WCM, and the related conflicts of interest are described above (see Item 12 – Separately Managed Accounts and Brokerage Practices). The availability to WCM of these products and services is not based on WCM giving particular investment

advice, such as buying particular securities for WCM's clients.

### **Compensation for Client Referrals**

WCM may pay, to qualified professionals who refer clients to WCM, a solicitation or referral fee between 10% and 40% of the annual fee paid to WCM for varying lengths of time. The fee must be disclosed in writing to the client and acknowledged by the client via signature of a disclosure document. The cost of any referral fee is borne by WCM and shall not increase the amount paid by the client for WCM's investment management services.

## **Item 15 Custody**

Under government regulation, WCM is deemed to have custody of your assets if, for example, you authorize WCM to instruct the custodian (i.e., Schwab or Fidelity) to deduct WCM's advisory fees directly from your account or if you give WCM authority to move your money to another person's account. However, the custodian maintains actual custody of your assets. You will receive account statements directly from the custodian at least quarterly. They will be sent by email or to the postal mailing address provided. You should carefully review those statements promptly when received. When applicable, to ensure all account transactions are proper, WCM recommends you compare statements you receive from WCM with the statement you receive directly from your custodian. WCM statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact WCM directly at the telephone number on the cover page of this brochure.

WCM are affiliated through common ownership with Chatham Capital Partners, LLC, who serves as the general manager to Chatham Venture Partners, LLC (the "Fund"), a pooled investment vehicle organized as a limited liability company, in which you may be solicited to invest. To that end Chatham Capital Partners, LLC will have access to the Chatham Venture Partners, LLC's funds and securities, and therefore have custody over such funds and securities. If you are a Fund investor and have questions, please contact WCM directly at the telephone number on the cover page of this brochure.

Certain clients of WCM have granted WCM standing letters of authorization (SLOA) for third party wire transfers for which WCM provides investment advisory services. This gives WCM the capacity to transfer funds through a money-link or wire transfer to an account of a bank, broker-dealer, or other independent, qualified custodian account of the client at their direction.

## **Item 16 Investment Discretion**

WCM offers both discretionary and non-discretionary services. Unless otherwise instructed by the Client, WCM has full discretion to direct the investments of the portfolios that it manages, including decisions as to whether, when and how to buy, sell, exchange, invest, reinvest, or retain assets for the portfolio without specific consultation with the client on each trade. This discretion allows WCM the authority over the selection and amount of securities to be bought and sold into the clients account without obtaining prior consent. However, these purchases and sales may be subject to specific investment objectives, guidelines, or limitations previously set forth by the client. The granting of such authority will be evidenced by the client's execution of an investment advisory agreement and/or investment policy statement containing all applicable limitations to such authority. For those accounts which are non-discretionary, WCM obtains client approval for each transaction. Non-discretionary accounts may therefore not receive the same opportunities as discretionary accounts to participate in transactions, or if provided opportunities, a non-discretionary account may not provide approval in time to participate in all opportunities. This could result in different performance for non-discretionary clients. For non-discretionary services, a possible disadvantage includes missed investment opportunities, which are of



a time sensitive nature, due to delays in securing client approval.

## **Item 17 Voting Client Securities**

### **Voting Policy and Procedures**

In certain circumstances, and in accordance with the client's specific advisory agreement, WCM shall vote proxies related to securities held by any client in a manner that is in the best interest of the client. WCM shall consider only those factors that relate to the client's investment(s) or that are established by the client's written instructions. Such factors will include how its vote will economically impact and affect the value of the client's investment (keeping in mind that, after conducting an appropriate cost-benefit analysis, not voting at all on a presented proposal may be in the best interest of the client).

Proxy votes generally will be cast in favor of proposals that:

1. maintain or strengthen the shared interests of shareholders and management
2. increase shareholder value
3. maintain or increase shareholder influence over the issuer's board of directors and management
4. maintain or increase the rights of shareholders

Proxy votes generally will be cast against proposals having the opposite effect. In voting on each and every issue, WCM and WCM employees shall vote in a prudent and timely fashion and only after a careful evaluation of the issue(s) presented on the ballot. In exercising its voting discretion, WCM and its employees shall avoid any direct or indirect conflict of interest raised by such voting decision. WCM will provide adequate disclosure to the client if any substantive aspect or foreseeable result of the subject matter to be vote upon raises an actual or potential conflict of interest to WCM. Consistent with SEC Rule 206(4)-6, WCM will keep certain records required by applicable law in connection with its proxy voting activities for clients and shall provide proxy-voting information to clients upon their written or oral request. A copy of WCM's proxy-voting policies and procedures are available to clients upon request.

### **Proxy Delivery**

If WCM does not have authority to vote client securities, the client and/or WCM will receive the proxies or other solicitations directly from the custodian or a transfer agent.

However, in the event WCM was to receive any written or electronic proxy materials, WCM would forward them directly to you by mail, unless you have authorized WCM to contact you by electronic mail, in which case, WCM would forward any electronic solicitation to vote proxies. Clients may contact WCM with any questions regarding a particular solicitation.

## **Item 18 Financial Information**

As an advisory firm WCM is required to disclose any financial condition that is reasonably likely to impair WCM's ability to meet WCM's contractual obligations. WCM does not have any financial condition or impairment that would prevent WCM from meeting WCM's contractual commitments to you.

WCM is not required to provide financial information to our clients because it does not:

- require or solicit the prepayment of more than \$1,200 in fees, six or more months in advance, or
- take custody of client funds or securities (except as described herein), or



- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

WCM has not been the subject of a bankruptcy petition.

## **Item 19 Requirements for State-Registered Advisers**

Winthrop Capital Management, LLC is an SEC-Registered Adviser under the Investment Advisors Act of 1940; hence this requirement is not applicable.

## **Item 20 Additional Information**

### **Your Privacy**

WCM views protecting your private information as a top priority. Pursuant to applicable privacy requirements, WCM has instituted policies and procedures to ensure that WCM keeps your personal information private and secure.

WCM does not disclose any non-public personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, WCM may share some information with WCM's service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

WCM restricts internal access to non-public personal information about you to employees, who need that information in order to provide products or services to you. WCM maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure WCM's data integrity and confidentiality. WCM will not sell information about you or your accounts to anyone. WCM do not share your information unless it is required to process a transaction, at your request, or required by law.

WCM contracts with an outside firm that specializes in information technology (IT) and helps to maintain and protect your information on WCM's computer servers.

You will receive a copy of WCM's privacy notice prior to or at the time you sign an advisory agreement with WCM. Thereafter, WCM will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact WCM's main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

### **Trade Errors**

WCM may make an error in submitting a trade order on your behalf. When this occurs, WCM may place a correcting trade with the broker-dealer which has custody of your account, cancel the trade, adjust an allocation, and/or reimburse the account. If an investment gain results from the correcting trade, the gain will remain in your account unless the same error involved other client account(s) that should have received the gain, it is not permissible for you to retain the gain, or WCM confers with you and you decide to forego the gain (i.e., due to tax reasons).

If the gain does not remain in your account and Charles Schwab & Co. Inc. is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, WCM will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted. If the gain does not remain in your account and Fidelity Investments Inc. ("Fidelity") is the custodian, all trade-error requests are processed through WCM's trade error account. Any gains and losses posted to this error account are netted at the

end of each quarter. Net gains are sent to a charity of WCM's choice and WCM will pay for any net losses.

**Class Action Lawsuits**

WCM does not determine if securities held by you are the subject of a class action lawsuit. Moreover, WCM does not determine whether you are eligible to participate in class action settlements or litigation, nor does WCM initiate or participate in litigation to recover damages on your behalf.