

# MAIN LINE GROUP

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## WEALTH MANAGEMENT, LLC

ADV Part II - Brochure  
Main Line Group Wealth Management, LLC  
Park City , Utah  
Conshohocken, PA  
[www.mlgwm.com](http://www.mlgwm.com)

610.828.8288  
March 15, 2024

*This Brochure provides information about the qualifications and business practices of Main Line Group Wealth Management, LLC. If you have any questions about the contents of this Brochure, please contact us at 610.828.8288 and/or [info@mlgwm.com](mailto:info@mlgwm.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.*

*Main Line Group Wealth Management, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information on which you may base your determination to hire or retain an Adviser.*

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

## Item 2 – Material Changes

Item 5 and Item 10 were updated to remove references to American Equity Investment Corp and licensed insurance agents. Currently MLGWM and their representatives no longer have a relationship with American Equities Investment Corp and are no longer licensed as insurance agents.

Main Line Group Wealth Management, LLC’s Chief Compliance Officer, Douglas Kobak, remains available to address any questions that a client or prospective client may have regarding this ADV Part 2A, Firm Brochure.

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## Item 4 – Advisory Business

- A. Main Line Group Wealth Management, LLC ("MLGWM") is a limited liability company formed on July 26, 2009, in the State of Pennsylvania. MLGWM is registered with the Commonwealth of Pennsylvania and the State of New Jersey. Douglas Kobak, CFP® ("Mr. Kobak") is the managing member.

MLGWM works with each of its clients to define financial and investment goals and plan, develop, and design a specific investment program and strategy customized for each client. MLGWM will supervise and direct, or make recommendations with respect to, the investment of the account(s) in accordance with the investment objectives of the client. Investments may be made in, but are not limited to, stocks, bonds, preferred stocks, structured products, mutual funds, ETF's, private equity investments, hedge funds, CD's and money market funds. The firm may use or recommend sub-account and/or third-party managers.

MLGWM also provides investment management services on a discretionary basis to private investment funds(s). The private investment fund clients include:

<u>Private Fund ("Funds")</u>	<u>General Partner ("General Partners")</u>
MLG Venture Partners LP - RS	MLG Venture Partners LLC – RS (Delaware LLC)
MLG Venture Partners LP – F3	MLG Venture Partners LLC – F3 (Delaware LLC)

MLGWM, an affiliate of the General Partners, is the investment manager to the Funds and is responsible for the management of the Funds pursuant to an investment management agreement. Mr. Kobak is the managing member of MLG Venture Partners LLC – RS and greater than 50% owner of MLG Venture Partners LLC – F3.

- B. As discussed below, MLGWM offers to its clients (individuals, pension and profit-sharing plans, business entities, trusts, estates and charitable organizations, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning, tax planning and related consulting services.

## **WEALTH MANAGEMENT SERVICES**

A client can determine to engage MLGWM to provide discretionary investment advisory services on a fee-only basis. Before engaging MLGWM to provide wealth management services, clients are required to enter into an Investment Advisory Agreement with MLGWM setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client. MLGWM's annual investment advisory fee is based upon a percentage (%) of the market value of client assets placed under MLGWM's management.

MLGWM's annual investment advisory fee shall include investment advisory services, and, to the extent specifically requested by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of MLGWM), MLGWM may determine to charge for such additional services,

the dollar amount of which shall be set forth in a separate written notice to the client, or according to the terms and conditions of a stand-alone Financial Planning and Consulting Agreement as described below.

MLGWM offers wealth management services tailored to the needs of each client. Before providing wealth management services, an investment adviser representative will ascertain each client's investment objectives. Then, MLGWM will allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. Once allocated, MLGWM provides ongoing monitoring and review of account performance and asset allocation as compared to client investment objectives and may periodically rebalance and execute transactions for the account based upon such reviews.

#### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

MLGWM provides financial planning and/or consulting services on a stand-alone separate fee basis. MLGWM's financial planning advice includes, among other things, oral advice, written analyses and reports, and computer generated analyses and reports on the types of investments which are compatible with the client's personal investment constraints and objectives, and personal and family circumstances and obligations; on specific investments and investment products, including financial assets and real assets; on income taxes and tax planning; on personal and business insurance; on qualified benefit plans and non-qualified benefit plans; on estate taxes and estate planning; on personal and business cash flow management and budgeting; the acquisition and disposition of business interests; and on other personal and business financial planning and tax issues.

Before engaging MLGWM to provide planning or consulting services, clients are required to enter into a Financial Planning and Consulting Agreement with MLGWM setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to MLGWM commencing services. If requested by the client, MLGWM may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from MLGWM.

If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional[s] (i.e., attorney, accountant, insurance agent, etc.), and not MLGWM, shall be responsible for the quality and competency of the services provided.

It remains the client's responsibility to promptly notify MLGWM if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising MLGWM's previous recommendations and/or services.

#### **FINANCIAL PLANNING FOR CORPORATE EXECUTIVES**

Financial planning is also offered as “packaged” consulting service for corporate executives. Under this arrangement, a fixed fee for specific consulting projections within specific time parameters is established. MLGWM’s financial planning and consulting fees are negotiable.

## **COMPREHENSIVE REPORTING**

MLGWM may also provide comprehensive reporting services which can incorporate all of the client’s investment assets, including those investment assets that are not part of the assets managed by MLGWM (the “Excluded Assets”). Should the client receive such reporting services, the client acknowledges and understands that with respect to the Excluded Assets, MLGWM’s service is limited to reporting services only and does not include investment management, review, or monitoring services, nor investment recommendations or advice. As such, the client, and not MLGWM, shall be exclusively responsible for the investment performance of the Excluded Assets. In the event the client desires that MLGWM provide investment management services with respect to the Excluded Assets, the client may engage MLGWM to do so for a separate and additional fee pursuant to the terms and conditions of an Investment Advisory Agreement between MLGWM and the client.

## **Miscellaneous**

**Limitations of Financial Planning and Non-Investment Consulting/ Implementation Services.** As indicated above, to the extent requested by the client, MLGWM will generally provide financial planning and related consulting services inclusive of its advisory fee, as set forth in Item 5 below (exceptions may occur based upon assets under management, special projects, etc. for which MLGWM may charge a separate fee).

MLGWM does not serve as an attorney, accountant or insurance agent, and no portion of our services should be construed as legal, accounting or insurance services. Accordingly, MLGWM does not prepare estate planning documents or prepare tax returns. MLGWM or their associated persons provide insurance related services.

To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from MLGWM and/or its representatives.

If the client engages any unaffiliated professional (i.e. attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from the engaged professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and not MLGWM, shall be responsible for the quality and competency of the services provided.

**Retirement Rollovers-Potential for Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer’s plan, if permitted, (ii)

roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If MLGWM recommends that a client roll over their retirement plan assets into an account to be managed MLGWM, such a recommendation creates a conflict of interest if MLGWM will earn new (or increase its current) compensation as a result of the rollover. No client is under any obligation to rollover retirement plan assets to an account managed by MLGWM.

**Unaffiliated Private Investment Funds.** MLGWM may provide investment advice regarding unaffiliated private investment funds. MLGWM, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in unaffiliated private investment funds. MLGWM's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of MLGWM calculating its investment advisory fee. MLGWM's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

**Affiliated Private Investment Funds.** MLGWM may provide investment advice regarding affiliated private investment funds. MLGWM, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in affiliated private investment funds. MLGWM, an affiliate of the General Partner, is the investment manager to the Fund and is responsible for the management of the fund pursuant to an investment management agreement. MLGWM's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

**Valuation.** In the event that MLGWM references private investment funds owned by the client on any supplemental account reports prepared by MLGWM, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. The current value(s) of an investor's fund holding(s) could be significantly more or less than the value reflected on the report. Unless otherwise indicated, the client's advisory fee shall be based upon the value reflected on the report.

**Structured Notes.** MLGWM may purchase structured notes for client accounts. A structured note is a financial instrument that combines two elements, a debt security and exposure to an underlying asset or assets. It is essentially a note, carrying counter party risk of the issuer. However, the return on the note is linked to the return of an underlying asset or assets (such as the S&P 500 Index or commodities). It is this latter feature that makes structured products unique, as the payout can be used to provide some degree of principal protection, leveraged returns (but usually with some cap on the maximum return), and be tailored to a specific market or economic view. In addition, investors may receive long- term capital gains tax treatment if certain underlying conditions are met and the note is held for more than one year. In the event that a client has any questions regarding the purchase of structured notes for their account MLGWM's Chief Investment Officer, Mr. Kobak, remains available to address them.

**Independent Managers.** MLGWM may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers ("Independent Manager(s)") in accordance with the client's designated investment objective(s). In such situations, the Independent Manager(s) will have day-to-day responsibility for the active discretionary management of the allocated assets according to the terms and conditions of a separate agreement executed between the client and the Independent Manager(s). MLGWM will continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. MLGWM generally considers the following factors when recommending Independent Manager(s): the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment advisory fees charged by the designated Independent Manager(s), together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, are exclusive of, and in addition to, MLGWM's ongoing investment advisory fee, which will be disclosed to the client at the point of entering into the Independent Manager engagement.

**Mutual and Exchange Traded Funds:** Most mutual funds and exchange traded funds are available directly to the public. Therefore, a prospective client can obtain many of the funds that may be utilized by MLGWM independent of engaging MLGWM as an investment advisor. However, if a prospective client determines to do so, he/she will not receive MLGWM's initial and ongoing investment advisory services.

**DFA Mutual Funds:** MLGWM may utilize mutual funds issued by Dimensional Fund Advisors ("DFA"). DFA funds are generally only available through registered investment advisers approved by DFA. Therefore, if the client was to terminate MLGWM's services, and transition to another adviser who has not been approved by DFA to utilize DFA funds, restrictions regarding additional purchases of, or reallocation among other, DFA funds will generally apply.

**Interval Fund Liquidity Constraints.** MLGWM may utilize certain mutual funds and/or exchange traded funds that provide for limited liquidity, generally on a quarterly basis (an "Interval Fund"). Therefore, if we determined that the Interval Fund was no longer performing or if you ever determined to transfer your account, the Interval Fund may not be able to be sold or transferred immediately. Rather, sale or transfer may need to wait until the quarterly permitted sale date, or longer. Moreover, the eventual net asset value for the Interval Fund could be substantially different (positive or negative) than the Interval Fund value on the date that the sale was requested. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct MLGWM, in writing, not to employ any or all such strategies for the client's account.

**Non-Discretionary Service Limitations.** Clients that determine to engage MLGWM on a non-discretionary investment advisory basis must be willing to accept that MLGWM cannot effect account transactions without obtaining prior consent to such transaction(s) from the client. Therefore, in the event that MLGWM would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is

unavailable, MLGWM will be unable to effect the account transaction(s) (as it would for its discretionary clients) without first obtaining the client's consent.

**Portfolio Activity.** MLGWM has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, MLGWM will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when MLGWM determines that changes to a client's portfolio are neither necessary nor prudent. Clients are still subject to the fees described in Item 5 below, even during periods of account inactivity. Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity.

**ByAllAccounts and the MoneyGuidePro® Platform.** MLGWM, in conjunction with the services provided by ByAllAccounts, Inc., or an online platform hosted by "Envestnet Inc." ("MoneyGuidePro") may also provide periodic comprehensive reporting services (See Item 4.A above) which can incorporate all of the client's investment assets, including those investment assets that are not part of the assets managed by MLGWM (the "Excluded Assets"). The client and/or their other advisors that maintain trading authority, and not MLGWM, shall be exclusively responsible for the investment performance of the Excluded Assets.

Unless otherwise specifically agreed to, in writing, MLGWM's service relative to the Excluded Assets is limited to reporting only. The sole exception to the above shall be if MLGWM is specifically engaged to monitor and/or allocate the assets within the client's 401(k) account maintained away at the custodian directed by the client's employer. As such, except with respect to the client's 401(k) account (if applicable), MLGWM does not maintain any trading authority for the Excluded Assets. Rather, the client and/or the client's designated other investment professional(s) maintain supervision, monitoring and trading authority for the Excluded Assets.

If MLGWM is asked to make a recommendation as to any Excluded Assets, the client is under absolutely no obligation to accept the recommendation, and MLGWM shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. In the event the client desires that MLGWM provide investment management services for the Excluded Assets, the client may engage MLGWM to do so pursuant to the terms and conditions of the *Investment Advisory Agreement* between MLGWM and the client.

**Client Obligations.** In performing our services, MLGWM shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. Moreover, it remains each client's responsibility to promptly notify MLGWM if there is ever any change in their financial situation or investment objectives for the purpose of reviewing/evaluating/ or revising our previous recommendations and/or services.



Mr. Kobak serves as the Sole Member and of two additional limited liability companies (“LLC”) one which provides insurance related services and products to businesses and business owners. The other was created for a specific investment purpose and is expected to be wound down in 2023.

**Disclosure Statement.** A copy of MLGWM’s written Brochure as set forth on Part 2 of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the Investment Advisory Agreement or Financial Planning and Consulting Agreement. Any client who has not received a copy of MLGWM’s written Brochure at least 48 hours prior to executing the Investment Advisory Agreement or Financial Planning and Consulting Agreement shall have five business days subsequent to executing the agreement to terminate MLGWM’s services without penalty.

- C. MLGWM shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client’s investment objectives. Thereafter, MLGWM shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. The client may, at any time, impose reasonable restrictions, in writing, on MLGWM’s services.
- D. MLGWM does not participate in a wrap fee program.
- E. As of December 31, 2023, MLGWM managed \$102782567 in assets under management on a discretionary basis, and \$0 in a non-discretionary basis.

#### Item 5 – Fees and Compensation

- A. MLGWM’s annual investment advisory fee is negotiable, but is generally based upon a percentage (%) of the market value and type of assets placed under MLGWM’s management as follows:

Market Value of Portfolio (\$)	Annual Management Fee (% of Assets)
First \$2,000,000	1.0%
Next \$1,000,000	0.80%
Next \$1,000,000	0.70%
Next \$1,000,000	0.60%
Next \$5,000,000	0.50%
Next \$5,000,000	Negotiable

MLGWM generally requires an annual minimum fee of \$10,000 for investment advisory services. If a client maintains less than \$1 million of assets under MLGWM’s management, and is subject to the \$10,000 annual minimum fee, the client will pay a higher percentage annual fee than the 1.00% referenced in the above fee schedule.

MLGWM's investment advisory fee is negotiable at its discretion, depending upon objective and subjective factors including but not limited to: the amount of assets to be managed; portfolio composition; the scope and complexity of the engagement; the anticipated number of meetings and servicing needs; related accounts; future earning capacity; anticipated future additional assets; the professional(s) rendering the services prior relationships with MLGWM and/or its representatives, and negotiations with the client. As a result of these factors, similarly situated clients could pay different fees, the services to be provided by MLGWM to any particular client could be available from other advisers at lower fees, and certain clients may have fees different than those specifically set forth above.

The total client fee when a third-party investment adviser is used will not exceed 3% of assets under management.

### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

MLGWM's planning and consulting fees are negotiable, but generally range from \$200 to \$1,000 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

### **FINANCIAL PLANNING FOR CORPORATE EXECUTIVES**

MLGWM's fees for its "packaged" financial planning and consulting services are negotiable, but generally range from \$7,500 to \$50,000 on a fixed fee basis, depending upon the level and scope of the services(s) required and the professional(s) rendering the service(s).

#### Fees are Negotiable.

MLGWM uses the above fee schedule and fee ranges as guidelines for its services. All fees are negotiable. The basis for negotiation may include several factors, such as: the relationship with the corporate organization, the complexity of the compensation package, the complexity of the client's financial affairs, other professional advisors such as Certified Public Accountants and attorneys within the client's team of advisors; the degree of sophistication of the client and prior experience with financial planning principles in practice. As a result of these factors, similarly situated clients could pay different fees, the services to be provided by MLGWM to any particular client could be available from other advisers at lower fees, and certain clients may have fees different than those specifically set forth above.

### **INVESTMENT IN AFFILIATED PRIVATE FUNDS**

Fees for investment advisory services provided to the Private Fund(s) are disclosed in the respective Private Fund offering documents.

- B. Clients may elect to have MLGWM's advisory fees deducted from their custodial account. Both MLGWM's Investment Advisory Agreement and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of MLGWM's investment advisory fee and to directly remit that management fee to MLGWM in compliance with regulatory procedures.

In the limited event that MLGWM bills the client directly, payment is due upon receipt of MLGWM's invoice. MLGWM shall deduct fees and/or bill clients quarterly. MLGWM's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter.

MLGWM relies on Envestnet's Tamarac Reporting, a third-party service provider, to calculate client fees. Due to differences in how Tamarac Reporting determines the value of client accounts, our billing calculations may be based on an account value that is either higher or lower than appears in a client's custodial statement. MLGWM believes these differences are immaterial.

- C. As discussed below, unless the client directs otherwise, or an individual client's circumstances require, MLGWM shall generally recommend that Charles Schwab & Co., Inc. an SEC-registered and FINRA/SIPC member broker-dealer ("Schwab") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Schwab charge brokerage commissions and/or transaction fees for effecting certain securities transactions.

In addition to MLGWM's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Item 12 further describes the factors that MLGWM considers in selecting and recommending broker-dealers for transactions and determining the reasonableness of their compensations (i.e., commissions).

- D. MLGWM's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter.

The Investment Advisory Agreement between MLGWM and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. Upon termination, MLGWM shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing period.

#### **Item 6 – Performance-Based Fees and Side-by-Side Management**

Neither MLGWM nor any supervised person of MLGWM accepts performance-based fees from individual clients.

With respect to the Private Fund(s), the General Partner receives a portion of overall profits (i.e., a performance-based fee) subject to terms described in the offering documents. This arrangement creates an incentive to favor those with a performance-based fee over other

accounts. These conflicts are addressed in that any client considering such an investment will be given detailed information concerning the fee structure and risks of these investments.

#### Item 7 – Types of Clients

MLGWM's clients currently include individuals, high net worth individuals, trusts and estates. MLGWM, generally requires an annual minimum fee of \$10,000 for investment advisory services. However, MLGWM, in its sole discretion, may waive or modify its minimum annual fee, charge a lesser investment advisory fee, charge a flat fee, or waive its fee entirely based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, grandfathered fee schedules, MLGWM employees and family members, courtesy accounts, competition, negotiations with client, etc.).

As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

MLGWM also provides investment management services on a discretionary basis to the Private Fund(s).

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

- A. MLGWM blends a client's personal investment philosophy with MLGWM's investment approach to design a portfolio with which the client will be comfortable, but which also will achieve the client's goals and objectives. MLGWM's approach is based on asset allocation, diversification within asset classes, selection of individual securities and managers (and their benchmarks), and continuous portfolio monitoring and management.

Investment implementation is enacted through a variety of vehicles, but primarily mutual funds, exchange traded funds, stocks and fixed income securities.

Modern Portfolio Theory suggests that the overwhelming determinant of an investment strategy's variability (risk) over time is how assets are divided among the major asset classes. The major asset classes are cash, bonds, stocks, and real estate. A well-designed portfolio can include each of these asset classes, depending upon goals and objectives. Since each asset class has different risk and return characteristics, combining them in a portfolio provides greater stability. Because diversification can lower risk, it allows for the inclusion of asset classes that alone would be more volatile (such as small-cap stocks) but that as part of a diversified portfolio can provide the potential for higher returns.

**Investment Risk-** Investing in securities involves risk of loss that clients should be prepared to bear, including the complete loss of principal. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by MLGWM) will be profitable or

equal any specific performance level(s).

- B. MLGWM's methods of analysis and investment strategies do not present any significant or unusual risks. MLGWM's investment strategy is primarily based on establishing a long-term target asset allocation and slightly overweighting or underweighting assets to reflect intermediate-term market expectations (based primarily on fundamental mean-reversion expectations).

While stocks should outperform cash and bonds over the long-term, the return from stocks is more volatile. To moderate this volatility, investors can include lower-risk investments such as bonds. Bonds have historically tended to experience less market fluctuation than stocks, but with lower returns.

MLGWM believes portfolio management is a continuous process, requiring ongoing monitoring and reevaluation. The most important aspect of the continuity is the rebalancing and repositioning of the investment portfolio. MLGWM believes periodic rebalancing provides the discipline of selling a portion of the investments that have performed well and adding to the investments that have not performed as well, with the long-term expectation that each asset class will go through cycles where they over perform and underperform.

- C. MLGWM primarily allocates client investment assets among open end stock and bond mutual funds and exchange traded funds on a discretionary basis in accordance with the client's designated investment objectives. All investments have the potential to realize loss or principal.

Client portfolios may also include individual bonds. While there are advantages to holding individual bonds (primarily the ability to hold until maturity), it also entails greater individual security risk and greater liquidity risk.

Client portfolios may also include structured notes (buffered return enhanced notes), with returns generally based upon broad indices such as the S&P 500 Index or the Russell 2000 Index. The intent is to provide attractive return potential with some buffer providing downside protection. However, in addition to the underlying index investment risk, structured notes also have counterparty risk through the issuing bank and are generally less liquid than traditional investments.

For accredited clients, portfolios may include limited partnerships or registered funds that invest in hedge funds. While the object of utilizing hedge funds is to generate attractive returns with more moderate volatility than traditional equities, hedge funds have the potential to lose principal and have less liquidity than traditional stock and bond investments.

For qualified clients, portfolios may include limited partnerships that invest in real estate. Investment in real estate has the potential to lose principal and is generally illiquid.

For qualified clients, portfolios may include limited partnerships that invest in private equity. Private equity investments can exhibit volatility greater than public equity markets, and also have illiquidity risk.

For qualified clients, portfolios can include limited partnerships that invest in private debt.

MLGWM recognizes that all investments pose certain risks in exchange for potential return, such as the following:

Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk may be caused by external factors independent of the fund's specific investments as well as due to the fund's specific investments. Additionally, each security's price will fluctuate based on market movement and emotion, which may, or may not be due to the security's operations or changes in its true value. For example, political, economic and social conditions may trigger market events which are temporarily negative, or temporarily positive.

Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Private Investment Fund Risk Factors: Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund and acknowledges and accepts the various risk factors that are associated with such an investment.

## **Item 9 – Disciplinary Information**

MLGWM has not been subject to any disciplinary actions imposed upon its operations as they are defined by current Pennsylvania investment adviser regulations delineated below:

- A. There are no criminal or civil actions to report.
- B. There are no administrative proceedings to report.
- C. There are no self-regulatory organization proceedings to report.

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

- A. Neither MLGWM nor its representatives, are registered or have an application pending to register, as a broker dealer, registered representative of a broker dealer, a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- B. Some members of management are shareholders and/or general partners or managing members of limited partnerships or limited liability corporations formed for investment purposes. Certain clients are solicited to invest in these Funds. The Funds are only available to accredited investors and involve certain additional risks. The General Partner and other related entities are compensated in accordance with the related offering documents. A list of these related entities is disclosed on Schedule D of Form ADV Part 1. Form ADV Part 1 can be accessed by following the directions on the Cover Page of this Brochure.
- C. MLGWM does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

#### **Item 11 – Code of Ethics**

MLGWM has adopted a Code of Ethics for all supervised persons of the firm, describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All supervised persons at MLGWM must acknowledge the terms of the Code of Ethics annually or when amended.

MLGWM anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which it has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which MLGWM, its affiliates and/or clients, directly or indirectly, have a position of interest. MLGWM's employees (which, for purposes of this Item, includes all of its supervised persons) are required to follow MLGWM's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of MLGWM may trade for their own accounts in securities which are recommended to and/or purchased for MLGWM's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of MLGWM will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of MLGWM's clients. In addition, the Code of Ethics requires pre-clearance

of many transactions, and restricts employee trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to prevent or address conflicts of interest between MLGWM and its clients.

MLGWM may trade in the same securities client accounts on an aggregated basis when consistent with MLGWM's obligation of best execution. In such circumstances, the accounts will share commission costs equally and receive securities at a total average price. MLGWM will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order record.

MLGWM's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Mr. Kobak, Chief Compliance Officer.

It is MLGWM's policy that the firm will not affect any principal or agency cross securities transactions for client accounts, or cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

#### Conflicts of Interest

**Officers of MLGWM** may invest in the portfolio companies outside of the Private Funds. In addition, Officers of MLGWM may from time to time sit on Boards of Directors of portfolio companies held in the Private Funds. Such officers may receive a stipend for such activities which are approved, tracked and monitored by the firm. The firm believes that in appropriate situations, Board representation is necessary to protect the interest of stockholders and therefore the Private Funds. In these situations, we believe our interests are aligned but events may occur which present us with a conflict of interest. The firm has adopted procedures designed to manage such a conflict between a board member's fiduciary duty to shareholders and an investment manager's fiduciary duty to investors.

#### **Item 12 – Brokerage Practices**

- A. In the event that the client requests that MLGWM recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct MLGWM to use a specific broker-dealer/custodian), MLGWM recommends that investment management accounts be maintained at *Schwab*. Prior to engaging MLGWM to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with



MLGWM setting forth the terms and conditions under which MLGWM shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that MLGWM considers in recommending *Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with MLGWM, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by MLGWM's clients shall comply with MLGWM's duty to seek best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where MLGWM determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although MLGWM will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, MLGWM's investment advisory fee. MLGWM's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, MLGWM receives from *Schwab* (or another broker-dealer/custodian investment platform, unaffiliated investment manager, vendor, unaffiliated product/fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist MLGWM to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by MLGWM may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis travel and attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by MLGWM in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist MLGWM in managing and administering client accounts. Others do not directly provide such assistance, but rather assist MLGWM to manage and further develop its business enterprise.

MLGWM's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding commitment made by MLGWM to *Schwab* or any other entity to invest any specific amount or percentage

of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

2. MLGWM does not receive referrals from broker-dealers.
3. Directed Brokerage.

MLGWM does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and MLGWM will not seek better execution services or prices from other broker-dealers or be able to “batch” the client’s transactions for execution through other broker-dealers with orders for other accounts managed by MLGWM. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that the client directs MLGWM to effect securities transactions for the client’s accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through MLGWM. Higher transaction costs adversely impact account performance.

Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

**MLGWM’s Chief Compliance Officer, Mr. Kobak, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that MLGWM provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless MLGWM decides to purchase or sell the same securities for several clients at approximately the same time. MLGWM may (but is not obligated to) combine or “bunch” such orders to seek best execution, to negotiate more favorable commission rates or to allocate equitably among MLGWM’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. MLGWM shall not receive any additional compensation or remuneration as a result of such aggregation.

### **Item 13 – Review of Accounts**

- A. For those clients to whom MLGWM provides investment supervisory services, account reviews are conducted on an ongoing basis by MLGWM's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise MLGWM of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with MLGWM on an annual basis.

- B. MLGWM may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. MLGWM may also provide a written periodic report summarizing account activity and performance.

On an annual basis, each investor receives a copy of the Fund's audited financial statements and tax reporting information.

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

- A. As referenced in Item 12.A.1 above, MLGWM receives economic benefits from Schwab including support services and/or products without cost or at a discount. There is no corresponding commitment made by MLGWM to Schwab or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**MLGWM's Chief Compliance Officer, Mr. Kobak, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest.**

- B. MLGWM does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

#### **Item 15 – Custody**

MLGWM shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. They will be sent to the email or postal mailing address you provided to the custodian. MLGWM may also provide a written periodic report summarizing account activity and performance.

Prior to having fees deducted via a qualified custodian, MLGWM will:

- A. Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.
- B. Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account.

To the extent that MLGWM provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by MLGWM with the account statements received from the account custodian. The account custodian does not verify the accuracy of MLGWM's advisory fee calculation.

With respect to the private offered pooled vehicles, as the investment manager and the General Partner for the Fund(s), MLGWM does have access to cash and securities in the Fund(s), along with the authority to perform various acts that may be deemed to result in custody, as defined under Rule 206(4)-2 of the Adviser's Act. Consistent with the requirement under the Advisers Act, the assets of the Funds are held in an account maintained with a 'qualified custodian' as defined in the Adviser's Act.

The financial statements of the Fund(s) are audited annually (in accordance with GAAP) by an independent public accounting firm that is registered with, and subject to regular inspection by, the PCAOB. Copies of the audited financials are independently distributed to each of the investors in each Fund within 120 days of such Fund(s)' fiscal year end. Each investor should carefully review these statements upon receipt.

#### Standing Letters of Authorization:

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

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

**MLGWM's Chief Compliance Officer, Douglas Kobak, remains available to address any questions that a client or prospective client may have regarding custody-related issues.**

## Item 16 – Investment Discretion

The client can determine to engage MLGWM to provide investment advisory services on a discretionary basis. Prior to MLGWM assuming discretionary authority over a client's account, the client shall be required to execute an Investment Advisory Agreement, naming MLGWM as the client's attorney and agent in fact, granting MLGWM full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage MLGWM on a discretionary basis may, at any time, impose restrictions, in writing, on MLGWM's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe MLGWM's use of margin, etc.).

## Item 17 – Voting Client Securities

As a matter of firm policy and practice, MLGWM **does not have** any authority to and **does not** vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Upon client request MLGWM may provide advice to clients regarding the clients' voting of proxies.

## Item 18 – Financial Information

- A. MLGWM does not require or solicits fees of more than \$1,200, per client, six months or more in advance.
- B. MLGWM is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. MLGWM has not been the subject of a bankruptcy petition.

**MLGWM's Chief Compliance Officer, Mr. Kobak, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**

## Privacy Policy

MLGWM maintains a specific Privacy Policy that is distributed to each client at the time an account is opened and annually thereafter. MLGWM collects nonpublic information about clients from the following sources: information the firm receives from clients verbally, on applications or other forms and information about client transactions with others or the firm.

MLGWM may have to share non-public client information with unaffiliated firms in order to service client accounts. Additionally, MLGWM may have to provide information about clients to regulatory agencies as required by law. Otherwise, MLGWM will not disclose any client information to an unaffiliated entity unless a client has given express permission for the firm to do so.

MLGWM is committed to protecting client privacy. The firm restricts access to clients' personal and account information to those employees who need to know the information. MLGWM also maintains physical, electronic and procedural safeguards that the firm believes comply with Federal standards to protect against threats to the safety and integrity of client records and information.