

FOSTER & WOODTM

Foster & Wood, Inc.

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March 15, 2024

Part 2A Brochure

This brochure provides information about the qualifications and business practices of Foster & Wood, Inc. ("Foster & Wood") If you have any questions about the contents of this brochure, please contact us at 971-266-0704. 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. Foster & Wood is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Foster & Wood, Inc. is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as an IARD number. The IARD number for Foster & Wood, Inc. is 165362.

ITEM 2 – MATERIAL CHANGES

SUMMARY OF MATERIAL CHANGES

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) www.adviserinfo.sec.gov. Material changes since our last Annual Amendment filing made on March 15, 2023:

- In March 2024, the firm’s main office phone number became 503-785-9844.

Currently, a free copy of our Brochure may be requested by contacting David Foster, Chief Compliance Officer of Foster & Wood at 971-266-0704 or david@fosterandwood.com. The Brochure is also available on our web site www.fosterandwood.com.

We encourage you to read this document in its entirety.

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ITEM 4 – ADVISORY BUSINESS

This Disclosure document is being offered to you by Foster & Wood, Inc. (“Foster & Wood” or “Firm”) about the investment advisory services we provide. It discloses information about the services that we provide and the way those services are made available to you, the client.

Foster Wealth, Inc. was established as an Oregon Corporation in August of 2012. Foster Wealth, Inc. was registered as an Investment Advisor in September of 2012 with the State of Oregon. Foster Wealth, Inc. was registered with the State of Washington in November 2018. Foster Wealth, Inc. changed its legal name to Foster & Wood, Inc. in February 2021. The Firm registered with the SEC in February 2021. The principal owners are David T. Foster and Timothy E. Wood.

Investment advisory services are initiated only after you and Foster & Wood execute an investment management agreement.

RETIREMENT PLAN ADVISORY SERVICES

Retirement Plan Advisory Services consists of helping employer plan sponsors to establish, monitor and review their company's retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment selection and monitoring, plan structure, and participant education.

Pursuant to Section 402(c)(3) of ERISA, the client may appoint us as the Plan’s “investment manager” with respect to the Plan’s portfolio of investment options. We acknowledge that we are registered as an investment adviser under the State Securities Statutes. Our firm acts as a “fiduciary” within the meaning of Section 3(21) and 3(38) of ERISA with respect to the Plan.

When serving as an ERISA 3(21) investment adviser, the Plan Sponsor and our Firm share fiduciary responsibility. The Plan Sponsor retains ultimate decision-making authority for the investments and may accept or reject the recommendations in accordance with the terms of a separate ERISA 3(21) Plan Sponsor Investment Management Agreement between our Firm and the Plan Sponsor. Under the 3(21) agreement, our Firm can provide the following services to the Plan Sponsor:

- **Review or Development of an Investment Policy Statement**
- **Perform Due Diligence on Money Managers**
- **Provide Initial Investment and Management Selection** - Foster & Wood typically uses mutual funds/managed accounts/collective trusts/cash equivalents to structure portfolios designed to meet client objectives and risk profiles.
- **Provide ongoing Performance Evaluation and Monitoring of Money Managers**

- **Make Investment Recommendations when necessary**
- **Retirement Plan Services Analysis** - Foster & Wood will conduct an analysis of a client's retirement plan to evaluate the services currently provided to the client by third parties. The areas of analysis may include asset management services, record keeping, administration, customer service, participant education, etc. These services may also include a cost/benefit analysis, recommendation of alternative vendors, facilitation of the RFP process for solicitation of a new vendor, and/or assistance in fee negotiations with proposed vendors.
- **Provide Employee Education Services** - Foster & Wood will provide enrollment and educational services the content of the program will be generic in nature.

As a result of the 3(38) appointment, we are granted full trading authority over the Plan and have the responsibility for the selection and monitoring of all investment options offered under the Plan in accordance with the investment policy statement and its underlying investment objectives and strategies for the Plan. Plan participants have the ability to exercise control over the assets in their account, and we have no authority or discretion to direct the investment of assets of any participant's account under the Plan.

Participant one-on-ones

We can also be engaged to provide financial education to plan participants. The scope of education provided to participants will not constitute "investment advice" within the meaning of ERISA and participant education will relate to general principles for investing and information about the investment options currently in the plan.

As part of our investment advisory services, our Investment Adviser Representative ("IAR") can make recommendations to plan participants regarding the rollover of employer sponsored retirement plan assets. In the case where an IAR recommends a retirement plan rollover into our individual wealth management advisory program, the IAR will earn a portion of the advisory fee. This presents a conflict of interest because IARs have an economic incentive to recommend you to rollover your retirement plan assets into our individual wealth management services at Foster & Wood. Plan participants are under no obligation to rollover retirement plan assets to an IRA with our Firm and should carefully consider all relevant factors, such as penalty-free withdrawals, whether loans are permitted, legal protections, required minimum distributions, fees and expenses, service levels, available investment options, employer stock considerations and state taxes.

INDIVIDUAL WEALTH MANAGEMENT AND SUPERVISION SERVICES

We manage advisory accounts on a discretionary and non-discretionary basis. For discretionary accounts, once we have determined a profile and investment plan with a client, we will execute the day-to-day transactions without seeking prior client consent but

within the expected investment guidelines. Account supervision is guided by the client's written profile and investment plan. We will accept accounts with certain restrictions if circumstances warrant. We primarily allocate client assets among various equities, Exchanged Traded Funds ("ETFs"), no-load or load-waived mutual funds in accordance with their stated investment objectives.

During personal discussions with clients, we determine the client's objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review a client's prior investment history, as well as family composition and background. Based on client needs, we develop a client's personal profile and investment plan. We then create and manage the client's investments based on that policy and plan. It is the client's obligation to notify us immediately if circumstances have changed with respect to their goals. Once we have determined the types of investments to be included in a client's portfolio and have allocated the assets, we provide ongoing investment review and management services.

With our discretionary relationship, we will make changes to the portfolio, as we deem appropriate, to meet client financial objectives. We trade these portfolios based on the combination of our market views and client objectives, using our investment process. We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives. Clients have the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities.

If a non-discretionary relationship is in place, calls will be placed presenting the recommendation made and only upon your authorization will any action be taken on your behalf.

We do have limited authority to direct the Custodian to deduct our investment advisory fees from accounts, but only with the appropriate written authorization from clients.

Where appropriate, we provide advice about any type of legacy position held in client portfolios. Typically, these are assets that are ineligible to be custodied at our primary custodian. Clients will engage us to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance, annuity contracts, and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans).

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that adversely affect an account's performance. This could result in capital losses in your account.

As part of our individual wealth management services, our Firm may offer financial planning services. Our team strives to engage our clients in conversations around the

family's goals, objectives, priorities, vision, and legacy – both for the near term as well as for future generations. With the unique goals and circumstances of each family in mind, our team will offer financial planning ideas and strategies to address the client's holistic financial picture, including estate, income tax, charitable, cash flow, wealth transfer, and family legacy objectives. Our team partners with our client's other advisors (CPAs, Enrolled Agents, Estate Attorneys, Insurance Brokers, etc.) to ensure a coordinated effort of all parties toward the client's stated goals. Such services include various reports on specific goals and objectives or general investment and/or planning recommendations, guidance to outside assets, and periodic updates.

Our specific services in preparing your plan may include:

- Review and clarification of your financial goals
- Assessment of your overall financial position including cash flow, balance sheet, investment strategy, risk management, and estate planning.
- Creation of a unique plan for each goal you have, including personal and business real estate, education, retirement or financial independence, charitable giving, estate planning, business succession, and other personal goals.
- Development of a goal-oriented investment plan, with input from various advisors to our clients around tax suggestions, asset allocation, expenses, risk, and liquidity factors for each goal.
- Design of a risk management plan including risk tolerance, risk avoidance, mitigation, and transfer, including liquidity as well as various insurance and possible company benefits; and
- Crafting and implementation of, in conjunction with your estate and/or corporate attorneys as tax advisor, an estate plan to provide for you and/or your heirs in the event of an incapacity or death.

A written evaluation of each client's initial situation or Financial Plan would be provided to the client.

Disclosure Regarding Rollover Recommendations

A client or prospect 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) rollover 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). Our Firm may recommend an investor roll over plan assets to an IRA for which our Firm provides investment advisory services. As a result, our Firm and its representatives may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave their plan assets with their

previous employer or roll over the assets to a plan sponsored by a new employer will generally result in no compensation to our Firm. Our Firm therefore has an economic incentive to encourage a client to roll plan assets into an IRA that our Firm will manage, which presents a conflict of interest. To mitigate the conflict of interest, there are various factors that our Firm will consider before recommending a rollover, including but not limited to: (i) the investment options available in the plan versus the investment options available in an IRA, (ii) fees and expenses in the plan versus the fees and expenses in an IRA, (iii) the services and responsiveness of the plan's investment professionals versus those of our Firm, (iv) protection of assets from creditors and legal judgments, (v) required minimum distributions and age considerations, and (vi) employer stock tax consequences, if any. All rollover recommendations are reviewed by our Firm's Chief Compliance Officer and remains available to address any questions that a client or prospective client has regarding the oversight.

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. We have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

ASSETS

As of March 10, 2024, we have a total of \$164,248,088 in regulatory assets under management. \$112,066,865 are under our discretionary management and \$52,181,223 are under our non-discretionary management.

ITEM 5 - FEES AND COMPENSATION

RETIREMENT PLAN ADVISORY SERVICES

For Retirement Plan Advisory Services compensation, we charge an advisory fee as negotiated with the Plan Sponsor and as disclosed in the Employer Sponsored Retirement Plans Consulting Agreement ("Plan Sponsor Agreement"). Our maximum advisory fees do not exceed 0.75% annually. We do impose a minimum fee of \$4000/annually for all our Retirement Plan clients. Plan Sponsors may elect to be billed a flat dollar fixed fee. Fixed fees range from \$4,000 to \$100,000.

Typically, the billing period for these fees are paid quarterly. This fee is generally negotiable, but terms and advisory fee is agreed to in advance and acknowledged by the

Plan Sponsor through the Plan Sponsor Agreement and/or Plan Provider's account agreement. Fee billing methods vary depending on the Plan Provider.

Either Foster & Wood or the Plan Sponsor may terminate the Agreement upon 30 days written notice to the other party. The Plan Sponsor is responsible to pay for services rendered until the termination of the Agreement.

INDIVIDUAL WEALTH MANAGEMENT FEES

Foster & Wood charges a fee as compensation for providing Investment Management services on your account. These services include advisory and consulting services, trade entry, investment supervision, and other account-maintenance activities. Our recommended custodian charges transaction costs, custodial fees, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below for additional details.

The fees for portfolio management are based on an annual percentage of assets under management and are applied to the account asset value on a pro-rata basis. Fees are billed quarterly in arrears based on the average daily balance of the account(s). Unless otherwise agreed upon and stated in the Investment Management Agreement, fees are assessed on all assets under management, including securities, cash and money market balances. When applicable and noted in the Investment Management Agreement, legacy positions will also be excluded from the fee calculation.

Our maximum annual advisory fee is for accounts paying a percentage of assets under management is 1.00% and the specific advisory fees are set forth in your Investment Advisory Agreement. Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and you as the client. In certain circumstances, our fees and the timing of the fee payments may be negotiated. Our employees and their family related accounts are charged a reduced fee for our services.

Unless otherwise instructed by the client, we will aggregate asset amounts in accounts from your same household together to determine the advisory fee for all your accounts. We would do this, for example, where we also service accounts on behalf of your minor children, individual and joint accounts for a spouse, and/or other types of related accounts. This consolidation practice is designed to allow you the benefit of an increased asset total, which could cause your account(s) to be assessed a lower advisory fee.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. You will provide written authorization permitting the fees to be paid directly from your account held by the

qualified custodian. Further, the qualified custodian agrees to deliver an account statement monthly directly to you indicating all the amounts deducted from the account including our advisory fees. At our discretion, our Firm will allow advisory fees to be paid by check as indicated in the Investment Advisory Agreement. You are encouraged to review your account statements for accuracy.

Either Foster & Wood or you may terminate the management agreement immediately upon written notice to the other party. The management fee will be pro-rated to the date of termination, for the month in which the cancellation notice was given and billed to your account. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets. In the event of client's death or disability, Foster & Wood will continue management of the account until we are notified of client's death or disability and given alternative instructions by an authorized party.

ADMINISTRATIVE SERVICES PROVIDED BY BYALLACCOUNTS

We have contracted with ByAllAccounts (referred to as "BAA") to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, quarterly performance evaluations, payable reports, web site administration, models, trading platforms, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, BAA will have access to client information, but BAA will not serve as an investment advisor to our clients. Foster & Wood and BAA are non-affiliated companies. BAA charges our Firm an annual fee for each account administered by BAA. The annual fee is paid from the portion of the management fee retained by us.

ADDITIONAL FEES AND EXPENSES:

In addition to the advisory fees paid to our Firm, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges include custodial fees, charges imposed by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Our brokerage practices are described at length in Item 12, below.

Non-Transaction Fee (NTF) Mutual Funds

When selecting investments for our clients' portfolios we might choose mutual funds on your account custodian's Non-Transaction Fee (NTF) list. This means that your account custodian will not charge a transaction fee or commission associated with the purchase or sale of the mutual fund.

The mutual fund companies that choose to participate in your custodian's NTF fund program pay a fee to be included in the NTF program. The fee that a mutual fund company pays to participate in the program is ultimately borne by the owners of the mutual fund including clients of our Firm. When we decide whether to choose a fund from your custodian's NTF list or not, we consider our expected holding period of the fund, the position size and the expense ratio of the fund versus alternative funds. Depending on our analysis and future events, NTF funds might not always be in your best interest.

ITEM 6 - PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Our Firm does not engage in performance-based fees. No supervised person is compensated by performance-based fees. Performance-based fees may create an incentive for the advisor to recommend an investment that may carry a higher degree of risk.

ITEM 7 - TYPES OF CLIENTS

Our Firm provides investment advice to the following types of clients:

Qualified Retirement Plans- Foster & Wood advises retirement plan sponsors, often acting as a "fiduciary" within the meaning of Section 3(21) and 3(38) of ERISA with respect to the Plan. Our Firm provides investment advice and retirement plan services to select corporate retirement plans, generally with assets between \$1 million and \$100 million. Our account minimum is negotiable.

Individuals - Foster & Wood helps individuals make decisions surrounding investing and withdrawing funds during retirement.

High Net Worth Individual Clients – Foster & Wood advises families that have received a lump sum inheritance, stock options, proceeds from a business buyout or other fortunate event in making decisions to manage, grow and preserve their wealth for the long-term.

Our Firm does not have an account minimum for individual and high net worth individuals engaging in our advisory services.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Our Firm offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. We oversee a consultative process which evaluates the client's unique needs and preferences and matches those with a strategically and/or tactically managed investment portfolio. We believe that successful investment management is a combination of skilled analytics and targeted portfolio guidelines organized around specific outcomes tied to the client's financial plan.

Our investment philosophy is to develop portfolio allocations with the objective of achieving a rate of return adequate to achieve the desired client cash flow needs with the lowest possible risk profile structure. We conduct due diligence on each of these potential investments and familiarize ourselves on the key attributes and material risks of the investments, disclose the material information about such investments to client accounts and obtain the clients acknowledgment of agreement to the material risks associated in such investments and continuously monitor the accounts holding such investments.

To develop a complete picture of a client's investment objectives, our investment adviser representatives work one-on-one with the advisory client through the initial and on-going planning process to create an investment plan which fits the client's risk tolerance and investment objectives. Based on this information, we obtain a broad understanding of the client's investment objectives, goals, and the amount of risk the client will tolerate.

When tax efficiency priorities of the client preclude trading activity, those preferences may be prioritized. Our Firm generally limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, and ETFs. We may use other securities to help diversify a portfolio when applicable.

METHODS OF ANALYSIS

Individual Wealth Management Services - We look at the experience and track record of the manager of the mutual fund or ETF in attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also monitor the funds or ETFs in attempt to determine if they are continuing to follow their stated investment strategy. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Retirement Plan Advisory Services - Our methods of analysis include fundamental analysis, and the generally accepted theories of asset allocation and modern portfolio theory to assist clients with the construction of retirement plan fund menus and asset allocation models. Most of our services will be oriented around constructing menus of mutual funds and Exchange Traded Funds (“ETF”).

We look at the experience and track record of the manager of the mutual fund, or ETF to determine if the manager has demonstrated an ability to invest over a period of time and throughout different economic conditions. We also look at the underlying assets in the funds to determine if there is significant overlap in the underlying investments held in other funds in the retirement plan fund menu. We monitor the investments to determine if they are continuing to follow their stated investment strategy.

Fundamental analysis concentrates on historical qualitative and quantitative factors that determine the attractiveness of a particular investment. This strategy does not attempt to predict future returns, but rather to identify investment alternatives that have quality track records and management with the goal of providing retirement plan clients with a high-quality, diversified fund menu for use by plan participants.

Developing a portfolio that maintains consistent exposure to multiple asset classes is an important strategy that reduces exposure to risks associated to particular sectors, country or company. Harry Markowitz called diversification “the only free lunch in investing”.

Markets and asset classes perform and behave differently at different times. Certain equities (US and non-US) potentially offer positive returns over long-time periods but can perform very differently in shorter ones. No reliable evidence exists that performance can be predicted ahead of time. As such, a retirement plan investment strategy should have a wide enough menu items to provide diversification while not causing “choice overload”.

RISK OF LOSS

A client’s investment portfolio is affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic conditions, changes in laws and national and international political circumstances.

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Foster & Wood will assist Clients in determining an appropriate strategy based on their tolerance for risk.

Each Client engagement will entail a review of the Client’s investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client’s account. Client participation in this process, including full

and accurate disclosure of requested information, is essential for the analysis of a Client's account(s). Foster & Wood shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform Foster & Wood of any changes in financial condition, goals or other factors that may affect this analysis.

Our methods rely on the assumption that the underlying companies within our security allocations are accurately reviewed by the rating agencies and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Investors should be aware that accounts are subject to the following risks:

MARKET RISK - Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.

FOREIGN SECURITIES AND CURRENCY RISK - Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

CAPITALIZATION RISK - Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services. Their stocks have historically been more volatile than the stocks of larger, more established companies.

INTEREST RATE RISK - In a rising rate environment, the value of fixed-income securities generally declines, and the value of equity securities may be adversely affected.

CREDIT RISK - Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and thus, impact the fund's performance.

SECURITIES LENDING RISK - Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.

EXCHANGE-TRADED FUNDS - ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets, and disruption

in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."

PERFORMANCE OF UNDERLYING MANAGERS - We select the mutual funds and ETFs in the asset allocation portfolios. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.

CYBERSECURITY RISK - In addition to the Material Investment Risks listed above, investing involves various operational and "cybersecurity" risks. These risks include both intentional and unintentional events at our firm or one of its third-party counterparties or service providers, that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information, and generally compromise our Firm's ability to conduct its business. A cybersecurity breach may also result in a third-party obtaining unauthorized access to our clients' information, including social security numbers, home addresses, account numbers, account balances, and account holdings. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because our Firm does not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.

MARGIN RISK- When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your brokerage firm. If you choose to borrow funds through a margin account, securities purchased are the firm's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, the firm can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with the member, in order to maintain the required equity in the account. Investing with margin is characterized by unique risks including amplified losses due to increased leverage; margin calls; forced liquidations; and additional fees including margin interest charges. In order to manage margin risk, we recommend leveraging responsibly (borrowing less than the amount available); keeping a diversified portfolio; and monitoring the account and evaluating risk regularly. Before investing on margin, be sure to read the Margin Disclosure Statement provided by your custodian.

ITEM 9 - DISCIPLINARY INFORMATION

We do not have any legal, financial or other disciplinary item to report.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

OTHER AFFILIATIONS

Additionally, management personnel of Foster & Wood may engage in outside business activities. As such, these individuals can receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of investment advisory Clients. Clients are not under any obligation to engage these individuals when considering implementation of these outside recommendations. The implementation of any or all recommendations is solely at the discretion of the Client.

Our Firm does not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

Neither our firm nor any of its management persons are registered or have an application pending to register as a broker-dealer.

Clients should be aware that the ability to receive additional compensation by our Firm and its management persons or employees creates conflicts of interest that impair the objectivity of the Firm and these individuals when making advisory recommendations. Our Firm endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps, among others to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for the Firm and our employees to earn compensation from advisory clients in addition to the Firm's advisory fees.
- we disclose to clients that they have the right to decide to purchase recommended investment products from our employees.
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives, and liquidity needs.
- the Firm conducts regular reviews of each client advisory account to verify that all recommendations made to a client are in the best interest of the client's needs and circumstances.
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed.
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by the Firm.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Our Firm and persons associated with us are allowed to invest for their own accounts, or to have a financial investment in the same securities or other investments that we recommend or acquire for your account and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to act in your best interest and have established policies to mitigate conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, and the prohibition against the use of inside information.

The Code of Ethics is designed to protect our clients to detect and deter misconduct, educate personnel regarding the Firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of Foster & Wood, safeguard against the violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the Firm's ethical principles.

We have established the following restrictions in order to ensure our Firm's fiduciary responsibilities:

No supervised employee of Foster & Wood shall prefer his or her own interest to that of the advisory client. Trades for supervised employees are traded alongside client accounts. We maintain a list of all securities holdings of anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of Foster & Wood.

We emphasize the unrestricted right of the client to decline implementation of any advice rendered, except in situations where we are granted discretionary authority of the client's account.

We require that all supervised employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

Any supervised employee not in observance of the above may be subject to termination.

None of our associated persons may affect for himself/herself or for accounts in which he/she holds a beneficial interest, any transactions in a security which is being actively recommended to any of our clients, unless in accordance with the Firm's procedures.

You may request a complete copy of our Code by contacting us at the address, telephone, or email on the cover page of this Part 2; ATTN: David Foster, Chief Compliance Officer.

ITEM 12 - BROKERAGE PRACTICES

RETIREMENT PLAN SERVICES

Retirement Plan clients must maintain assets in an account at a “qualified custodian” (“Custodian”), generally a broker-dealer, trust company or bank. The Custodian will hold client assets in a brokerage account and, depending on our fiduciary role as a 3(21) or 3(38) fiduciary, will buy and sell mutual funds when we instruct them to after our prior consultation with the Plan Sponsor (as a 3(21) fiduciary) or on behalf of the Plan Sponsor (as a 3(38) fiduciary).

Each Plan Sponsor must decide which Custodian to utilize and open accounts with the Custodian by entering account agreements directly with them. The accounts will always be held in the name of the client and never in our Firm’s name.

THE CUSTODIAN AND BROKERS WE USE

Investment Management Services

Clients must maintain assets in an account at a “qualified custodian,” generally a broker-dealer or bank. We use various custodians but typically recommend that our clients use Charles Schwab & Co., Inc. Advisor Services (“Schwab” or “Custodian”), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated, and unaffiliated with Schwab. Schwab will hold client assets in a brokerage account, and buy and sell securities when we instruct them to.

While we recommend that clients use Custodian as custodian/broker, client must decide whether to do so and open accounts with Custodian by entering into account agreements directly with them. The Client opens the accounts with Custodian. The accounts will always be held in the name of the client and never in Foster & Wood's name.

How We Select Brokers/Custodians

We seek to recommend a custodian/broker who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

1. Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
2. Capability to execute, clear, and settle trades (buy and sell securities for client accounts)
3. Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)

4. Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
5. Availability of investment research and tools that assist us in making investment decisions
6. Quality of services
7. Competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate the prices
8. Reputation, financial strength, and stability
9. Prior service to Foster & Wood and our other clients
10. Availability of other products and services that benefit us, as discussed below (see Products and Services Available to Us from Custodian)

Client Brokerage and Custody Costs

For our clients' accounts that Custodian maintains, Custodian generally does not charge separately for custody services. However, Custodian receives compensation by charging ticket charges or other fees on trades that it executes or that settle into clients' Custodian accounts. We have determined that having Custodian execute most trades is consistent with our duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see How We Select Brokers/Custodians).

Products and Services Available to Us from Custodian

Custodian Advisor Services™ (formerly called Custodian Institutional®) is Custodian's business serving independent investment advisory firms like us. They provide Foster & Wood and our clients with access to its institutional brokerage, trading, custody, reporting, and related services, many of which are not typically available to Custodian retail customers. Custodian also makes available various support services. Some of those services help us manage or administer our clients' accounts; others help us manage and grow our business. Custodian's support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us. These are considered soft dollar benefits because there is an incentive to do business with Custodian. This creates a conflict of interest. We recognize the fiduciary responsibility to act in your best interest and have established policies in this regard to mitigate any conflicts of interest.

Following is a more detailed description of Custodian's support services:

Services That Benefit Our Clients

Custodian's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Custodian include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Custodian's services described in this paragraph generally benefit our clients and their accounts.

Services That May Not Directly Benefit Our Clients

Custodian also makes available to us other products and services that benefit us but may not directly benefit our clients or their accounts. These products and services assist us in managing and

administering our clients' accounts. They include investment research, both Custodian's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Custodian. In addition to investment research, Custodian also makes available software and other technology that:

1. Provide access to client account data (such as duplicate trade confirmations and account statements)
2. Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
3. Provide pricing and other market data
4. Facilitate payment of our fees from our clients' accounts
5. Assist with back-office functions, recordkeeping, and client reporting

Services That Generally Benefit Only Us

Custodian also offers other services intended to help us manage and further develop our business enterprise.

These services include:

1. Educational conferences and events
2. Consulting on technology, compliance, legal, and business needs
3. Publications and conferences on practice management and business succession
4. Access to employee benefits providers, human capital consultants, and insurance providers

Custodian may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Custodian may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Custodian may also provide us with other benefits, such as occasional business entertainment of our personnel.

Our Interest in Custodian's Services

The availability of these services from Custodian benefits us because we do not have to produce or purchase them. These services are not contingent upon us committing any specific amount of business to Custodian in trading commissions. We believe that our selection of Custodian as custodian and broker is in the best interests of our clients.

Some of the products, services and other benefits provided by Custodian benefit Foster & Wood and may not benefit our client accounts. Our recommendation or requirement that you place assets in Custodian's custody may be based in part on benefits Custodian provides to us, or our agreement to maintain certain Assets Under Management at Custodian, and not solely on the nature, cost or quality of custody and execution services provided by Custodian. This is a conflict of interest. We believe this arrangement is in the clients best interest and have developed policies to mitigate this conflict.

We place trades for our clients' accounts subject to its duty to seek best execution and its other fiduciary duties. Custodian's execution quality may be different than other custodians.

Aggregation and Allocation of Transactions

Foster & Wood may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for our clients and is consistent with the disclosures made to clients and terms defined in the client investment advisory agreement. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day. Foster & Wood aggregates trades of our personnel with those of client accounts.

If we do not receive a complete fill for an aggregated order, we will allocate the order on a pro-rata basis. If we determine that a pro-rata allocation is not appropriate under the particular circumstances, we will base the allocation on other relevant factors, which may include:

1. When only a small percentage of the order is executed, with respect to purchase allocations, allocations may be given to accounts high in cash;
2. With respect to sale allocations, allocations may be given to accounts low in cash;
3. We may allocate shares to the account with the smallest order, or to the smallest position, or to an account that is out of line with respect to security or sector weightings, relative to other portfolios with similar mandates;
4. We may allocate to one account when that account has limitations in its investment guidelines prohibiting it from purchasing other securities that we expect to produce similar investment results and that can be purchased by other accounts in the block;
5. If an account reaches an investment guideline limit and cannot participate in an allocation, we may reallocate shares to other accounts. For example, this may be due to unforeseen changes in an account's assets after an order is placed;
6. If a pro-rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, we may exclude the account(s) from the allocation and disgorge any profits. Generally, de minimis allocations do not exceed 5% of the total allocation. Additionally, we may execute the transactions on a pro-rata basis.
7. We will document the reasons for any deviation from a pro-rata allocation.

Brokerage for Client Referrals

Our Firm does not receive client referrals from any custodian or third party in exchange for using that broker-dealer or third party.

Trade Errors

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes

the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the Custodian, the Custodian will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

Directed Brokerage

We do not routinely recommend, request or require that you direct us to execute transaction through a specified broker dealer. Additionally, we typically do not permit you to direct brokerage. We place trades for your account subject to our duty to seek best execution and other fiduciary duties.

ITEM 13 - REVIEW OF ACCOUNTS

ACCOUNT REVIEWS AND REVIEWERS – INVESTMENT SUPERVISORY SERVICES

Retirement Plans - Our Firm will monitor the investment line-ups on a quarterly basis and provide quarterly reviews to each Plan Sponsor or as frequently as indicated and defined in the Agreement with the Plan. All accounts are reviewed for consistency with the Plan's investment strategy, asset allocation, risk tolerance and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in geopolitical and macroeconomic specific events.

Individual Clients - Our Investment Adviser Representatives will monitor client accounts on a regular basis and perform annual reviews with each client. All accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance, and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax, or financial status. Geopolitical and macroeconomic specific events may also trigger reviews. You are urged to notify us of any changes in your personal circumstances.

STATEMENTS AND REPORTS

Retirement Plans - Our Firm will prepare regular quarterly reports for the Plan Sponsor. The nature and frequency of the reports varies, depending on the service agreement with the Plan Sponsor.

The Custodian for the Plan will also provide an account statement at least quarterly. The Plan Sponsor is urged to compare the reports and invoices provided by our Firm against the account statements you receive directly from the Plan's Custodian and promptly notify the Firm of any discrepancies.

Individual Clients - Quarterly reports are generated for clients shortly after the end of each calendar quarter. These reports show the rate of return of accounts under management of Foster & Wood. These reports are accessed through each client's secure online document portal. The custodian for the individual client's account will also provide clients with an account statement at least monthly. You are urged to compare the reports and invoices provided by Foster & Wood against the account statements you receive directly from your account custodian.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Our firm does not accept nor receive compensation for client referrals.

Client Referrals and Other Compensation

We receive an economic benefit from Custodian in the form of the support products and services it makes available to us and other independent investment advisers whose clients maintain their accounts at Custodian. These products and services, how they benefit us, and the related conflicts of interest are described above (see *Item 12 – Brokerage Practices*). The availability to us of or Custodian's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

From time to time, we may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing-expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made.

Our Firm may be asked to recommend a financial professional, such as an attorney, accountant, or mortgage broker. In such cases, our Firm does not receive any direct compensation in return for any referrals made to individuals or firms in our professional network. Clients must independently evaluate these firms or individuals before engaging in business with them and clients have the right to choose any financial professional to conduct business. Individuals and firms in our financial professional network may refer clients to our Firm. Again, our Firm does not pay any direct compensation in return for any referrals made to our Firm. Our Firm does recognize the fiduciary responsibility to place

your interests first and have established policies in this regard to mitigate any conflicts of interest.

ITEM 15 – CUSTODY

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

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

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 custodians:

- 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.

Foster & Wood is deemed to have custody of client funds and securities whenever Foster & Wood is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Foster & Wood will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

Through our written Agreement with the Plan Sponsor, our Firm may be given the authority to have its management fees deducted directly from the Plan assets held at the Qualified Custodian. Our Firm has established procedures to ensure all Plans are held at a qualified custodian in a separate account for each Plan under that Plan Sponsor's name. The Plan Sponsor will direct, in writing, the establishment of Plan Account and therefore be aware of the qualified custodian's name, address, and the way the funds or securities are maintained

Please refer to Item 5 for more information about the deduction of adviser fees.

Account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from Foster & Wood. When you have questions about your account statements, you should contact Foster & Wood or the qualified custodian preparing the statement.

ITEM 16 – INVESTMENT DISCRETION

RETIREMENT PLANS

When a client engages Foster & Wood as an appointed 3(38) investment manager, Foster & Wood assumes full discretion over the determination of the plan's investment menu and will sign all contractual paperwork with the custodian.

Each individual participating employee has full discretion to determine which investments to own within the menu determined by Foster & Wood.

INDIVIDUAL CLIENTS

For discretionary accounts, prior to engaging Foster & Wood to provide investment advisory services, you will enter a written Agreement with us granting the Firm the authority to supervise and direct, on an on-going basis, investments in accordance with the client's investment objective and guidelines. In addition, you will need to execute additional documents required by the Custodian to authorize and enable Foster & Wood, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell, or exchange securities in and for your accounts. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange and trade any stocks, bonds or other securities or assets and (2) determine the amount of securities to be bought or sold, and (3) place orders with the custodian. Any limitations to such discretionary authority will be communicated to our Firm in writing by you, the client.

The limitations on investment and brokerage discretion held by Foster & Wood for you are:

For discretionary accounts, we require that we be provided with authority to determine which securities and the amounts of securities to be bought or sold.

Any limitations on this discretionary authority shall in writing as indicated on the Investment Advisory Agreement. You may change/amend these limitations as required.

In some instances, we may not have discretion. We will discuss all transactions with you prior to execution or you will be required to make the trades if in an employer sponsored account.

ITEM 17 – VOTING CLIENT SECURITIES

We will not vote proxies on your behalf. You are welcome to vote proxies or designate an independent third-party at your own discretion. You designate proxy voting authority in the custodial account documents. You must ensure that proxy materials are sent directly to you or your assigned third party. We do not act with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies. Clients can contact our office with questions about a particular proxy solicitation by phone at 971-266-0704.

ITEM 18 – FINANCIAL INFORMATION

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely

to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.