



**CANTER STRATEGIC WEALTH MANAGEMENT, LLC**  
**D/B/A CANTER WEALTH**  
(Firm CRD # 167828)

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March 1, 2024

This Form ADV Part 2A Brochure (or "Brochure") provides information about the qualifications and business practices of **Canter Strategic Wealth Management, LLC d/b/a Canter Wealth**, an investment adviser registered with the U.S. Securities and Exchange Commission. If you have any questions about the contents of this Brochure, please contact us at 858.812.7550.

The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or any state securities authority. Nothing in this document is to be construed as a recommendation or an endorsement by the SEC or any state securities authority or an offer of securities; please refer to the actual investment offering and related legal documentation for complete disclosures. Registration with the SEC or any reference to or use of the terms "registered investment adviser" or "registered" does not imply that Canter Wealth or any Associated Person has achieved a certain level of skill or training. Investments involve risk, including the possible loss of principal. An adviser's written and oral communications provide information to determine whether to retain their services. This Brochure is on file with the appropriate regulatory authorities as federal and state regulations require.

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

*(Click on the link, select "Investment Adviser Firm," and type in the firm name or CRD # 167828.  
Results will provide you with all of Canter Wealth's Disclosure Brochures.)*

## ITEM 2: Summary of Material Changes

**Canter Wealth** reviews its Form ADV Part 2A Brochure at least annually to confirm it remains current. In this item, we are required to summarize only those material changes made to our Brochure since our last annual updating amendment. If you are receiving this document for the first time, this section may not be relevant to you.

Since our last annual updating amendment of March 29, 2023, we have made the following material changes to our Form ADV:

### Item 4: Advisory Business

#### Assets Under Management

As of February 23, 2024, our assets under management total \$302,045,491. The following represents client assets under management by account type:

Type of Account	Assets Under Management
Discretionary	\$ 302,045,491
Non-Discretionary	\$ 0
Total	\$ 302,045,491

### Item 5: Fees & Compensation

Canter Wealth updated its individual client asset management services to require a minimum portfolio value of \$750,000, with client accounts falling below \$750,000 subject to a minimum quarterly fee of \$1,875. The Adviser also updated its minimum financial planning fee to \$7500. Canter also updated its Management Services Annual Fee Schedule as follows:

#### Management Services Annual Fee Schedule

Total Assets Under Management	Annual Fee
First \$1,000,000	1.00%
Next \$1,000,000	0.95%
Next \$1,000,000	0.90%
Next \$2,000,000	0.85%
Next \$2,000,000	0.80%
Next \$3,000,000	0.70%
Next \$5,000,000	0.60%
Next \$5,000,000 +	0.50%

*Note: Lower fees for comparable services can sometimes be available from other sources.*

*For accounts falling below \$750,000, we reserve the right to assess a minimum quarterly fee of \$1,875.*

*Clients who engaged the Registrant's services before July 1, 2021, continue to be grandfathered under a previous schedule.*

## ITEM 10: Other Financial Industry Activities & Affiliations

### Pontera

Canter Wealth added Pontera ([www.pontera.com](http://www.pontera.com)), a third-party platform, to facilitate the management of held-away assets for accounts not held directly within our custody but where we maintain discretion (primarily defined contribution plan participant accounts such as 401(k) accounts, HSA's, and other assets we do not custody). The platform allows Canter to avoid being considered to have custody of client funds since we do not have direct access to client log-in credentials to affect trades. Once the client accounts are connected to the platform, we will review the client's current account allocations and regularly assess the available investment options in these accounts, monitor them, rebalance, and implement our strategies in the same way we do other accounts, though using different tools. As necessary, we may leverage an Order Management System to implement tax-efficient asset location and opportunistic rebalancing strategies on the client's behalf. Canter Wealth is not affiliated with the platform and receives no compensation from Pontera for using the

platform services.

#### *Affiliated Businesses*

Within this section, we updated our list of affiliated businesses owned and operated by Canter Companies:

*Canter Management, LLC* manages real estate holdings.

*Canter Capital, LLC* seeks private investment opportunities related to Venture Capital, Private Equity, and Private Real Estate Investments.

*Canter Development, LLC* is a real estate developer currently active in the San Diego market.

*Iconic Property Management, Inc.* is a property manager of long-term rentals in the San Diego market.

*Canter Real Estate Group, Inc. (a Compass Real Estate Team)* is a pass-through entity partnered with an independent, unaffiliated real estate brokerage firm.

*NXT Vacation Management, LLC* is a property manager of short-term vacation rentals in the San Diego market.

*NXT Extended Stay, Inc.* is a property manager of mid and long-term vacation rentals in the San Diego market.

#### *Full Brochure Availability*

This Form ADV Part 2A Brochure applies to all Canter Wealth advisory accounts, including any accounts a client may open. We may, at any time, amend this document to reflect changes in our business practices, policies, procedures, or updates as mandated by securities regulators. Annually and due to material changes, we will provide you with a new Brochure without charge. Please retain this for future reference as it contains essential information concerning our advisory services and business.

You may view our current disclosure documents at the SEC's Investment Adviser Public Disclosure ("IAPD") website at <http://www.adviserinfo.sec.gov> by searching by our firm name or CRD #167828. The SEC's website also provides information about any Canter Wealth affiliated person registered or required to be registered as an Investment Adviser Representative of the firm. You may request a free copy of this Brochure by contacting Canter Wealth's Chief Compliance Officer, Joseph P. Kalmanovitz, directly at 858.812.7550.

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## ITEM 4: Advisory Business

### Description of Advisory Firm

**Canter Strategic Wealth Management, LLC d/b/a Canter Wealth** is a federal-registered investment adviser located in La Jolla, CA. Canter Wealth was formed on May 20, 2013, as a California limited liability company.

### Principal Owners

Canter Wealth's principal owner is Canter Wealth HoldCo, LLC, which is indirectly owned by Andrew E. Canter, the firm's Principal and President, through a trust (75%+ ownership). Certain other Partners and employees own minority stakes in the firm (< 25%), which may increase based on the attainment of specific assets under management ("AUM") targets. The realization of AUM targets will result in Canter Wealth HoldCo LLC's ownership incrementally decreasing, as triggered by employee equity compensation. *(Please refer to Item 10: Other Financial Industry Activities & Affiliations for further details and Form ADV Part 2Bs for Principal Owners' formal education and business backgrounds.)*

Canter Wealth is indirectly owned by Andrew E. Canter (as indicated above), Canter Group, LLC (Member - The Canter Group, LLC owns Canter Wealth Holdco, LLC, which subsequently owns Canter Wealth), and Canter Holdings, LLC (Member - Canter Holdings, LLC owns The Canter Group, LLC).

As used in this Brochure, the words "we," "our," and "us" refer to Canter Wealth and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

### Types of Advisory Services

Canter Wealth is a fee-only investment management and financial planning firm; it does not sell securities on a commission basis. Our investment professionals emphasize continuous personal client contact and interaction in providing the following types of investment advice, advisory, and portfolio management services:

- Individual Client Asset Management Services
- ERISA, Retirement & Employee Benefit Plan Services
- Financial Planning & Consulting Services
- Selection of Other Advisers Services
- Educational Seminars & Workshops Services

Canter Wealth's advisory services are designed and aimed to complement each client's specific needs, as described within its written services contracts (the "Investment Advisory Agreement" or "Financial Planning Agreement," depending on the services selected, collectively, the "Agreement") that disclose, in substance, the scope of service, contract term, advisory fee - or formula for computing the fee, amount or manner of calculation of any pre-paid fee to be returned to the client in the event of non-performance or contract termination, and type of discretionary power granted. Final fee structures are documented within the client's written Agreement.

Advisor Representatives are restricted to providing the services and fees specified within each Agreement, subject to the client's listed objectives, limitations, and restrictions. Contracts must be completed and executed to engage in Canter Wealth's advisory services. Clients may engage Canter Wealth for additional services at any time. *(Please refer to Item 5: Fees & Compensation and Item 16: Investment Discretion for further details on advisory services fees and account management styles.)*

Canter Wealth's advisory services are made available to clients primarily through its investment professionals - individuals associated with the firm as Investment Advisor Representatives ("Advisor Representatives"). Advisor Representatives are required by applicable rules and policies to obtain licenses and complete training to recommend specific investment products and services. Clients should be aware that their Advisor Representative may or may not recommend certain services, investments, or models depending on the licenses or training obtained; they may transact business or respond to inquiries only in the state(s) they are appropriately qualified. *(For more information about the investment professionals providing advisory services, clients should refer to their Advisor Representative's Form ADV 2B Brochure supplement, a separate disclosure document delivered to them, along with this Brochure, before or at the*

*relationship inception. If the client did not receive an ADV 2B Brochure supplement, they should contact their Advisor Representative or Canter Wealth directly.)*

Canter Wealth's relationship with each client is non-exclusive; in other words, we provide advisory services to multiple clients. Since our investment strategies and advice are based on each client's specific financial situation, the investment advice we provide to you may be different or conflicting with the advice we give to other clients regarding the same security or investment. Canter Wealth seeks to avoid situations in which one client's interest may conflict with the interest of another of its clients.

If requested by the client, we may recommend the services of other professionals for implementation purposes. Clients are under no obligation to engage in any recommended professional services. The client retains absolute discretion over all such implementation decisions and can accept or reject any recommendation. *(Please note: If a client engages any recommended professional, and a dispute arises relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.)*

#### Client Responsibilities

Canter Wealth's advisory services depend on the information received from clients. We cannot adequately perform our obligations and fiduciary duties to our clients unless they disclose an accurate and complete representation of their financial position and investment needs, timely remit requested data or paperwork, provide updates promptly upon changes, and otherwise fulfill their responsibilities under their Agreement. Clients will acknowledge and agree to their obligation to promptly notify us in writing if any information material to the advisory services to be provided changes, data previously provided that might affect how their account should be managed occurs, or if earlier disclosed details become inaccurate. The client or their successor shall also promptly notify us in writing of the client's dissolution, termination, merger, or bankruptcy if the client is other than a natural person and the occurrence of any other event that might affect the validity of their Agreement or our authority thereunder.

Canter Wealth reserves the right to terminate any client engagement where a client has willfully concealed or refused to provide pertinent information about information material to the advisory services to be provided or individual/financial situations when necessary and appropriate in its judgment to provide proper financial advice.

Following is a summary description of advisory services covered by this Brochure. Clients should consult with their Advisor Representative and the applicable client Agreement and fee schedules for further information regarding each service.

#### Individual Client Asset Management Services

Canter Wealth provides **individual client asset management services** using asset allocation models designed for diversification while targeting risk and return profiles. Advisory accounts are managed on a discretionary basis aimed to meet client needs for risk tolerance, investment goals, cash flow, liquidity, stated objectives, and potential tax considerations. Canter Wealth's recommendations are not limited to any specific investments offered by a custodian or fund family but include mutual funds and exchange-listed securities.

The client and their Advisor Representative will agree upon a portfolio allocation outlined in an Investment Policy Statement ("IPS") signed by both parties. At that point, the client's account will maintain the IPS allocation, which can only be changed by receipt of a revised IPS signed by both parties. Rebalancing, tax-loss harvesting, and other portfolio trading requirements will be executed to maintain the integrity of the IPS' account allocation guidelines.

An IPS is not a contract; an IPS is an investment philosophy summary intended to guide the client and the adviser; it is not to be construed as offering any guarantees. *Clients are ultimately responsible for establishing their investment policy.*

Canter Wealth will have investment authority when offering individual client asset management services and supervise and direct the account's investments, subject to the objectives, limitations, and restrictions listed in the client's written Agreement and IPS. As account goals and objectives will often change over time, suggestions will be made and applied

ongoing as the client and their Advisor Representative review their financial situation and portfolio through regular contact and annual meetings to determine changes in their financial situation or investment objectives, confirm realistic restrictions on account management, and verify if the client wishes to modify any existing conditions reasonably.

Canter Wealth does not maintain physical custody of client funds or securities other than the standard business practice of deducting management fees from client accounts. According to the client's Agreement, their portfolio account assets will be controlled by an independent and separate qualified custodian, who will take possession of the cash, securities, and other assets within the client's portfolio account. Canter Wealth recommends that its clients maintain all investment management accounts at their preferred custodian unless the client directs otherwise. (*See Item 15: Custody.*)

Clients should consult their Agreement for complete details.

#### ERISA, Retirement & Employee Benefit Plan Services

Canter Wealth provides **ERISA, retirement and employee benefit plan services**, investment due diligence, education, and other advisory services to clients with employee benefit plans or other retirement accounts (i.e., IRAs) for an advisory fee. As such, the firm is considered a fiduciary under the Employee Retirement Income and Securities Act ("ERISA") and regulations under the Internal Revenue Code of 1986 and is required to abide by the Impartial Conduct Standards as defined by ERISA.

In connection with such services, effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, clients should be aware of the following:

When we provide investment advice to you regarding your retirement plan or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable laws governing retirement accounts. How we are compensated conflicts with your interests, so Canter Wealth operates under a special rule requiring us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- meet a professional standard of care when making investment recommendations (*give prudent advice*),
- never put our financial interests ahead of yours when making recommendations (*give loyal advice*),
- avoid misleading statements about conflicts of interest, fees, and investments,
- follow policies and procedures designed to ensure that we provide advice that is in your best interest,
- charge no more than is reasonable for our services, and
- give you basic information about conflicts of interest.

Canter Wealth benefits financially from the rollover of a client's assets from a retirement account to an account we manage or provide investment advice because the assets increase our assets under management and, in turn, our advisory fees. Canter Wealth's policy as a fiduciary is only to recommend a client rollover retirement assets if we believe it is in the client's best interest. If clients elect to roll their retirement assets to an IRA subject to our management, they will be charged an asset-based fee as outlined in the Agreement they executed with our firm. Clients are not contractually or otherwise under any obligation to complete a rollover. If they elect to complete a rollover, they are not obligated to have their retirement assets managed by Canter Wealth.

Finally, we will receive no compensation if a client or a prospective client receives a recommendation to leave their plan assets with their old employer.

#### IRA Rollover Considerations

In determining whether to make an IRA rollover to Canter Wealth, clients must understand the differences between accounts to decide whether a rollover is best for them. Many employers permit former employees to maintain their retirement assets in their company plans. Further, current employees can sometimes move assets from their company plan before retiring or changing jobs. There are various factors Canter Wealth will consider before recommending retirement plan rollovers, including but not limited to the investment options available in the plan versus the other

investment options available, plan fees and expenses versus those of alternative account types, the services and responsiveness of the plan's investment professionals versus those of Canter Wealth, required minimum distributions and age considerations, and employer stock tax consequences if any.

To the extent the following options are available, clients should carefully consider the costs and benefits:

1. leaving the funds in the employer's/former employer's plan,
2. moving the funds to a new employer's retirement plan,
3. cashing out and taking a taxable distribution from the plan, and
4. rolling the funds into an IRA rollover account.

Each of the above options has advantages and disadvantages. If you contemplate rolling over retirement funds to an IRA for us to manage, we encourage you to speak with your CPA or tax attorney before making a change. The following are additional points for consideration before making any changes:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might wish to consider other investment types:
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public, such as employer securities or previously closed funds.
2. Consider plan fees - your current plan may have lower costs than Canter Wealth's fees:
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have a higher risk than your plan's option(s).
4. Your current plan may also offer financial advice.
5. If you keep your assets in a 401(k) or retirement account, you could potentially delay your required minimum distribution beyond age 72.
6. Your 401(k) may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have mainly been protected from creditors in bankruptcies. However, there can be some exceptions to the usual rules, so you should consult an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401(k), but not from an IRA.
8. IRA assets can be accessed at any time; however, distributions are subject to ordinary income tax and may be subject to a 10% early distribution penalty unless they qualify for an exception, such as disability, higher education expenses, or a home purchase.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire Canter Wealth as the manager and keep the assets titled in the plan name.

#### Financial Planning & Consulting Services

At the adviser's discretion, under certain situations where traditional asset management is not available/an option, asset and/or fee minimums may be waived, and individual clients may engage Canter Wealth solely to provide fee-only **financial planning services** for managing their financial resources based upon an analysis of their particular needs, differentiated by the scope and depth of the areas to be addressed, analysis complexity, recommendations developed, deliverables created, and presentation. These services can range from broad-based financial planning to consultative or single-subject planning and may be provided through a one-time or annual engagement at the firm's discretion. (See *Item 5: Fees & Compensation, "Fee Negotiation Availability."*)



Financial planning and consulting will typically involve supplying several services to clients, principally advisory, regarding managing their financial resources based upon an analysis of their unique needs. To the extent requested by the client, financial planning advice may be rendered in the following:

- cash flow projections,
- investment portfolio analysis,
- real estate planning,
- risk management & insurance planning,
- retirement planning,
- social security & pension planning,
- estate planning,
- tax strategy, and
- business planning.

To participate in this service, a total time/cost estimate will be determined during or after the initial consultation and before any services commence, and the client will execute a Financial Planning Agreement setting forth the terms and conditions of the engagement, scope of services to be provided and the fees due. The final fee structure will be documented within the executed client Agreement.

The process typically begins with an initial complimentary consultation to gather pertinent information about the client's personal and financial circumstances and objectives. Financial planning clients may also be required to complete an investment-related questionnaire as part of the information-gathering process. Once all information has been gathered, studied, and analyzed, a written financial plan – designed to strive to achieve the client's expressed financial goals and objectives – will be produced and presented. Depending on the scope of the assignment and the complexity of the planning to be performed or advice to be given, financial planning services can take approximately two weeks to 12 months. Financial plans are based on the client's financial situation when the plan is presented and the financial information disclosed by the client to Canter Wealth.

Since financial planning is a discovery process, situations occur wherein the client is unaware of specific financial exposures or predicaments. If the client's case is substantially different than disclosed at the initial meeting, a revised fee will be provided for agreement. When a fee increase is necessary, the client must approve and agree to the scope change before any additional work is performed. In such cases, we will notify the client to obtain this approval.

Financial planning engagements terminate upon delivery of the written plan unless the client has engaged Canter Wealth for ongoing planning services. Additional reviews may be conducted upon request, and written updates to the financial plan may be provided in conjunction with the review. Updates to financial plans may be subject to our then-current hourly rate, which the client must approve in writing and in advance of the update.

As with all our advisory services, clients are expected to promptly notify us in writing of any material differences that we would not otherwise know that might affect the validity of their Agreement. Advisor Representatives will conduct follow-up interviews to review and collect financial data as needed.

Financial planning services may be the only service provided to the client. Executing an Agreement neither constitutes an agreement for nor requires that the client use or purchase investment advisory or other services offered.

Canter Wealth will not have investment authority when offering financial planning consulting services, and the services do not include implementing or monitoring any recommendations provided. Specific investment recommendations are part of the relationship implementation phase and are only available through ongoing individual client asset management services advisory relationships.

If tax or legal services are necessary, the client's responsibility is to obtain them from one or more third parties.

Clients are under no obligation to act on our financial planning recommendations. Should they choose to act on any of our recommendations, they are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, they may act on our recommendations by placing securities transactions with any brokerage firm. The client retains absolute discretion over implementation decisions and can accept or reject Canter Wealth's recommendations.

Canter Wealth does not represent that these products or services are offered at the lowest available cost - clients may be able to obtain the same products or services at a lower price from other providers. Clients should consult their Agreement for complete details. *(See Item 12: Directed Brokerage.)*

#### Selection of Other Advisers Services

Canter Wealth retains the ability to select or recommend and provide access – after appropriate due diligence – to independent third-party investment advisers (the "independent advisers" or "referred managers") from the group of sub-advisers participating in its **selection of other advisers' services**, with whom it has entered an agreement to make their services available, to guide, administer, and/or manage a portion of client accounts on a discretionary basis. These sub-advisers (s) may use one or more of their model portfolios to manage your account, which we will regularly monitor for performance.

We will refer only to those individuals or entities suitable for such accounts. In making referrals, our role is to verify that clients are appropriate to become clients of such independent advisers, determine if the potential referred client has assets to invest, and confirm they have a minimum understanding of financial investing. We will assist clients in understanding the referred manager's contract (the "Program Agreement"), help them complete their investor profile to aid the manager in determining the appropriate allocation strategy for their account and assist with any questions they may have about the referred manager or its services.

Clients will receive full disclosure at the time of referral, including detailed information on the referred manager's services, fees to be charged, and other pertinent disclosures by delivering a copy of the relevant independent adviser's Form ADV Part 2 or equivalent disclosure documents. We may pay a portion of our advisory fee to the sub-adviser(s) we use; however, you will not pay our firm a higher advisory fee due to any sub-advisory relationships.

The client will sign an acknowledgment confirming their receipt of copies of all material operative documentation and disclosures detailing the nature of the relationship, compensation to Canter Wealth, and other general terms of the referred services.

#### Educational Seminars & Workshops Services

Canter Wealth may provide **educational seminars and workshop services** on an "as announced" basis for groups seeking general education on investments and other areas of personal finance. The content of these seminars will vary depending on the needs of the attendees. Topics may include matters related to asset/wealth management services, such as financial planning, investment planning, retirement planning, or other economic and investment topics. These seminars are purely educational and do not involve the sale of any investment products. Information presented will not be based on a person's needs, and we will not provide individualized investment advice to attendees during these events. We do not provide investment advice to attendees unless engaged independently and only where the attendee's individualized financial information, investment goals, and objectives are provided.

#### Types of Investments

Canter Wealth will generally provide investment advice and money management regarding:

- exchange-traded funds (ETFs),
- mutual fund shares, and
- fixed-income securities.

An investment adviser must provide investment advice in the client's best interest as a fiduciary. When recommending investments in mutual funds, our policy is to consider all available share classes and select the most appropriate ones based on various factors, including but not limited to minimum investment requirements, trading restrictions, internal

expense structure, transaction charges, availability, and other factors. Institutional share class mutual funds typically cost less than other share classes. Generally, they do not have an associated 12b-1 fee, leading to a lower overall expense ratio than other class shares of the same mutual fund. Therefore, in most cases, it will be in the client's best interest to recommend or purchase share classes with the lowest cost (institutional share class).

Canter Wealth avoids market timing but will increase cash holdings when necessary. Although we primarily offer advice on mutual funds and ETFs, we may advise on various investments based on your stated goals and objectives. We may also advise on any investment held in your portfolio at the inception of our advisory relationship. We reserve the right to offer advice on any investment product deemed suitable for a client's specific circumstances, needs, individual goals, and objectives. We will also use other securities to help diversify a portfolio when appropriate.

**Client Tailored Services**

Canter Wealth offers the same suite of services to all its clients. All portfolios are customized to each client's needs, depending on the advisory services performed under each client's IPS. However, some clients will require only limited services due to the nature of their investments. Limited services are discounted at our discretion, as detailed herein and defined in each client's written Agreement.

**Client Imposed Restrictions**

According to their preferences, values, or beliefs, **individual client asset management services** clients who engage Canter Wealth on a discretionary basis may, at any time, impose restrictions on Canter Wealth's discretionary authority for investments in particular securities or security types, including but not limited to restricting the types or amounts of securities purchased for their account, excluding the ability to buy securities with an inverse relationship to the market, limiting the use of margin, etc. All restriction requests must be submitted in writing.

Reasonable efforts are used to comply with client investment guidelines by standard industry practices. In imposing restrictions, it is essential to note that such conditions can affect a client's account performance and result in variations from a similarly managed account without restrictions. Variations could also result in positive or negative performance differences for a client's portfolio compared to the investment program's performance composite. Further, recommended investment structures could prevent controlling the client's specific outcome.

Upon receiving a client's written restrictions, we will discuss the request's feasibility to ensure expectations are met and confirm the client's acknowledgment and understanding of the possible outcomes of the imposed restrictions. If client-imposed restrictions prevent a client's account's proper servicing or require substantial deviations from recommendations, Canter Wealth reserves the right to end the client relationship. In no event and regardless of the advisory service provided is the adviser obligated to make any investment or enter any transaction it believes in good faith would violate any federal or state law or regulation.

**Wrap Fee Programs**

A wrap fee program is defined as any advisory program under which a specified fee or fees not based directly upon transactions in a client's account are charged for investment supervisory services, which may include portfolio management or advice concerning the selection of other investment advisers and the execution of client transactions. Canter Wealth does not participate in wrap fee programs or receive any portion of wrap fees for its services.

**Assets Under Management**

As of February 23, 2024, our assets under management total \$302,045,491. The following represents client assets under management by account type:

Type of Account	Assets Under Management
Discretionary	\$ 302,045,491
Non-Discretionary	\$ 0
Total	\$ 302,045,491

## ITEM 5: Fees & Compensation

### Description of Advisory Fees

Under the Advisers Act's "Brochure Rule," investment advisors are required to provide a written disclosure statement to their clients. A copy of Canter Wealth's Form CRS, Form ADV Part 2A, and the applicable Advisor Representative's Part 2B Brochure will be provided to clients before executing a client Agreement. *Unless a client has received these Disclosure Brochures at least 48 hours before signing their Advisory Agreement, they may terminate their Advisory Agreement within five (5) business days of Agreement execution without incurring any advisory fees.*

### Fee Negotiation Availability

Canter Wealth advisory clients agree to pay an asset-based advisory fee calculated according to the indicated fee schedules. Advisory fees are negotiable. At its discretion, the adviser may negotiate fees based on particular client account criteria, including but not limited to considerations such as anticipated future assets, a client's unique circumstances, and additional services performed up to the maximum annual rates listed herein. Assets of related accounts, such as family or business relationships, may also be aggregated to calculate the applicable advisory fee. Further, some clients will require only limited services due to the nature of their investments. Limited services are offered at a discounted rate. As outlined in each client's Agreement, final advisory fee structures are established on a client-by-client basis.

While we believe that the fees presented are competitive with alternative programs available through other firms that may provide a similar range of services, lower fees for comparable services, at times, can be available from different sources. Although Canter Wealth seeks to facilitate advantageous agreements for clients, to the extent fees are negotiable, some clients may pay higher (more) or lower fees (less) than other clients for services depending on factors such as account total assets under management, the number of related investment accounts, inception date, or other considerations, than if they had contracted directly with another provider. In all cases, clients are responsible for any tax liabilities that result from any transactions. Regardless of fee negotiation availability, a client will not be required to pre-pay a Canter Wealth advisory fee more than six months in advance in excess of \$1,200.

The following describes how Canter Wealth is compensated for each of its advisory services:

### Individual Client Asset Management Services

Canter Wealth provides **individual client asset management services** on a fee-only basis based on the value of the assets to be managed, the work to be provided, and the complexity of their situation. Individual client asset management services require a minimum portfolio value of \$750,000. While client accounts falling below \$750,000 may be subject to a minimum quarterly fee of \$1,875, Canter Wealth may accept clients with less than the minimum portfolio size at the adviser's discretion, based on the particular client account criteria, including but not limited to considerations such as anticipated future assets, a client's unique circumstances, and additional services performed.

If engaged, Canter Wealth will charge an annual fee ranging according to the following fee schedule:

Management Services Annual Fee Schedule

Total Assets Under Management	Annual Fee
First \$1,000,000	1.00%
Next \$1,000,000	0.95%
Next \$1,000,000	0.90%
Next \$2,000,000	0.85%
Next \$2,000,000	0.80%
Next \$3,000,000	0.70%
Next \$5,000,000	0.60%
Next \$5,000,000 +	0.50%

*Note: Lower fees for comparable services can sometimes be available from other sources.*

*For accounts falling below \$750,000, we reserve the right to assess a minimum quarterly fee of \$1,875.*

*Clients who engaged the Registrant's services before July 1, 2021, continue to be grandfathered under a previous schedule.*

### *Fee Billing & Payment*

Canter Wealth's **individual client asset management services** fees will be calculated and paid quarterly in advance based on the client's asset value on the last business day of the prior calendar quarter, according to the client's Agreement terms. If the client executes their Agreement after the first day of the calendar quarter, the advisory fee will be pro-rated for the remainder of the quarter.

Clients will indicate their fee billing and payment preference in their Agreement. Fees will be directly debited from the client's account held at their custodian of record. Canter Wealth will not access client funds for fees without written client consent.

Clients who wish to have their fees directly debited will provide written limited authorization instructions to their custodian, directing them to allow Canter Wealth to withdraw any advisory fees due. The limited authorization will authorize the adviser to invoice the custodian directly for the client's advisory fees and instruct the custodian to automatically debit any fees from the client's custodial account. After each advisory fee payment transfer, the written instructions will also request that the custodian provide a "transfer of funds" notice to the client at their custodial address of record. The client may provide these instructions on the qualified custodian's form or separately. *The custodian will maintain actual custody of the client's assets.* Clients may elect to have their quarterly fees charged to either one account or split between their other custodial accounts.

Upon receiving Canter Wealth's instructions, the qualified custodian will automatically deduct and pay us from the client's custodial account the fee amount due at the quarter's end, regardless of the portfolio's market performance during the preceding quarter. The account custodian does not verify the accuracy of our advisory fee calculation. Clients will receive custodial statements reflecting the advisory fees debited from their designated custodial account(s).

*We encourage you to reconcile the information you receive from us with the statement(s) you receive from the qualified custodian. Call the main office number on this Brochure's cover page if you find any inconsistent information between our invoices/documents and the statement(s) you receive from the qualified custodian.*

Please note that when authorized by the client to debit advisory fees from client accounts, Canter Wealth is deemed to have custody of client assets to the extent that the adviser can instruct custodians to deduct advisory fees due. (*See Item 15: Custody for additional details.*)

Under limited circumstances and at their discretion, Canter Wealth may approve a client to be directly billed. In this situation, the client will authorize the payment in writing on their Agreement and request that the adviser quarterly invoices them directly for any amounts due. Clients will then remit their fee payments to the adviser by separate check or credit card within 30 days of invoice receipt. Under no circumstance will any Canter Wealth advisory fees be deducted from any amounts they hold within their custodial account(s) unless the client has provided us with written authorization to do so at their request.

### *Additions, Withdrawals & Terminations*

Additions, withdrawals, and terminations to individual client asset management services client accounts are governed by the Agreement the client signs directly with Canter Wealth.

Clients may make cash or securities additions to their accounts at any time. Fees will be adjusted during the subsequent quarterly billing cycle for incoming or outgoing intra-quarter asset flows exceeding \$10,000. Transfers and deposits received for clients new to the firm by the 10<sup>th</sup> of the month of a new quarterly billing cycle will be billed in advance on a pro-rata basis. Canter Wealth reserves the right to liquidate any transferred securities or decline to accept particular securities into the client's account. Clients may be subject to additional transaction fees, mutual fund level fees, contingent deferred sales charges, and tax ramifications if transferred securities are liquidated.

Clients may make withdrawals from their accounts at any time in cash or securities. Withdrawals are subject to the usual and customary securities settlement procedures. Additionally, if the client transfers their account to another firm, they may pay an outgoing account transfer fee. (*Please note that the client's custodian assesses this fee; it is not a fee charged by Canter Wealth.*)

Terminations can be made to Canter Wealth Agreements by written notice without penalty within five (5) business days after the Agreement execution date. After that, the contracts between Canter Wealth and the client will continue to be terminated according to the Agreement's provisions, which state that either party may terminate the Agreement without penalty upon 30 days of written notice to the other party. Terminations become effective on receipt of such notice and will not affect:

- the validity of any action previously taken by the Adviser under the Agreement,
- liabilities or obligations of the parties from transactions initiated before termination of the Agreement, or
- the client's responsibility to pay management and other fees due, pro-rated through the termination date.

Upon termination, the annual services fee will be pro-rated through the termination date. At termination, after the prior full billing quarter, the portfolio value will be used as the basis for the fee computation, adjusted for the number of days during the billing quarter before termination. Based on the termination date, any pre-paid, unearned fees will be promptly refunded to the client on this pro-rata basis.

If the client is a natural person, the client's death, disability, or incompetency will not terminate or change the terms of an Agreement. However, the client's executor, guardian, attorney-in-fact, or another authorized representative may terminate the client's Agreement by providing written notice to us. Before termination, all directions given or actions taken or omitted by Canter Wealth before the effective Agreement termination shall be binding upon the client and any successor or legal representative.

Upon the termination of the agreement, we will not be obligated to recommend or take any action concerning the securities, cash, or other investments in a client's account. We will no longer be entitled to receive fees from the termination date. Clients should refer to their Agreement for complete details.

#### **ERISA, Retirement & Employee Benefit Plan Services Fees**

**ERISA, retirement, and employee benefit plan services** fees are billed and payable according to the preceding individual client asset management services fee schedule. Account additions, withdrawals and terminations will follow the same procedures. Clients should refer to their Agreement for complete details.

#### **Financial Planning & Consulting Services Fees**

**Financial planning and consulting services** fees, including investment and non-investment-related matters, are predicated upon the facts known at the start of the engagement. Canter Wealth charges a fixed and/or hourly fee for these services, for which a minimum annual fee of \$7,500 will be assessed, amortized and billed quarterly. Typically, personalized financial planning and consulting services are available on a stand-alone separate fee basis for a fixed project fee of \$7,500 - \$20,000, based on the complexity and scope of the engagement and as agreed upon before services are provided.

To engage in financial planning and consulting services, clients are generally required to enter into a Financial Planning Agreement between the parties, 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. Financial planning fees are due upon engagement prior to commencing services.

Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments. If the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for agreement. When a fee increase is necessary, the client must approve and agree to the scope change before any additional work is performed. However, *a client will not be required to pre-pay a fee more than six months in advance in excess of \$1,200.*

The adviser reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in its judgment, to provide proper financial advice.



### *Fee Billing & Payment*

Generally, our practice is to bill clients quarterly as most financial planning services clients engage in annual services, not one-time plan delivery. Billing is calculated using the date of the agreement as the inception date and is pro-rated accordingly. Should an engagement last longer than six months between acceptance and delivery of the Agreement, the adviser will promptly return any pre-paid unearned fees less a pro-rata charge for bona fide financial planning services.

### *Agreement Terminations*

Either party may terminate the Agreement by written notice to the other. If the client terminates these services, the unearned fees will be promptly refunded to them. If termination occurs within five business days of agreeing to such services, the client shall be entitled to a full refund.

### *Selection of Other Advisers Fees*

Canter Wealth's fees for its **selection of other adviser services** are based on a percentage of assets managed within the client's referred advisory account. Assets managed by our referred advisers will be included in calculating our advisory fee based on the schedule outlined in Item 5: Fees & Compensation, Individual Client Asset Management Services. Compensation will be paid via a fee share from such third-party advisers. The selection of other advisers' fees and relationships will be disclosed in each contract between Canter Wealth and each independent third-party adviser to whom it introduces clients and will not exceed the limits imposed by any regulatory agency. Canter Wealth's portion of the total management fee represents the maximum it may earn under the referred advisor's program, billed and deducted according to the client's asset management services above. Final fee structures will be designated within the client's referred advisor's Agreement.

### *Fee Billing & Payment*

Referred advisor fees will be billed and payable quarterly in advance or arrears, according to the Agreement the client separately signs with their referred adviser. Canter Wealth does not participate in the referred adviser's fee calculation or deduction process.

It is important to note that referred advisors can charge fees in addition to the fee schedule disclosed herein and will typically reserve the right to reduce or waive their fee at their sole discretion. The advisory fees you pay to a referred adviser are established and payable per the brochure provided by each adviser to whom you are referred. These fees may or may not be negotiable. You should review the recommended adviser's brochure and consider their fees with ours to determine the total fees associated with this program before participating in any referred manager's program. Fees and similar charges can also be incurred in client account transactions and investments within the portfolio's model(s). Such fees will be paid out of the client's account assets *in addition to* the fees clients pay to Canter Wealth and any third-party referred adviser. We do not receive any portion of the commission fees or costs associated with referred client accounts.

As the services available from Canter Wealth and the referred advisor are available through other companies at differing prices, clients are encouraged to review the components that determine charges and service calculations. Factors for consideration should include but are not limited to account size, type(s) of account(s), transaction charges, the range of advisory services, and each service's ancillary charges.

### *Additions, Withdrawals & Terminations*

Additions, withdrawals, and terminations to referred advisory accounts are governed by the separate services Agreement the client signs directly with the referred adviser. Referred advisor Agreements will continue until the client or referred advisor terminates the relationship by written notice to the other. The referred advisor is responsible for refunding unearned service fees per their Agreement's terms. If the total value of the client's account or aggregated accounts falls below the minimum account size for a withdrawal or other reason, the referred adviser may terminate their Agreement. Before participating, clients should review all applicable Disclosure Brochures, investor profiles, and referred adviser Agreements. Clients should refer to their respective Agreements for more details and contact their referred adviser directly for questions regarding their advisory agreement with the referred adviser.

### Educational Seminars & Workshops Services Fees

Fees for **educational seminars and workshop services** may be charged to participants through a pre-determined ticket price (typically \$25-100) or a sponsoring company via a flat fee. In limited circumstances, the fees may be waived.

### Other Fees & Expenses

Clients should note that Canter Wealth's fees exclude bank or custodial fees, brokerage commissions, transaction fees, and other related costs and expenses a client may incur. Some examples of these fees can include but are not limited to custodial fees, trading charges for odd-lot differentials, fixed income, or other transactional costs, including mark-ups, mark-downs, commissions, and dealer profits, charges imposed directly by exchange-traded funds in the account - which will be disclosed in the applicable fund's prospectus, wire transfer and electronic fund fees, or other costs and taxes on brokerage accounts and securities transactions. A third party can also impose fees for services elected by their clients, such as certificate delivery, American Depositary Receipts ("ADRs"), and transfer taxes mandated by law. Specific managed portfolios can also include transactions in foreign securities and execution on foreign stock exchanges, resulting in other transaction expenses.

ETFs and other managed products or partnerships can also be in clients' portfolios. Clients can be charged for the services by the providers/managers of these products and the advisory management fee paid to us. Charges can be imposed directly by mutual funds, and mutual fund shares held in client accounts may be subject to 12b-1 fees, short-term redemption fees, and other annual fund expenses. No-load or load-waived mutual funds used in client portfolios would not have initial or deferred sales charges; however, if a fund that imposes sales charges is selected, the client may pay an initial or deferred sales charge. Mutual funds pay advisory fees to their managers, which are indirectly charged to all mutual fund shareholders. Clients with mutual funds in their portfolio effectively pay the adviser and any third-party manager, custodian, and mutual fund manager to manage their assets. Each fund's prospectus fully describes fees and costs, which clients must carefully consider.

The fees paid to us are separate from the fees and expenses charged by mutual funds. As a client could invest in a mutual fund or investment partnership directly, without the services of Canter Wealth, they should review both the fees charged by the funds and the applicable program fee charged by the adviser to evaluate the advisory services being provided fully and understand the total amount of fees to be paid by them. *(Please note that Canter Wealth does not accept commission-based compensation of any nature, nor does it receive mutual fund 12b-1 fees.)*

Clients may also incur "account termination fees" upon transferring an account from one brokerage firm (broker-dealer/custodian) to another. These account termination fees can range significantly from a nominal fee to several hundred dollars but can be much higher sometimes.

Clients should contact their account custodians to determine the amount of account termination fees charged and deducted from their accounts for any accounts that may be transferred. *(Please also see Item 12: Brokerage Practices for additional details.)*

Third parties can also impose charges for special services elected by their clients, such as certificate delivery, American Depositary Receipt (ADR), and transfer taxes mandated by law. Certain portfolios managed by Canter Wealth can include transactions in foreign securities. These transactions can require execution on foreign stock exchanges, resulting in additional transaction expenses. Such charges, fees, and commissions are exclusive of and in addition to Canter Wealth's advisory fees. We do not receive any portion of these commissions, fees, or costs.

Canter Wealth believes that the charges and fees offered within its program are competitive with alternative programs available through other firms offering a similar range of services; however, lower fees for comparable services may be available from other sources. For example, a client could invest in mutual funds directly. In that case, the client would not receive the services provided by Canter Wealth, which are designed, among other things, to assist them in determining which investments are most appropriate for their financial condition and objectives, the ability to undertake a disciplined approach to portfolio rebalancing while taking into account the tax ramifications of same and the avoidance of ad hoc emotional reactions to shorter-term market events. Further, some of the funds may not be available to the client directly without the use of an investment adviser granted access to such investments.



Clients are encouraged to speak with their Advisor Representative directly about any questions about the firm's fees and compensation.

#### ITEM 6: Performance-Based Fees & Side-by-Side Management

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Performance-based fees are fees based on a client's account's share of capital gains or capital appreciation. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Canter Wealth does not accept performance-based fees or participate in side-by-side management. Such acceptance or management would pose a significant conflict of interest to our clients as the acceptance of performance-based fees may provide an incentive to favor such accounts over clients' accounts under our other advisory programs.

#### ITEM 7: Types of Clients

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Canter Wealth provides supervisory management services to individuals and institutions. Individual clients include high-net-worth individuals, families, and/or trust accounts. Institutional clients include other registered investment advisers, endowments, foundations, non-profits, and retirement plans.

##### Minimum Account Size

**Individual Client Asset Management Services** and **ERISA, Retirement & Employee Benefit Plan Services** require a minimum account size of \$750,000. However, the adviser may make an exception to its minimum asset requirement at its sole discretion. There are no ongoing contribution requirements for client accounts, although this practice is highly recommended for continuing savings, asset allocation, and tax efficiency.

As a condition for starting and maintaining a **financial planning and consulting services** relationship, Canter Wealth usually imposes a minimum fee of \$7,500. The adviser may waive the above minimums based on specific criteria at its sole discretion.

Clients who participate in Canter Wealth's **selection of other advisers' services** will also be subject to the independent referred adviser's account minimums, as disclosed in the referred adviser's Program Agreement. The client is responsible for understanding the account minimums, requirements, and fee agreement executed with the referred adviser.

No account minimums are required to participate in **educational seminars and workshop services**.

#### ITEM 8: Methods of Analysis, Investment Strategies & Risk of Loss

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##### Methods of Analysis

Canter Wealth uses a fundamental analysis method in formulating investment advice or managing assets. Canter Wealth provides customized investment recommendations and assists clients in creating an IPS based on each client's specific circumstances, including but not limited to risk tolerance, investment goals, cash flow needs, liquidity requirements, stated objectives, and potential tax considerations. Once a client's IPS and investment strategy or asset allocation is determined, Canter Wealth will select asset fund managers within each asset class that has met specific criteria, as determined by its Investment Committee.

Canter Wealth's Investment Committee comprises Babak Gahvari, Managing Partner, Michael Bernier, Senior Wealth Advisor, and Joseph Kalmanovitz, Head of Financial Planning and Chief Compliance Officer. The Investment Committee evaluates potential asset managers by employing qualitative and quantitative analysis. Our qualitative and quantitative research evaluates performance, fees, investment process, portfolio management team, research capabilities, trade execution, business operations, compliance, and risk management. It is expected and understood that not all investments in a given portfolio would perform in unison with other assets within the same portfolio.

## Investment Strategies

Canter Wealth's investment strategy involves using factor-based investment vehicles to design low-cost, tax-efficient, globally diversified portfolios. We will typically use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

*Modern Portfolio Theory* - a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk or equivalently minimize risk for a given level of expected return by carefully diversifying the proportions of various assets. Market risk is that part of a security's risk common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

*Long-Term Purchases* - securities purchased with the expectation that the value of those securities will grow over a relatively long period, generally greater than one year. Using a long-term purchase strategy generally assumes the financial markets will go up in the long term, which may not be the case. There is also the risk that the segment of the market you are invested in, or perhaps your particular investment, will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking up" assets that may be better utilized in the short term in other investments.

*Short-Term Purchases* - securities purchased with the expectation that they will be sold within a relatively short period, generally less than one year, to take advantage of the securities' short-term price fluctuations. Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short term, which may be very difficult and incur disproportionately higher transaction costs than long-term trading. Many factors can affect financial market performance in the short term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over more extended periods.

*Environmental, Social & Governance Criteria* - an additional level of scrutiny is added to Environmental, Social & Governance ("ESG") products. All investments are screened using ESG criteria through sources available from multiple internal and external screening sources (i.e., Morningstar, Bloomberg Sustain, among others). The purpose is to seek additional risk management and long-term value by investing in companies that positively impact the world and avoid companies that don't take responsibility and care of all stakeholders, including shareholders, communities, the environment, and the supply chain. ESG screening has risks, including that it may not encompass all environmental, social, or governance issues and that such an approach may not lead to greater portfolio performance.

Our investment strategies and advice may vary depending on each client's financial situation. As such, we determine investments and allocations based on your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs, and other suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. **It is essential that you notify us immediately concerning any material changes to your financial circumstances, including a change in your current or expected income level, tax circumstances, or employment status.**

We will not perform a quantitative or qualitative analysis of individual securities. Instead, we will advise you on how to allocate your assets among various classes of securities or third-party money managers. We primarily rely on investment model portfolios and strategies developed internally and by third-party money managers and their portfolio managers. We may replace/recommend replacing a third-party money manager if there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark.

## Cash Management

Canter Wealth usually invests clients' cash balances in FDIC-insured deposit accounts, money market funds, or FDIC-insured certificates of deposit. In managing the cash maintained in your account, we utilize the sole exclusive cash vehicle (money market) made available by the custodian. Other cash management options may be away from the custodian available with higher yields or safer underlying investments. In most cases, at least a partial cash balance will be maintained in a money market or FDIC-insured deposit account to allow for the debit of advisory fees or anticipated cash distributions to clients. We will manage client account cash balances based on the yield and the financial soundness of money markets and other short-term instruments. *(Please Note: Investment products are*

usually not FDIC insured, insured by any federal government agency, a deposit, other obligation, or guaranteed by the adviser.)

### Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we expressly agree otherwise and in writing, tax efficiency is not our primary consideration in managing your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding investing your assets.

Custodians and broker-dealers must report the cost basis of securities acquired in client accounts. Your custodian will default to the Tax Lot Optimizer™ accounting method for calculating the cost basis of your investments. Lots are selected and sold with the objective of taking losses first (short-term, then long-term) and gains last (long-term, then short-term). You are responsible for contacting your tax advisor to determine if this accounting method suits you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately, and we will alert the account custodian of your individually selected accounting method. Decisions about cost-basis accounting methods will need to be made before trades settle, as the cost-basis method cannot be changed after settlement.

### Risk of Investment Loss

Investing in securities involves the risk of loss that you should be prepared to bear. Canter Wealth does not represent or guarantee that our services or analysis methods can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot guarantee or promise that your financial goals and objectives will be met. Past performance is not indicative of future results. Investing in securities - including stocks, mutual funds, and bonds, involves the risk of loss.

Further, varying degrees of risk exist depending on the distinct types of investments. Global, national, and local economic and market conditions will affect the success of our investment activities. All investments present the risk of loss of principal – the risk that the value of securities may be less than the price paid for the securities when disposed of/sold.

*Clients should be aware that there could be a loss or depreciation to the value of their account, which they should be prepared to bear.*

There can be no assurance that the client's investment objectives will be obtained, and no inference to the contrary should be made. There can be no guarantee of the success of the strategies offered by Canter Wealth. Clients are advised to commit assets for management that can be invested long-term, that volatility from investing can occur, and that all investing is subject to risk. Consequently, the value of the client's account can, at any time, be worth more or less than the amount invested. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

### Types of Risk

Depending on the different types of investments, varying risks will exist. When evaluating risk, financial loss may be viewed differently by each client and may depend on various risks, each of which may affect the probability and magnitude of potential losses. The following list of investment risks, which is not all-inclusive, is provided for careful consideration by a prospective client before retaining our services or contemplating investments in general.

*Note: The items below are presented alphabetically for ease of reading, not in order of importance.*

**Adviser's Investment Activities Risk** - the adviser's investment activities involve significant risk. The performance of any investment is subject to numerous factors that are neither within the control nor predictable of Canter Wealth. The securities markets may be volatile, and market conditions may move unpredictably or behave outside the range of expectations, adversely affecting a client's ability to realize profits or resulting in material loss. Client and firm investment decisions will not always be profitable.

**Bank Obligation Risks** - including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are affected by interest rates and may be adversely affected by downturns in the US and foreign economies or banking regulation changes.

**Bond Risks** - corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on the financial health of the issuer, the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" before maturity. When a bond is called, it may be impossible to replace it with a bond of equal character, paying the same rate of return.

**Bond Fund Risks** - have higher risks than money market funds, primarily because they typically pursue strategies to produce higher yields. Unlike money market funds, the SEC's rules do not restrict bond funds to high-quality or short-term investments. Because there are many different bonds, these funds can vary dramatically in their risks and rewards. Some risks associated with bond funds include credit risk, interest rate risk, and prepayment risk.

**Business Risk** - the risks associated with a specific industry or company.

**Certificates of Deposit Risk** - certificates of deposit ("CDs") are generally a safe type of investment since they are insured by the Federal Deposit Insurance Company ("FDIC") up to a certain amount. However, because the returns are generally low, there is a risk that inflation outpaces the CD's return. Certain CDs are traded in the marketplace and not purchased directly from a banking institution. In addition to trading risk, the FDIC does not cover the price when CDs are purchased at a premium.

**Competition Risk** - the securities industry and advisers' varied strategies and techniques are incredibly competitive. Advisory firms, including many larger securities and investment banking firms, may have more significant financial resources and research staff than this firm.

**Conflicts of Interest Risks** - advisers face inherent conflicts when administering client portfolios and financial reporting. They mitigate these conflicts through comprehensive written supervisory compliance policies and procedures and a Code of Ethics, which provides that the client's interest is always held above that of the firm and its Associates.

**Corporate Bond Risk** - corporate bonds are debt securities to borrow money. Issuers pay investors periodic interest and repay the amount borrowed periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero-coupon bonds, which do not pay current interest but are priced at a discount from their face values, and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the higher its interest rate risk.

**Credit Risk** - credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond-issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

**Currency/Exchange Risk** - overseas investments are subject to fluctuations in the dollar's value against the investment's originating country's currency.

**Diversification Risk** - a portfolio may not be widely diversified among sectors, industries, geographic areas, or security types or may not necessarily be diversified among many issuers. These portfolios might be subject to more rapid change in value than would be the case if the investment vehicles were required to maintain a broad diversification among companies or industry groups.

**Equity Investment Risk** - generally refers to buying shares of stocks by an individual or firm in return for receiving a future payment of dividends and capital gains if the stock's value increases. An inherent risk is involved when purchasing a stock that may decrease value; the investment may incur a loss.

**Financial Risk** - is the possibility that shareholders will lose money when they invest in a company with debt if its cash flow proves inadequate to meet its financial obligations. When a company uses debt financing, its creditors will be repaid before its shareholders should the company become insolvent. Financial risk also refers to the possibility of a corporation or government defaulting on its bonds, which would cause those bondholders to lose money.

**Fixed Income Call Option Risk** - including agency, corporate and municipal bonds and all mortgage-backed securities, contain a provision that allows the issuer to "call" all or part of the issue before the bond's maturity date. The issuer usually retains this right to refinance the bond in the future if market interest rates decline below the coupon rate. There are disadvantages to the call provision: the cash flow pattern of a callable bond is not known with certainty because the issuer will call the bonds when interest rates have dropped. There is exposure to reinvestment rate risk - investors will have to reinvest the proceeds received when the bond is called at lower interest rates. The capital appreciation potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.

**Foreign/Non-U.S. Investment Risk** - non-U.S. securities and other assets (through ADRs and otherwise) may give rise to risks relating to political, social, and economic developments abroad and risks resulting from the differences between the regulations of US and foreign issuers and markets are subject. Such risks may include political or social instability, the seizure by foreign governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, limitations on the use or transfer of portfolio assets, enforcing legal rights in some foreign countries is difficult, costly, and slow. There are sometimes unique problems enforcing claims against foreign governments, and foreign securities and other assets often trade in currencies other than the US dollar. Advisers may directly hold foreign currencies and purchase and sell foreign currencies through forward exchange contracts. Changes in currency exchange rates will affect an investment's net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of investments. An increase in the strength of the US dollar relative to these other currencies may cause the value of an investment to decline. Some foreign currencies are particularly volatile. Foreign governments may intervene in the currency markets, causing a decline in the value or liquidity of an investor's foreign currency holdings. If an investor enters forward foreign currency exchange contracts for hedging purposes, it may lose the benefits of advantageous changes in exchange rates. On the other hand, if an investor enters forward contracts to increase return, it may sustain losses. Non-U.S. securities, commodities, and other markets may be less liquid, more volatile, and less closely supervised by the government than in the United States. Foreign countries often lack uniform accounting, auditing, and financial reporting standards, and there may be less public information about issuers' operations in such markets.

**Hedging Transaction Risk** - investments in financial instruments such as forward contracts, options, commodities and interest rate swaps, caps and floors, other derivatives, and other investment techniques are commonly utilized by investment funds to hedge against fluctuations in the relative values of their portfolio positions because of changes in currency exchange rates, interest rates, and the equity markets or sectors thereof. Any hedging against a decline in portfolio positions' value does not eliminate fluctuations in portfolio positions' values or prevent losses if such positions decline but establishes other positions designed to gain from those same developments, thus moderating the portfolio positions' decline value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions increases.

**Horizon & Longevity Risk** - the risk that an investment horizon is shortened because of an unforeseen event, for example, the loss of a job, which may force you to sell investments that you were expecting to hold for the long term. Investors may lose money if they must sell when the markets are down. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for retired people or those nearing retirement.

**Inflation & Interest Rate Risk** - security prices and portfolio returns will likely vary in response to inflation and interest rate changes. Inflation causes future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates, which may cause the value of many fixed-income investments to decline.

**Lack of Registration Risk** - funds, private placements, or LP interests have neither been registered under the Securities Act, securities, or "blue sky" laws of any state and, therefore, are subject to transfer restrictions and legislative changes or court rulings may impact the value of investments or the securities' claim on the issuer's assets and finances.

**Leverage Risk** - leverage requires the pledging of assets as collateral, and margin calls or changes in margin requirements could result in the need to pledge additional collateral or liquidate account holdings, requiring the account to close positions at substantial losses not otherwise be realized. There can be an increase in the risk of loss and volatility for accounts that use leverage by engaging in short sales, entering swaps and other derivatives contracts, or different leveraging strategies.



**Limited Partnerships Risk** - a limited partnership is a financial affiliation with at least one general partner and several limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner runs the business and has management authority and unlimited liability. And, in the event of bankruptcy, it is responsible for all debts not paid or discharged. The limited partners have no management authority, and their liability is limited to the amount of their capital commitment. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership. The range of risks depends on the nature of the partnership and is disclosed in the offering documents if privately placed. Publicly traded limited partnerships have similar risk attributes to equities. However, like privately placed limited partnerships, their tax treatment differs from the equities' tax regime. Investors should consult with their tax adviser regarding their tax treatment.

**Liquidity Risk** - the risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price, or selling the investment may not be possible.

**Long-Term Trading Risk** - long-term trading is designed to capture return and risk market rates. Due to its nature, the long-term investment strategy can expose clients to risks that typically surface at multiple intervals when they own the investments. These risks include but are not limited to inflation (purchasing power), interest rate, and economic, market, and political/regulatory risks.

**Managed Futures Funds Risk** - a managed futures mutual fund invests in other funds. The underlying funds will typically employ various actively managed futures strategies that will trade multiple derivative instruments, including (i) options, (ii) futures, (iii) forwards, or (iv) spot contracts, each of which may be tied to (i) commodities, (ii) financial indices and instruments, (iii) foreign currencies, or (iv) equity indices. Managed futures strategies involve substantial risks that differ from traditional mutual funds. Each underlying fund is subject to specific risks, depending on the fund's nature. These risks could include liquidity, sector, foreign currency, and risks associated with fixed-income securities, commodities, and other derivatives. Investing in underlying funds could affect the timing, amount, and character of distributions to you and, therefore, increase the amount of taxes you pay. Each underlying fund is subject to investment advisory and other expenses, including potential performance fees. An investor's cost of investing in a managed futures fund will be higher than investing directly in underlying funds. It may be higher than other mutual funds that invest directly in stocks and bonds. Investors will indirectly bear fees and expenses charged by the underlying funds and the fund's direct fees and costs. Each underlying fund will operate independently and pay management and performance-based fees to each manager. The underlying funds will pay various management fees from assets and performance fees of each underlying fund's returns. There could be periods when fees are paid to one or more underlying fund managers even though the fund has lost the period.

**Margin Risk** - securities purchased on margin in a client's account are a firm's collateral for a client's loan. If the account securities decline in value, so does the value of the collateral supporting loan, and, as a result, the firm can act by issuing a margin call or selling securities or other assets in any of the accounts the investor may hold with the member, to maintain the required equity in the account. Understanding the risks involved in trading securities on margin is essential. These risks include but are not limited to losing more funds than deposited in the margin account, the firm forcing the sale of securities or other assets in the account(s) or selling securities or other assets without contacting the investor, or the investor not being entitled to choose which securities or other assets in their account(s) can be liquidated or sold to meet a margin call. Further, a firm can increase its "house" maintenance margin requirements without providing an advance written notice, without entitlement to an extension of time on the margin call.

**Market Risk** - market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the investment value regardless of the issuer's operational success or financial condition. The price of a security, option, bond, or mutual fund can drop due to tangible and intangible events and situations. External factors cause this risk, independent of a security's underlying circumstances. The adviser cannot guarantee that it will accurately predict the market, price, interest rate movements or risks.

**Material Non-Public Information Risk** - because of their responsibilities in connection with other adviser activities, individual advisory Associates may occasionally acquire confidential or material non-public information or be restricted from initiating transactions in specific securities. Canter Wealth will not be free to act upon any such information. Due to these restrictions, the adviser may be unable to initiate a transaction that otherwise might have started or sell an investment.

**Money Market Funds Risk** - a money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, the share price is not guaranteed to stay at \$1/share. You can lose some or all of your principal if the share price decreases. The U.S. Securities and Exchange Commission notes, "*While investor losses in money market funds have been rare, they are possible.*" In return for this risk, you should earn a greater return on your cash than you would expect from a Federal Deposit Insurance Corporation ("FDIC") insured savings account (money market funds are not FDIC insured). Next, money market fund rates are variable- the rate could go up or down. If it goes up, that may result in a positive outcome. However, if it goes down and you earn less than expected, you may need more cash. Because money market funds are considered safer than other investments like stocks, long-term average returns on money market funds tend to be less than long-term average returns on riskier investments. Over long periods, inflation can eat away at your returns.

**Municipal Securities Risks** - municipal securities, while generally thought of as safe, can have significant risks associated with them, including, but not limited to, the creditworthiness of the governmental entity that issues the bond, the stability of the revenue stream that is used to pay the interest to the bondholders, when the bond is due to mature, and, whether or not the bond can be "called" before maturity. When a bond is called, it may not be possible to replace it with one of equal character paying the same amount of interest or yield to maturity. Municipal securities are backed by either the full faith and credit of the issuer or by revenue generated by a specific project - like a toll road or parking garage for which the securities were issued. The latter type of securities could quickly lose value or become virtually worthless if the expected project revenue does not meet expectations.

**Mutual & Exchange Traded Fund Risks** - mutual and exchange-traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager who trades the fund's investments following the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small-cap or speculative companies, uses leverage - borrows money to a significant degree, or concentrates in a particular type of security rather than balancing the fund with different security types. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock, and their price can fluctuate throughout the day. The costs of managing the funds can reduce the returns on mutual funds and ETFs. Further, while some mutual funds are "no-load" and charge no fee to buy into or sell out of the fund, other mutual funds charge such fees, which can also reduce returns. Mutual funds can also be "closed-end" or "open-end." So-called "open-end" mutual funds allow new investors indefinitely, whereas "closed-end" funds have a fixed number of shares to sell, limiting their availability to new investors. ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match its Underlying Index or another benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks daily, mathematical compounding may prevent the ETF from correlating with the performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments not included in the Underlying Index but expected to yield similar performance.

**Non-U.S. Investment Risk** - investment in non-U.S. issuers or securities principally traded outside the United States may involve certain unique risks due to economic, political, and legal developments, including but not limited to favorable or unfavorable changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and foreign issuers and markets are subject and the imposition of withholding taxes on dividend or interest payments.

**Political & Legislative Risk** - companies face a complex set of laws and circumstances in each country in which they operate. The political and legal environment can change rapidly and without warning, with significant impact, especially for companies operating outside of the U.S. or those conducting a substantial amount of their business outside the U.S.

**Portfolio Turnover Risk** - an account's investment strategy may require active portfolio trading. As a result, turnover and brokerage commission expenses may significantly exceed those of other investment entities of comparable size.

**Private Investment Risk** - investments in private funds, including debt or equity investments in operating and holding companies, investment funds, joint ventures, royalty streams, commodities, physical assets, and other similar types of investments, are highly illiquid and long-term. A portfolio's ability to transfer or dispose of private investments is expected to be highly restricted. The ability to withdraw funds from LP interests is usually restricted following the withdrawal provisions contained in an Offering Memorandum. In addition, substantial withdrawals by investors within a short period could require a fund to liquidate securities positions and other investments more rapidly than would otherwise be desirable, possibly reducing the value of the fund's assets or disrupting the fund's investment strategy.

**Private Placement Risks** - a private placement (non-public offering) is an illiquid security sold to qualified investors and not publicly traded or registered with the Securities and Exchange Commission. Private placements generally carry a higher degree of risk due to this illiquidity. Most securities acquired in a private placement will be restricted and must be held for an extended time and, therefore, cannot be easily sold. The range of risks depends on the nature of the partnership and is disclosed in the offering documents.

**Public Information Accuracy Risk** - an adviser can select investments, in part, based on information and data filed by issuers with various government regulators or other sources. Even if they evaluate all such information and data or seek independent corroboration when it's considered appropriate and reasonably available, the adviser is not in a position to confirm the completeness, genuineness, or accuracy of such information and data. In some cases, complete and accurate information is not available.

**Real Estate Risks** - real estate is increasingly being used as part of a long-term core strategy due to increased market efficiency and growing concerns about the future long-term variability of stock and bond returns. Real estate is known for its ability to serve as a portfolio diversifier and inflation hedge. However, the asset class still bears a considerable amount of market risk. Real estate has shown itself to be very cyclical, somewhat mirroring the ups and downs of the overall economy. In addition to employment and demographic changes, real estate is also influenced by changes in interest rates and the credit markets, which affect the demand and supply of capital and, thus, real estate values. Along with changes in market fundamentals, investors wishing to add real estate as part of their core investment portfolios need to look for property concentrations by area or property type. Because property returns are directly affected by local market basics, real estate portfolios that are too heavily concentrated in one area or property type can lose their risk mitigation attributes and bear additional risk by being too influenced by local or sector market changes.

**Real Estate Investment Trusts Risk** - a real estate investment trust ("REIT") is a corporate entity that invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs may be listed on public stock exchanges. REITs must declare 90% of their taxable income as dividends, but they actually pay dividends out of funds from operations. Hence, cash flow has to be strong, or the REIT must either dip into reserves, borrow to pay dividends or distribute them in stock (which causes dilution). After 2012, the IRS stopped permitting stock dividends. Most REITs must refinance or erase large balloon debts periodically. The credit markets are no longer frozen, but banks are demanding and getting harsher terms to re-extend REIT debt. Some REITs may be forced to make secondary stock offerings to repay debt, leading to additional dilution of the stockholders. Fluctuations in the real estate market can affect the REIT's value and dividends. REITs have specific risks, including valuation due to cash flows, dividends paid in stock rather than cash, and debt payment resulting in the dilution of shares.

**Real Estate Funds Risk** - real estate funds face several risks inherent in this market sector. Liquidity, market, and interest-rate risk can influence the gain or loss passed on to the investor. Liquidity and market risk significantly affect more growth-oriented funds, as the sale of appreciated properties depends upon market demand. Conversely, interest rate risk impacts the dividend income that income-oriented funds pay. Clients considering private real estate products should review complete risk disclosures in any recommended product offering documents.

**Reinvestment Risk** - the risk that future investment proceeds must be reinvested at a potentially lower return rate. Reinvestment Risk primarily relates to fixed-income securities.



*Recommendation of Particular Types of Securities Risk* - we may advise on other investments as appropriate for each client's customized needs and risk tolerance. Each security type has its own unique set of risks, and it would be impossible to list all the specific risks of every investment type here. Even within the same type of investment, risks can vary widely. However, generally, the higher the anticipated investment return, the greater the risk of associated loss.

*Reliance on Management & Key Personnel Risk* - occurs when investors have no right or power to participate in a firm's management. Investors must be willing to entrust all management aspects to a company's management and key personnel. The investment performance of individual portfolios depends mainly on the skill of key personnel of a firm, including its sub-advisors, as applicable. If key staff were to leave the firm, the firm might not find equally desirable replacements, and the accounts' performance could be adversely affected.

*Securities Futures Contract Risks* - (on tangibles and intangibles) a futures contract is a standardized, transferable, exchange-traded contract that requires delivery of a commodity, bond, currency, or stock index specified price on a specified future date. Unlike options the holder may or may not choose to exercise, futures contracts convey an obligation to purchase the underlying asset at a set future date. The holder of a futures contract must have sold it by that date or be prepared to pay for and take delivery of the underlying asset. Material risks can include but are not limited to futures contracts that have a margin requirement that must be settled daily, there is a risk that the market for a particular futures contract may become illiquid, and the market price for a specific commodity or underlying asset might move against the investor requiring that the investor sell futures contracts at a loss.

*Short-Sales Risk* - short sales can, in certain circumstances, increase the impact of adverse price movements on the portfolios. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, resulting in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

*Small & Medium Cap Company Risk* - securities of companies with small and medium market capitalizations are often more volatile and less liquid than larger companies' investments. Small and medium-cap companies may face a higher risk of business failure, increasing the client's portfolio's volatility. While smaller companies generally have the potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification, and competitive strength of larger companies. In addition, in many instances, trading frequency and volume may be substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to broader price fluctuations.

*Stock Risks* - There are numerous ways of measuring the risk of equity securities ("equities" or "stock"). In very broad terms, the value of a stock depends on the company's financial health issuing it. However, stock prices can be affected by many other factors, including but not limited to the class of stock, such as preferred or common, the health of the issuing company's market sector, and the economy's overall health. In general, larger, better-established companies ("large-cap") tend to be safer than smaller start-up companies ("small cap"), but the sheer size of an issuer is not, by itself, an indicator of the safety of the investment.

*Stock Fund Risks* - although a stock fund's value can rise and fall quickly (and dramatically) over the short term, historically, stocks have performed better over the long term than other types of investments—including corporate bonds, government bonds, and treasury securities. Overall, "market risk" poses the most significant potential danger for investors in stock funds. Stock prices can fluctuate for various reasons, such as the economy's overall strength of demand for products or services.

*Stock Market Risk* - stocks' market value will fluctuate with market conditions. While stocks have historically outperformed other asset classes over the long term, they tend to fluctuate over the short term because of factors affecting individual companies, industries, or the securities market. The past performance of investments is no guarantee of future results.

*Strategy Restrictions Risk* - individual institutions may be restricted from directly utilizing some investment strategies in which the adviser may engage. Such institutions, including entities subject to ERISA, should consult their advisors, counsel, and accountants to determine what restrictions apply and whether certain

investments are appropriate.

**Strategy Risk** - an adviser's investment strategies and techniques may not work as intended.

**Structured Products Risk** - a structured product, also known as a market-linked product, is generally a pre-packaged investment strategy based on derivatives, such as a single security, a basket of securities, options, indices, commodities, debt issuances, and/or foreign currencies, and to a lesser extent, swaps. Structured products are usually issued by investment banks or affiliates thereof. They have a fixed maturity and have two components: a note and a derivative. A derivative component is often an option. The note provides periodic interest payments to the investor at a predetermined rate, and the derivative component provides for the payment at maturity. Some products use the derivative component as a put option written by the investor that gives the buyer of the put option the right to sell the security or securities at a predetermined price to the investor. Other products use the derivative component to provide for a call option written by the investor that gives the buyer the right to buy the security or securities from the investor at a predetermined price. A feature of some structured products is a "principal guarantee" function, which offers protection of the principal if held to maturity. However, these products are not always insured by the Federal Deposit Insurance Corporation; the issuer may only insure them and thus have the potential for loss of principal in the case of a liquidity crisis or other solvency problems with the issuing company. Investing in structured products involves many risks, including but not limited to fluctuations in the price, level or yield of underlying instruments, interest rates, currency values and credit quality; substantial loss of principal; limits on participation in any appreciation of the underlying instrument; limited liquidity; credit risk of the issuer; conflicts of interest; and, other events that are difficult to predict.

**Supervision of Trading Operations Risk** - an adviser, with assistance from its brokerage and clearing firms, intends to supervise and monitor trading activity in the portfolio accounts to ensure compliance with firm and client objectives. However, despite their efforts, there is a risk of unauthorized or otherwise inappropriate trading activity in portfolio accounts. Depending on the nature of the investment management service selected by a client and the securities used to implement the investment strategy, clients can be exposed to risks specific to the securities in their respective investment portfolios.

**Systematic Risk** - these are risks related to a broad universe of investments. These risks are also known as non-diversifiable, as diversification within the system will not reduce risk if the entire system loses value.

**Trading Limitation Risk** - for all securities, instruments, or assets listed on an exchange, including options listed on a public exchange, the exchange has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render specific strategies challenging to complete or continue, subjecting the adviser to loss. Such a suspension could make it impossible for an adviser to liquidate positions and expose the adviser to potential losses.

**Turnover Risk** - at times, the strategy may have a higher portfolio turnover rate than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect an account's performance.

**Undervalued Securities Risk** - identifying investment opportunities in undervalued securities is complex, and there are no assurances that such opportunities will be successfully recognized or acquired. While undervalued securities can sometimes offer above-average capital appreciation opportunities, these investments involve high financial risk and can result in substantial losses. Returns generated may not compensate for the business and financial risks assumed.

**Unsystematic Risk** - these are risks uniquely related to a specific investment. Also known as "diversifiable risks," theoretically, diversifying different investments may reduce unsystematic risks significantly.

**Variable Annuity Risk** - a variable annuity is a form of insurance where the seller or issuer (typically an insurance company) makes a series of future payments to a buyer (annuitant) in exchange for the immediate payment of a lump sum (single-payment annuity) or a series of regular payments (regular-payment annuity). The payment stream from the issuer to the annuitant has an unknown duration based principally upon the annuitant's date of death. At this point, the contract will terminate, and the remainder of the funds accumulated will be forfeited unless other annuitants or beneficiaries are in the contract. Annuities can be purchased to provide income during retirement. Unlike fixed annuities that make payments in fixed amounts

or in amounts that increase by a fixed percentage, variable annuities pay amounts that vary according to the performance of a specified set of investments, typically bond and equity mutual funds. Many variable annuities typically impose asset-based sales or surrender withdrawal charges within a specified period. Variable annuities may impose a variety of fees and expenses, in addition to sales and surrender charges, such as mortality and expense risk charges, administrative fees, underlying fund expenses, and charges for special features, all of which can reduce the return. Earnings in a variable annuity do not provide all the tax advantages of 401(k)s and other before-tax retirement plans. Once the investor starts withdrawing money from their variable annuity, earnings are taxed at the ordinary income rate rather than at the lower capital gains rates applied to other non-tax-deferred vehicles held for more than one year. Proceeds of most variable annuities do not receive a "step-up" on a cost basis when the owner dies, as stocks, bonds, and mutual funds do. Some variable annuities offer "bonus credits." These are usually not free. Insurance companies typically impose mortality and expense charges and surrender charge periods to fund them. In an exchange of an existing annuity for a new annuity (so-called 1035 exchanges), the new variable annuity may have a lower contract value and a smaller death benefit; may impose new surrender charges or increase the period for which the surrender charge applies; may have higher annual fees; and provide another commission for the broker.

**Warrants** - a warrant is a derivative (security that derives its price from one or more underlying assets) that confers the right, but not the obligation, to buy or sell a security – typically an equity – at a specific price before the expiration. The price at which the underlying security can be bought or sold is the exercise or strike price. Warrants that confer the right to buy a security are called warrants; those that confer the right to sell are known as put warrants. Warrants are in many ways similar to options. The main difference between warrants and options is that warrants are issued and guaranteed by the issuing company. In contrast, options are traded on an exchange and are not issued by the company. Also, the lifetime of a warrant is often measured in years, while the lifetime of a typical option is measured in months. Warrants do not pay dividends or come with voting rights.

**Withdrawal of Capital Risks** - an Offering Memorandum's withdrawal provisions usually restrict the ability to withdraw funds from the funds, private placement, or LP interests. Investors' substantial withdrawals within a short period could require a fund to liquidate securities positions and other investments more rapidly than would otherwise be desirable, reducing the value of the fund's assets and disrupting the fund's investment strategy.

### Risks of Specific Securities Utilized

Canter Wealth seeks investment strategies that do not involve significant or unusual risk beyond general domestic and international equity and fixed-income markets. In addition to the above, investing risks missing out on more favorable returns that could be achieved by investing in other securities or commodities.

Past performance is not indicative of future results. The investment decisions made for client accounts are subject to various risks, including many of those indicated above, which are not always profitable. The outcomes described and any strategies or investments discussed may not be suitable for all investors. Further, there can be no assurance that advisory services will result in any particular result, tax, or legal consequence.

While Canter Wealth seeks investment strategies that do not involve significant or unusual risk beyond the general domestic and international equity and fixed-income markets, in some instances, any of the above investment strategies may lead to a loss of investments, especially if the markets move against the client. Clients should expect their account value and returns to fluctuate within a wide range, like the overall stock and bond market fluctuations.

*Clients are advised that investors could lose money over short or even long periods, and investing in securities involves the risk of losing the entire principal amount invested, including any gains. Clients should not invest unless they can bear these losses.*

Before acting on Canter Wealth's analysis, advice, or recommendation, clients should consult with their legal counsel, tax, or other investment professionals, as necessary, to aid in due diligence as proper for their situation and decide the suitability of the risk associated with any investment. Clients are encouraged to direct questions regarding risks, fees, and costs to Canter Wealth and their Advisor Representative.

## ITEM 9: Disciplinary Information

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Registered investment advisers such as Canter Wealth must disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of the investment adviser or the integrity of its management.

Neither Canter Wealth nor any of its Advisor Representatives have been involved in a disciplinary proceeding, nor have they been involved in any legal proceeding that might reasonably be considered material to a client's evaluation of the firm's advisory business or the integrity of its management.

Visit [www.investor.gov](http://www.investor.gov) for a free and simple search tool to research Canter Wealth and its financial professionals.

## ITEM 10: Other Financial Industry Activities & Affiliations

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Canter Wealth is an independent registered investment adviser. The firm offers no other services except those described herein. It does not have any relationship or arrangement material to its advisory business or clients with respect to the following entities:

- broker-dealer, municipal securities dealer, or government securities dealer or broker,
- an investment company or other pooled investment vehicle (*including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund*),
- other investment adviser or financial planner,
- futures commission merchant, commodity pool operator, or commodity trading advisor,
- banking or thrift institution,
- accountant or accounting firm,
- lawyer or law firm,
- insurance company or agency,
- pension consultant,
- real estate broker or dealer
- sponsor or syndicator of limited partnerships.

### Canter Companies

Canter Wealth HoldCo, LLC, is an owner of Canter Wealth. Canter Wealth HoldCo, LLC is wholly owned by The Canter Group, LLC. The Canter Group, LLC is wholly owned by Canter Holdings, LLC, wholly owned by Andrew E. Canter, through a Trust.

The Canter Group operates a range of businesses through controlled entities, collectively referred to as the "Canter Companies," described below. To the extent that clients of Canter Wealth use one or more of Canter Companies' services, the activities and fees of the Canter Companies will be important to understand.

Canter Wealth advisory clients should be aware that when using the services of affiliated entities of Canter Wealth, such services are not provided by Canter Wealth, are subject to separate contractual arrangements, and are not part of the advisory services offered by Canter Wealth. Moreover, the protections afforded to a client under applicable investment advisory laws and regulations generally do not apply to the services provided by non-advisory affiliates.

From time to time and when appropriate for a client, Advisor Representatives of Canter Wealth will recommend that such clients consider other affiliated Canter Companies' services. Personnel of other Canter Companies also retain the discretion to introduce non-advisory clients to Canter Wealth. This presents a conflict of interest since the Canter Group, LLC, will receive additional compensation if a Canter Wealth advisory client elects to utilize another Canter Company's services.

The following are affiliated businesses owned and operated by Canter Companies:

*Canter Management, LLC* manages real estate holdings.

*Canter Capital, LLC* seeks private investment opportunities related to Venture Capital, Private Equity, and Private Real Estate Investments.

*Canter Development, LLC* is a real estate developer currently active in the San Diego market.

*Iconic Property Management, Inc.* is a property manager of long-term rentals in the San Diego market.

*Canter Real Estate Group, Inc. (a Compass Real Estate Team)* is a pass-through entity partnered with an independent, unaffiliated real estate brokerage firm.

*NXT Vacation Management, LLC* is a property manager of short-term vacation rentals in the San Diego market.

*NXT Extended Stay, Inc.* is a property manager of mid and long-term vacation rentals in the San Diego market.

Certain Canter Wealth Associates are licensed real estate agents of affiliated/unaffiliated real-estate brokerage agencies. Advisor Representatives offer clients advice or services from Canter Companies or other non-related parties from time to time. The ultimate decision to retain these particular services remains within the client's sole discretion. Clients should be aware that these services involve a conflict of interest due to the additional compensation from the transaction. Canter Wealth addresses this conflict of interest by requiring Associates to always act in each client's best interests and fully disclose such relationships when making recommendations. Associates satisfy this requirement by advising clients of the nature of the transaction or relationship, noting their role in the transaction, and disclosing any compensation to be received in connection with the transaction, including commissions and trails.

#### Designations

Particular Canter Wealth Associates can hold various other designations in connection with the approved outside business activities they conduct, separate from their role with the adviser. Any recommendations or compensation received by Associates in connection with such designation services are separate and in addition to our advisory services/fees.

#### Third-Party Money Managers & Recommendations of Other Advisers

Canter Wealth reserves the right to refer prospective clients to outside third-party money managers based on their needs and suitability. We will not receive separate compensation, directly or indirectly, from the referred adviser for recommending you use their services, and we do not have any other business relationships with the recommended managers. We will be compensated via a fee share from the advisers to which we refer clients, and the relationship will be disclosed in the contract between each third-party adviser and us. Shared fees will not exceed any limit imposed by any regulatory agency.

As of the date of this Brochure and as indicated below, we have only one legacy relationship with an independent adviser (TriVant Custom Portfolio Group, LLC, or "TriVant") to whom it formerly introduced certain clients and from whom it continues to receive compensation in consideration for such previous introductions. (*Refer to Item 4: Advisory Business for additional disclosures.*)

#### *TriVant Custom Portfolio Group*

Canter Wealth previously maintained a third-party advisory relationship with TriVant Custom Portfolio Group, LLC. As of February 15<sup>th</sup>, 2018, Canter Wealth and TriVant discontinued this relationship. For any client remaining with TriVant Custom Portfolio Group, LLC, after February 15, 2018, TriVant will pay Canter Wealth 50% of the management fee/revenue share TriVant receives until each remaining client closes their account. TriVant's clients are no longer clients of Canter Wealth; we have discontinued the direct relationship with such clients. No current or future clients have been or will be introduced to TriVant or other independent advisers. If, at such time, we enter into an arrangement with any prospective independent advisers, we shall update this item accordingly.

### Third-Party Platforms

#### Pontera

Canter Wealth added Pontera ([www.pontera.com](http://www.pontera.com)), a third-party platform, to facilitate the management of held-away assets for accounts not held directly within our custody but where we maintain discretion (primarily defined contribution plan participant accounts such as 401(k) accounts, HSA's, and other assets we do not custody). The platform allows Canter to avoid being considered to have custody of client funds since we do not have direct access to client log-in credentials to affect trades. Once the client accounts are connected to the platform, we will review the client's current account allocations and regularly assess the available investment options in these accounts, monitor them, rebalance, and implement our strategies in the same way we do other accounts, though using different tools. As necessary, we may leverage an Order Management System to implement tax-efficient asset location and opportunistic rebalancing strategies on the client's behalf. Canter Wealth is not affiliated with the platform and receives no compensation from Pontera for using the platform services.

### Other Business Relationships

Canter Wealth uses third-party resources to help run its business and provide services to its clients, mostly back-office related. The adviser sources these professionals acting in a client's best interest with fiduciary responsibility while focusing on finding the highest value-added providers to service clients. While the firm has developed a network of professionals - accountants, lawyers, and otherwise, neither Canter Wealth nor its Associates receive compensation for such use or referrals.

Outside of the relationship referenced herein, neither the adviser nor its management persons have any other material relationships or conflicts of interest with financial industry participants. We do not assure you that another entity's products will be offered at the lowest cost. Clients are not obligated to implement any recommended transaction(s) through any other recommended entity or utilize any of Canter Companies' services.

Referral arrangements with an affiliated entity present a conflict of interest because we may have a direct or indirect financial incentive to recommend an affiliated firm's services. While we believe the compensation charged by affiliated firms is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. Clients are not obligated to use the services of any firm we recommend, whether affiliated or otherwise, and may obtain comparable services and/or lower fees through other firms. Additional details of how Canter Wealth mitigates conflicts of interest can be found in the firm's comprehensive written supervisory Compliance Policies & Procedures Manual and Code of Ethics. Our Code is available and free to review by request to any client or prospective client.

### ITEM 11: Code of Ethics, Participation, or Interest in Client Transactions & Personal Trading

#### Code of Ethics

Canter Wealth has adopted a Code of Ethics ("Code" or "COE") under Rule 204A-1 that sets forth the standards of business conduct required of its Supervised Covered Persons ("Associates") and requires an affirmative commitment that they will comply with federal securities laws. The Code addresses and avoids potential conflicts of interest and applies to *all* Covered Persons. The Code may also be applied to any other person its Chief Compliance Officer designates. Canter Wealth's Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts, the reporting of certain outside activities, and personal securities trading procedures for Covered Persons, among other things.

The Code of Ethics is available free for review upon request to any client or prospective client.

#### Recommending Securities With Material Financial Interest

Canter Wealth does not currently recommend securities with a material financial interest.

#### Investing In The Same Securities Recommended To Clients

From time to time, the adviser or its related persons will invest in the same securities (or related securities such as warrants, options, or futures) that the firm or a related person recommends to clients, which may be at or around the



same time as such recommendation is made to clients. This activity can create a conflict of interest because it allows Canter Wealth or its related persons to profit from client investment recommendations. The adviser's policies and procedures and Code of Ethics address this potential conflict of interest by prohibiting such trading by the firm or its related persons if detrimental to any client and monitoring compliance through the reporting review of personal securities transactions. Furthermore, this conflict of interest is mitigated because Canter Wealth primarily recommends mutual funds and ETFs. In all instances, the adviser will act in the best interests of its clients.

Neither our firm nor any persons associated with our firm have any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this Brochure.

#### Personal Trading Policies

Canter Wealth requires that all Associates report their personal securities holdings annually and personal securities transactions quarterly. Every quarter, the adviser performs an Associate Trading Review by reviewing every trade made by the firm. The review is evaluated against all Covered Persons of the firm to ensure full compliance with trading policies and procedures and that no conflicts have occurred. Canter Wealth's process immediately alerts the firm's Chief Compliance Officer if a conflict is discovered. The CCO is responsible for dealing with such situations.

Canter Wealth mitigates conflict by placing client interests ahead of Canter Wealth, its Advisor Representatives, and its other Associates. Additional details of how the firm mitigates conflicts are in our comprehensive written supervisory Compliance Policies & Procedures Manual and its Code of Ethics. The Code of Ethics is available free for review upon request to any client or prospective client.

#### ITEM 12: Brokerage Practices

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##### Factors Used To Select Custodians & Broker-Dealers

Canter Wealth seeks to select and recommend custodians & broker-dealers who will hold client assets and execute transactions on overall most advantageous terms than other available providers and their services. While Canter Wealth has designated preferred custodians, occasionally, it will periodically and, as needed, review alternative custodians in the marketplace to compare the currently used custodians. In evaluating and selecting a preferred custodian, it will consider a range of factors, including:

- variety of transaction execution and asset custody services (*generally without a separate fee for custody*),
- capability to execute, clear, and settle trades (*buy and sell securities for client accounts*),
- capabilities to facilitate transfers and payments to and from accounts (*wire transfers, check requests, bill payments, etc.*),
- competitive trading commission costs,
- reporting tools, including cost basis and 1099 reports facilitating tax management strategies,
- personal money management tools such as:
  - electronic fund transfer capabilities,
  - dividend reinvestment programs, or
  - electronic communication delivery capabilities,
- financial stability to ensure individual accounts, including primary and backup account insurance,
- the breadth of investment products made available,
- availability of investment research and tools that assist us in making investment decisions,
- customer service levels and quality of services,
- competitiveness of the price of services such as commission rates, margin interest rates, other fees, etc., and willingness to negotiate them,
- reputation, financial strength, and stability of the provider,
- custodian & broker-dealers' prior service to our other clients and us, and
- availability of other products and services that benefit us, as discussed below.

Clients should receive at least quarterly statements from their custodians, broker-dealers, or the banks holding and maintaining their investment assets. We urge clients to carefully review such statements and compare such official custodial records to the account statements or reports we may provide. *(Please Note: Canter Wealth statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or securities valuation methodologies.)*

#### *Preferred Custodians & Brokers-Dealers*

Canter Wealth does not maintain custody of the assets we manage on your behalf. Client assets must be held in an account at a "qualified custodian," generally a broker-dealer or bank. Canter Wealth primarily recommends that its clients use Charles Schwab & Co., Inc. ("Schwab"), our "preferred custodian." Charles Schwab & Co., Inc. is a FINRA-registered broker-dealer member of SIPC. Canter Wealth is independently owned and operated and not affiliated with Schwab.

Our preferred custodian will hold our clients' assets in a brokerage account and buy and sell securities upon Canter Wealth's instructions. While not all investment advisers require their clients to use directed brokerage, Canter Wealth primarily recommends using its preferred custodian. Clients will enter into an account agreement directly with their chosen custodian; we do not open custodial accounts on their behalf. Even so, Canter Wealth can be deemed to have limited custody of client assets because clients provide Canter Wealth with the authority to withdraw its fees from their accounts. *(See Item 15: Custody below.)*

Our preferred custodian is in the business of serving independent investment advisory firms like us. They provide an adviser and its clients with access to institutional brokerage – trading, custody, reporting, and related services – many of which are not typically available to retail customers. They also make available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Custodial support services are generally available on an unsolicited basis and at no charge if we keep a qualifying number of clients' assets with each firm. *(Please contact us directly for the most current qualifying amount of client assets numbers.)*

#### *Charles Schwab & Co., Inc.*

The following is a summary of the services we receive from Schwab:

*Services That Benefit You* - Custodial services include access to a broad range of institutional investment products, execution of securities transactions, and custody of client assets. The investment products available include some that we might not otherwise have access to or some that would require a significantly higher minimum initial investment by our clients.

*Services That Will Not Always Directly Benefit You* - Schwab makes available other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and include investment research, both from the custodian and third parties, which we can use to service all, some, or a substantial number of our clients' accounts. In addition to investment research, specific software and other technology are made available that:

- provides access to client account data *(such as duplicate trade confirmations and account statements)*,
- facilitates trade execution and allocates aggregated trade orders for multiple client accounts,
- provides pricing and other market data,
- facilitates payment of our fees from our clients' accounts, and
- assists with back-office functions, recordkeeping, and client reporting.

*Services that Generally Benefit Only Us* - Schwab offers other services to help us further manage and develop our business enterprise. These services can include:

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



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

#### Stifel

Effective March 2019, Canter Wealth partnered with Stifel, a registered broker-dealer and self-clearing firm (Member NYSE, FINRA, SIPC). Stifel will serve as a clearing broker for select securities. Client transactions in these securities will be executed in custodial accounts for the benefit of Canter Wealth and delivered on the settlement date to the custodian against payment in full by the custodian on Canter Wealth's client's behalf.

#### Directed Brokerage

A client may direct Canter Wealth in writing to use a particular custodian to execute some or all transactions for the client. In such cases, the client will have the responsibility to negotiate terms and arrangements for the account with the custodian of their choosing, and we will not seek better execution services, better prices, or be able to aggregate client transactions for execution through other custodians with orders for different accounts managed by us. As a result, the client may be unable to achieve the most favorable execution of client transactions; this directed brokerage may cost the client money. The client may pay higher commissions or other transaction costs or greater spreads, be unable to aggregate orders to reduce transaction costs or receive less favorable prices on transactions for the account, which would otherwise be the case. Subject to its duty to seek best execution, Canter Wealth may decline a client's request to direct brokerage if, at our discretion, such directed brokerage arrangements result in additional operational difficulties.

#### Custody & Brokerage Costs

Our custodian generally does not charge our client's accounts separately for its services. Schwab is compensated by charging clients' commissions or other fees on trades they execute or settle into client custodian accounts. The custodian will charge clients a percentage of the dollar amount of assets in the account for some accounts instead of commissions. Custodian commission rates and asset-based fees applicable to our client accounts are/were negotiated based on our commitment to maintaining our client assets in accounts at their firms. This commitment benefits our clients because the overall commission rates and asset-based fees are lower than clients would be if the adviser had not committed. In addition to commissions or asset-based fees, our custodians can charge fees or other compensation that the client pays the executing broker-dealer. *(Please refer to each custodian's specific fee schedule.)*

#### Soft Dollar Benefits

An investment adviser receives a custodian's soft dollar benefits when the firm receives research or other products and services in exchange for client securities transactions or maintaining an account balance with the custodian.

The custodian we use offers various services to us, including custody of client securities; trade execution; clearance and settlement of transactions; access to platform systems; duplicate client statements; research-related products and tools; access to trading desks; access to block trading - which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts; the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and certain institutional money managers; and use of overnight courier services. Some of these services may benefit us but may not benefit our clients, and receipt of these economic benefits creates a conflict of interest. It could directly or indirectly influence us to recommend our preferred custodians to clients for custody and brokerage services. These custody services are paid for as part of the client's fee.

Client transactions and the compensation charged by our custodians might not be the lowest compensation the adviser might otherwise be able to negotiate. Only a few possible custodians meet our sourcing criteria to provide Canter Wealth clients with a reliable and satisfactory custodial platform. These custodians offer similar soft dollar programs, leveling the playing field. We mitigate conflict of interest by not considering this factor when selecting an appropriate custodian. Also, the firm could be incentivized to cause clients to engage in more securities transactions that would otherwise be optimal to generate brokerage compensation to acquire products and services.

Canter Wealth eliminates this conflict by having a quantitative investment process that creates trades only when the investment model signals the trade's appropriateness and does not make additional trades. Furthermore, the client receives benefits from Canter Wealth, receiving more generous access to advanced research and advanced portfolio management tools that improve the service offered to clients.

#### Beneficial Interest In Custodial Services

Canter Wealth's custodian's availability of these services benefits us because Canter Wealth does not have to produce or purchase them. Canter Wealth does not have to pay custodial services if we keep a required minimum of client assets in custodial accounts. The required minimum can give us the incentive to recommend that our clients maintain their accounts with our preferred custodians based on our interest in receiving custodial services that benefit our business rather than based on a client's interest in receiving the best value in custody services and the most favorable execution of their transactions. Our custodian's availability of these services is a potential conflict of interest.

Canter Wealth believes, however, that our selected custodian is in the best interests of our clients. Based on the above factors, the scope, quality, and price of the services we receive support the belief that our custodian's services do not benefit only us. Given our client assets under management, we do not believe that maintaining at least the required minimum of those assets per custodian to avoid paying each quarterly service fee presents a material conflict of interest.

#### Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

#### Best Execution

Canter Wealth conducts initial and ongoing due diligence policies, procedures, and practices regarding soft dollars, best execution, and directed brokerage as a matter of policy and practice. Canter Wealth seeks to comply with clients' IPS, observe best practices, and act on its duty to seek best execution. However, a client may pay a higher commission than another qualified custodian might charge to affect the same transaction when it is determined, in good faith, that the commission is reasonable about the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest cost possible but whether the transaction represents the best qualitative execution, taking into consideration the full range of services available, including, among others, the value of research provided, execution capability, financial strength, commission rates, and responsiveness. While we will seek competitive rates, they may not obtain the lowest commission rates for client transactions.

#### Investment Allocation & Trade Aggregation Policy

To the extent that Canter Wealth provides investment management services to its clients, the transactions for each client account generally will be independently effected unless we decide to purchase or sell the same securities for several clients at approximately the same time. Canter Wealth does not typically aggregate (also known as "block trade") but, on occasion, may do so. In such circumstances, the adviser may - but is not obligated to - combine such orders to obtain best execution, negotiate more favorable commission rates, or allocate equitably among advisory 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 allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. We shall not receive additional compensation or remuneration due to such aggregation. Accordingly, you may pay different prices for securities transactions than other clients. Furthermore, we may be unable to buy and sell the exact quantities of securities for you, and you may pay higher commissions, fees, and/or transaction costs than other clients. The aggregation has no value when trading non-ETF mutual funds, as each trade receives the same price.

#### Mutual Fund Share Classes

Mutual funds are sold in different share classes and at different cost structures. Each available share class is described in the mutual fund's prospectus. If we purchase or recommend the purchase of mutual funds for a client, we select the share class that is deemed to be in the client's best interest, taking into consideration the availability of advisory, institutional or retirement plan share classes, initial and ongoing share class costs, transaction costs (if any), tax

implications, cost basis and other factors. We also review the mutual funds held in accounts under our management to determine whether a more beneficial share class is available, considering cost, tax implications, and the impact of contingent or deferred sales charges.

#### Client Participation In Transactions

We generally make investment decisions and trade accounts in aggregation, particularly when clients have similar objectives. We will seek consistency in our investment approach for all accounts with similar investment goals, strategies, and restrictions.

#### Trading Errors

Even with our best efforts and controls, trade errors may happen. All trade errors will be brought to the attention of our custodians immediately upon discovery, and we will work to formulate the best resolution for the client. In the event of a trade error, errors will be corrected before the current market close, if possible, and no later than the next market close date or as soon as practicable to make the client whole. Ideally, trade errors are moved from the client's account to either our trade error account with the appropriate custodian that executed the trade or that custodian's account, depending upon which party is responsible for the error. When we are responsible for the mistake, we will pay all losses, and the custodian will retain all gains.

In cases where the custodian is responsible for the error, we will follow the custodian's procedures on any gains or losses in the trade error account.

Any trade errors resulting from the client's inaccurate instructions remain the client's financial responsibility.

Client interests are placed ahead of Canter Wealth, its Advisor Representatives, and its other Associates and Control Persons. Clients are not required to effect transactions through any custodian recommended by Canter Wealth. The adviser may but is not required to accept clients who instruct us to execute all transactions through a particular custodian. While a conflict of interest exists in that the adviser may have the incentive to select or recommend a custodian based on its interest in receiving client referrals rather than on client interests in obtaining the most favorable execution, our preferred custodians meet the firm's sourcing criteria for providing a stable and satisfactory custodial platform for its clients.

Additional details of how we mitigate conflicts of interest in brokerage practices can be found in our comprehensive compliance Policies & Procedures Manual and Code of Ethics document. The Code of Ethics is available free for review upon request to any client or prospective client.

### ITEM 13: Review Of Accounts

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#### Periodic Reviews

Each Advisor Representative monitors their client's investment accounts at least quarterly as part of the reporting process. Canter Wealth's Investment Committee members will review each account periodically but no less frequently than annually. The Investment Committee will also formally conduct asset manager due diligence meetings and review portfolio exposures annually and as needed.

For clients who have engaged Canter Wealth for financial planning services, we will periodically review your financial plan to determine if the investment advice is consistent with your investment needs and objectives. We will also update the financial plan at your request. At our sole discretion, reviews and updates may be subject to our then-current hourly rate. If you implement the financial planning advice provided by our firm, you will receive trade confirmations and monthly or quarterly statements from relevant custodians.

#### Review Triggers

More frequent reviews are triggered by requests from a client, material market, economic or political events, or changes in the client's financial situation, such as retirement, termination of employment, physical move, or inheritance.

### Regular Reports

Each client will receive monthly or quarterly account statements and trade confirmations from the custodian showing all activity during the reporting period, including transactions and account holdings and deducting any fees, expenses, or other charges from the account. Canter Wealth can provide additional written reports on at least a quarterly basis as clients request. This report package can include such items as:

- performance,
- holdings,
- transactions,
- other pertinent information as deemed appropriate, and
- documents necessary for tax preparation.

*Canter Wealth urges clients to promptly review any statements they receive from their custodian or upon receipt to ensure account transaction accuracy. Clients should also compare their account(s) ' investment performance against the appropriate benchmark as applicable to the type of investments held in the account and any periodic report or information from us. The reports from Canter Wealth may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of particular securities.*

## ITEM 14: Client Referrals & Other Compensation

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### Economic Benefits

Canter Wealth does not receive any economic benefit, directly or indirectly, from any third party for investment advice or other advisory services that the adviser renders to clients other than those indicated herein. *(Refer to the Brokerage Practices section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.)*

### Third-Party Promoters

Canter Wealth is not presently engaged in agreements with promoters to pay fees for client referrals but reserves the right to enter into a Promoter relationship with a qualified individual who is paid to refer clients to the Adviser, which can result in the provision of investment advisory services. Promoters are generally non-advisory personnel. Canter Wealth ensures that any promoters used are licensed when required and otherwise qualified to provide investment advice. Unlicensed promoters may only provide impersonal investment advice by recommending our services and not comment on using the Adviser's services or portfolio construction.

Promoters solicit and refer as clients to Canter Wealth, those individuals or entities suitable and appropriate for our investment advisory services. Promoters do not have the authority to accept any client(s) on our behalf, and we are not responsible for accepting any prospective referred client. Promoter services may also include impersonal advisory services, which include (1) written materials or oral statements that do not purport to meet the objectives or needs of the specific client, (2) statistical information containing no expressions of opinions as to the investment merits of particular securities, and (3) periodic contact, if requested or appropriate, to assist the solicited client in understanding our advisory services and/or obtaining or updating client information on behalf of Canter Wealth. We will deliver any specific client advice to a solicited client and provide any formal financial planning for a solicited client.

Promoters serve as consultants and independent contractors, not as Canter Wealth employees. The terms of all promoter arrangements are defined by a contract between the promoter and Canter Wealth, which sets forth the terms of the Agreement and form of compensation to the promoter, a percentage of the advisory fees received from referred clients. Promoter payouts come from client fees. They are not *in addition to* a client's fee. Clients do not pay a higher fee than those contracted directly with us. Promoter payouts range from 0 – 50% of collected client fees.

Referral arrangements inherently give rise to potential conflicts of interest, particularly when the person recommending an advisor receives an economic benefit, as the payment received could incentivize the promoter's referral. Accordingly, any Promoters we may retain are required to disclose to referred clients, in writing, (1) whether they are a client or a non-client, (2) that they will be compensated for the referral, (3) the material conflicts of interest arising

from the relationship and/or compensation arrangement, and (4) all material terms of the arrangement, including a description of the compensation to be provided for the referral.

#### Additional Compensation

##### *Non-Advisory Business*

Certain Associates are also licensed real estate agents. They will receive additional compensation from time to time, resulting from the consummation of applicable real estate transactions or other property management services. To the extent a client of Canter Wealth also receives separate real estate services through an affiliate or third-party partner of a Canter affiliate, such client will generally pay separate compensation to the affiliate or third-party partner of a Canter affiliate, which in turn would be passed down to the licensed real estate agents that are also associates of Canter Wealth. Such compensation would be in addition to the advisory fees paid to Canter Wealth. Such compensation incentivizes licensed real estate agents to recommend separate real estate services based on their compensation.

Canter Wealth mitigates this conflict of interest by fully disclosing this practice in this brochure, only making real estate recommendations that are believed to be in the client's best interests, and completely disclosing any additional compensation earned.

Advisor Representatives also provide this information in their Form ADV 2B Brochure Supplement. Canter Wealth has implemented supervisory controls to acknowledge and oversee conflict of interest concerns or issues. Additional details of how Canter Wealth mitigates conflicts of interest in its brokerage practices can be found in its comprehensive written supervisory Compliance Policies & Procedures Manual and its Code of Ethics document. The Code is available for free review upon request by any client or prospective client.

#### ITEM 15: Custody

Canter Wealth does not accept or permit the firm or its Associates to obtain custody of client assets, including cash and securities, act as a trustee, provide bill-paying services, or have password access to client accounts to control account activity or any other form of client asset control. We will not take title to any assets or have the authority to withdraw funds from the client's accounts except to cover payment of the agreed-to "Advisory Management Fees" specified within the client's Advisory Services Agreement or at the client's specific and written direction. All checks or wire transfers to fund client accounts must be made out to/sent to the client's custodian.

Regardless, under federal regulations, the adviser is deemed to have limited custody of client assets if a client authorizes the adviser to instruct the custodian to directly deduct the adviser's fees from their client's account.

The client's custodian will maintain actual custody of their assets. The client will provide written limited authorization instructions directly to their custodian and request that the custodian provide a "transfer of funds" notice at their address of record after each advisory fee payment transfer occurs. The client will give these instructions on the qualified custodian's form or separately. Clients will receive account statements directly from the custodian to the email or postal mailing address of record, which the client provided to the custodian. They will also receive at least quarterly reports from their custodian reflecting all disbursements for the account, including the amounts of any assessed advisory fees. Clients should review statements provided by their custodian promptly upon receipt.

*Canter Wealth urges clients to compare the statements they receive directly from their custodian with the information outlined in any reports or periodic portfolio statements received from the adviser to ensure the accuracy of all account transactions.*

The reports from Canter Wealth may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of particular securities.

Canter Wealth encourages our clients to promptly raise any questions with us about the custody, safety, or security of their assets.

### Third-Party Transfers

Canter Wealth meets the conditions the SEC has outlined in their No-Action Letter of February 21, 2017, intended to protect client assets in such situations. It is, therefore, not subject to an annual surprise audit. For standing letters of authorization ("SLOAs"), we ensure:

- 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 Canter Wealth, 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 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 custodian,
- Canter Wealth 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,
- Canter Wealth maintains records showing that the third party is not a related party of the adviser or located at the same address as the adviser, and
- In writing, the client's custodian sends the client an initial notice confirming the instruction and an annual notice reconfirming the instruction.

### ITEM 16: Investment Discretion

Canter Wealth provides individually tailored client investment strategies and recommendation services to its clients on a discretionary basis. Clients will provide Canter Wealth discretionary authority on their accounts via a limited power-of-attorney in their Advisory Agreement and the contract between the client and their chosen custodian. Details of this relationship are disclosed fully to the client before any advisory relationship commences.

#### Discretionary Authorization

Canter Wealth executes securities transactions for clients under discretionary authorization without obtaining specific client consent before each transaction. Discretionary authority is limited to investments within a client's managed accounts, and clients may impose restrictions on investing in particular securities or types of securities.

Clients may limit this authority by giving us written instructions. Clients may also change/amend such limitations by providing us with written instructions. Our clients sign a full trading authorization agreement through their custodians.

We are only required to maintain or solicit clients' consent for trades on positions explicitly discussed during the introductory interview (*i.e., inherited stock that the client would like to hold on to for sentimental reasons, etc.*).

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell,
- determine the amount of security to buy or sell, and
- determine the timing of when to buy or sell.

If clients object to any investment decision, they may discuss this with Canter Wealth, and a mutually agreed-upon decision will be made and documented if necessary. It is always preferred that the client and Canter Wealth engage in discussions to resolve potential opinion differences. However, if the client repeatedly acts inconsistent with the mutually agreed upon investment objectives, we reserve the right to cancel the client's Agreement after providing written notice.

Similarly, the client reserves the right to cancel their contract with us at any time if they so desire.



## ITEM 17: Voting Client Securities

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### Proxies

Canter Wealth will not ask for nor accept voting authority for client securities, for as a matter of policy, Canter Wealth does not vote for client securities. Clients will receive proxy material directly from the security issuer or the custodian. If Canter Wealth receives proxy material on behalf of a client involving any security held in the client's account, it will promptly forward such material to the client's attention.

Proxy voting for plans governed by ERISA must conform to the plan document in effect. If the investment manager is listed as the fiduciary responsible for voting proxies, the responsibility will be designated to another fiduciary and reflected in the Plan document. Clients are responsible for exercising their right to vote proxies. However, while we are happy to answer any proxy questions a client may have, we shall not be deemed to have proxy voting authority solely because we provide advice or information about a particular proxy vote to a client in the above situations. The client is responsible for voting on their proxy and should direct all proxy questions to the security issuer.

### Class Action Suits, Claims, Bankruptcies & Other Legal Actions & Proceedings

A class action is a procedural device used in litigation to determine the rights and remedies for many people whose cases involve common questions of law and fact. Class action suits often arise against companies that publicly issue securities, including those recommended by investment advisors to clients.

Canter Wealth has no obligation to advise or determine if securities held by the client are subject to a pending or resolved class-action lawsuit or act for the client in these legal proceedings involving securities currently or previously held by the account or securities issuers. The adviser has no duty to evaluate a client's eligibility or submit a claim to participate in the proceeds of a securities class action settlement, verdict, or obligation to forward copies of notices received to clients or their agents.

It is the client's responsibility to respond to class action suits, claims, bankruptcies, and other legal actions/proceedings involving securities purchased or held in their account and/or to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by the corporate management of issuers whose securities they hold.

Canter Wealth does not provide legal advice or engage in any activity that might be deemed to constitute the practice of law or accountancy. The client is responsible for this obligation.

## ITEM 18: Financial Information

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Canter Wealth does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore does not need to include a balance sheet with this Brochure. Since its inception in 2013, we have not had any condition to impair the adviser's ability to meet our client commitments. A balance sheet is not required to be provided, as we (1) do not solicit fees more than six months in advance; (2) do not have a financial condition that is likely to impair its ability to meet contractual commitments to clients; and (3) have not been subject to any bankruptcy proceeding during the past ten years.

As an advisory firm, we must disclose any financial conditions reasonably likely to impair our ability to meet our contractual obligations. We have no financial circumstances to report. Further, no member of management, officer, or firm principal has been involved in an award or otherwise found liable in an arbitration claim alleging damages in excess of \$2,500 in an activity involving investment or investment-related activity, fraud, false statements, or omissions, theft, embezzlement or other wrongful taking of property, bribery, forgery, counterfeiting or extortion, dishonest, unfair or unethical practices. No member of management, an officer, or a principal of the adviser has been found liable in a civil, self-regulatory organization or administrative proceeding involving investment or investment-related activity, fraud, false statements or omissions, theft, embezzlement or other wrongful taking of property, bribery, forgery, counterfeiting or extortion, dishonest, unfair or unethical practices.