

Atlantic Family Wealth, LLC

Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Atlantic Family Wealth, LLC. If you have any questions about the contents of this brochure, please contact us at (305) 222-0977 or by email at: raul.isern@lpl.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Atlantic Family Wealth, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Atlantic Family Wealth, LLC's CRD number is: 171062.

6705 S Red Road, Suite 604
Coral Gables, FL, 33143
(305)-222-0977
www.atlanticfamilywealth.com
raul.isern@lpl.com

Registration does not imply a certain level of skill or training.

Version Date: 03/27/2024

Item 2: Material Changes

Material changes are changes that relate to Atlantic Family Wealth, LLC's policies, practices, or conflicts of interest. The material changes in this brochure from the last annual updating amendment of Atlantic Family Wealth, LLC on March 6, 2023, are described below.

On March 27, 2023, we submitted our required annual updating amendment to regulators for fiscal year 2023. We have made the following changes:

- We updated Item 4 to clarify information regarding services provided through independent, third-party managers and the consulting services we offer for assets held elsewhere and not directly managed by us.
- We updated Item 5 with clarifications regarding our fees.
- We updated Item 10 to include important information regarding important considerations regarding the purchase of insurance products, including annuities.
- We updated Items 12 and 14 with important information regarding our brokerage and custodial practices, including conflicts of interest regarding the support services we receive from recommended broker-dealers/account custodians and/or other economic benefits we may receive from product sponsors.
- We updated Item 15 regarding the direct debit of fees from accounts held by qualified custodians.

In addition to the items noted above, please carefully review the entire brochure. If you have questions, or if you would like to receive a complete copy of our most current Form ADV Part 2A Brochure at any time, free of charge, please call us at (305) 222-0977 or email us at raul.isern@lpl.com.

Item 3: Table of Contents

| | |
|--|----|
| Item 1: Cover Page..... | 1 |
| Item 2: Material Changes | 2 |
| Item 3: Table of Contents..... | 3 |
| Item 4: Advisory Business | 4 |
| Item 5: Fees and Compensation..... | 7 |
| Item 6: Performance-Based Fees and Side-By-Side Management | 9 |
| Item 7: Types of Clients | 9 |
| Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss | 10 |
| Item 9: Disciplinary Information | 16 |
| Item 10: Other Financial Industry Activities and Affiliations | 16 |
| Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading Advisory Business..... | 18 |
| Item 12: Brokerage Practices..... | 19 |
| Item 13: Reviews of Accounts | 23 |
| Item 14: Client Referrals and Other Compensation | 23 |
| Item 15: Custody | 24 |
| Item 16: Investment Discretion..... | 24 |
| Item 17: Voting Client Securities (Proxy Voting)..... | 25 |
| Item 18: Financial Information | 25 |
| PRIVACY NOTICE..... | 26 |

Item 4: Advisory Business

We provide services to individuals and high-net-worth individuals concerning mutual funds, fixed income securities, real estate funds (including REITs), insurance products including annuities, equities, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation-linked bonds, non-U.S. securities, and private placements. As a registered investment adviser, we are held to the highest standard of client care – a fiduciary standard. As a fiduciary, we always put our client's interests first and must fully disclose any potential conflict of interest. We do not hold customer funds or securities.

A. Description of the Advisory Firm

Atlantic Family Wealth, LLC (hereinafter "AFW") is a Limited Liability Company organized in the State of Florida.

The firm was formed in May 2014, and the principal owner is Raul Isern.

B. Types of Advisory Services

Portfolio Management Services

AFW offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client.

AFW evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. AFW will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. As such, AFW will determine an appropriate investment strategy, construct, implement, monitor, and manage on an ongoing basis, a portfolio of investments to be held within the Client's account by a qualified custodian.

AFW seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of AFW's economic, investment, or other financial interests. To meet its fiduciary obligations, AFW attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, AFW's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is AFW's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

Depending on the Client's investment needs, AFW may engage certain third-party money managers and/or sub-advisors (collectively, "Independent Managers") to manage all or a portion of the assets contained in the Client account to obtain exposure to certain asset classes, investment styles/ models, or strategies. When this occurs, all or a portion of assets contained in the Client account shall be allocated to and directly managed by the selected Independent Manager(s) who shall be responsible for (i) implementing the investment strategy or strategies selected by AFW for the account; (ii) conducting all related investment research; and (iii) implementing all trading decisions with respect to the allocated assets on a discretionary basis. AFW will act as a co-advisor with respect to the allocated assets, monitoring the Independent Manager's activities to ensure the Independent Manager's adherence to the investment strategy or model chosen by AFW and that the Independent Manager's performance, portfolio strategies, and management remain aligned with Client's financial profile, needs, and limitations. AFW will also act as the Client's primary point of contact regarding questions or concerns with respect to the Independent Manager's performance and management of the allocated assets.

AFW shall monitor the performance of the Client account (including any portion allocated to Independent Managers) on an ongoing basis and implement changes within the Client's portfolio as needed or appropriate, in consideration of current economic conditions, AFW's market opinions and assumptions, and the Client's individual financial circumstances and goals.

In limited circumstances and in our sole discretion, we also offer non-discretionary portfolio management services. If you enter into a non-discretionary arrangement with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis. LPL Sponsored programs are available on a discretionary basis only.

LPL Financial Sponsored Advisory Programs

AFW may provide advisory services through certain programs sponsored by LPL Financial LLC (LPL), a registered investment advisor and broker-dealer. For more information regarding the LPL programs, including more information on the advisory services and fees that apply, the types of investments available in the programs, and the potential conflicts of interest presented by the programs please see the program account packet (which includes the account agreement and LPL Form ADV program brochure) and the Form ADV, Part 2A of LPL or the applicable program.

Manager Access Select Program

Manager Access Select offers clients the ability to participate in the Separately Managed Account Platform (the "SMA Platform") or the Model Portfolio Platform (the "MP Platform"). In the SMA Platform, AFW will assist the client in identifying a third-party portfolio manager (SMA Portfolio Manager) from a list of SMA Portfolio Managers made available by LPL, and the SMA Portfolio Manager manages the client's assets on a discretionary basis. AFW will provide initial and ongoing assistance

regarding the SMA Portfolio Manager selection process. In the MP Platform, clients authorize LPL to direct the investment and reinvestment of the assets in their accounts, in accordance with the selected model portfolio provided by LPL's Research Department or a third-party investment advisor. A minimum account value of \$50,000 is required for Manager Access Select, however, in certain instances, the minimum account size may be lower or higher.

Ad-Hoc Financial Consulting: Advice Regarding Held-Away Assets

AFW will be reasonably available to provide ad-hoc financial consulting advice regarding common financial questions, topics, and concerns (e.g., questions concerning retirement planning, education planning, insurance coverage, and similar topics) as may be raised by the Client from time to time. Where requested, such advice may include recommendations for the allocation and investment of assets held outside of the account directly managed by AFW ("Held-Away Accounts"). Client understands that AFW's ad-hoc financial consulting advice is entirely non-discretionary in nature and that Client will make all final investment decisions and be responsible for the implementation and monitoring of all investments contained in Held-Away Accounts. Client further understands that AFW's recommendations with respect to certain Held-Away Accounts (e.g., employer sponsored retirement accounts) will be limited to recommending an appropriate allocation of Client's holdings among the various investment options made available by the sponsor, issuer, or custodian of such accounts. AFW reserves the right to charge additional fees for this portion of its services for particularly complex or time or resource intensive financial consulting requests. Any additional fees to be charged in connection with the same shall be agreed upon in writing with the Client prior to AFW's rendering of any such additional services.

IRA Rollover Considerations

As a normal extension of financial advice, we provide education or recommendations related to the rollover of an employer-sponsored retirement plan. A plan participant leaving employment has several options. Each choice offers advantages and disadvantages, depending on desired investment options and services, fees and expenses, withdrawal options, required minimum distributions, tax treatment, and the investor's unique financial needs and retirement plans. The complexity of these choices may lead an investor to seek assistance from us.

An associated person of AFW who recommends an investor roll over plan assets into an Individual Retirement Account ("IRA") may earn an asset-based fee as a result, but no compensation if assets are retained in the plan. Thus, we have an economic incentive to encourage an investor to roll plan assets into an IRA. In most cases, fees and expenses will increase for the investor as a result because the above-described fees will apply to assets rolled over to an IRA and outlined ongoing services will be extended to these assets.

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries

within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. We have to act in your best interests and not put our interests ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

AFW generally provides investment advice on mutual funds, fixed income securities, real estate funds (including REITs), insurance products including annuities, equities, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation-linked bonds, non-U.S. securities, and private placements. AFW may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

AFW offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client's goals, risk tolerance, and investment objectives which together outline each client's current situation (income, tax levels, and investment experience). Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent AFW from properly servicing the client account, or if the restrictions would require AFW to deviate from its standard suite of services, AFW reserves the right to end the relationship.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. AFW does not manage, sponsor, or participate in any wrap fee programs.

E. Assets Under Management

AFW has the following assets under management:

| Discretionary Amounts: | Non-discretionary Amounts: | Date Calculated: |
|------------------------|----------------------------|------------------|
| \$ 184,005,213 | \$ 5,760,892 | 12/31/2023 |

Item 5: Fees and Compensation

A. Fee Schedule

Asset-Based Fees for Portfolio Management

AFW's maximum advisory fee is 1.25% and is negotiable. The agreed-upon fee will be set forth in the advisory agreement and will be calculated based on the average daily balance.

The account fee charged to the client for each LPL advisory program is negotiable, subject to the following maximum account fees for MAS accounts. The MAS account fee consists of an LPL program fee, a strategist fee (if applicable), and AFW's fee for a maximum combined fee of up to 1.85%. See the MAS program brochure for more information.

B. Payment of Fees

Payment of Asset-Based Portfolio Management Fees

Asset-based portfolio management fees are withdrawn directly from the client's accounts with the client's written authorization on a quarterly basis from the custodian. AFW's fees are billed quarterly in advance.

Where LPL serves as a program sponsor, investment adviser, and broker-dealer for the LPL advisory programs, any associated program fees are billed quarterly in advance. See relevant program disclosures and program agreements for detailed billing information.

C. Client Responsibility For Third-Party Fees

Clients are responsible for the payment of all third-party fees (i.e., custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by AFW. Please see Item 12 of this brochure regarding broker-dealer/custodian.

D. Prepayment of Fees

AFW collects fees in advance as indicated above. At the inception of services, the first pay period's fees will be calculated on a pro-rata basis. If the Client did not receive AFW's ADV Part 2 disclosures at least 48 hours prior to or at the time the Client entered into the advisory agreement with AFW, the Client may terminate the agreement without penalty. Thereafter, either party may terminate the agreement upon written notice to the other party. The Client will incur a pro rata charge for services rendered prior to the termination of the agreement, which means the Client will incur advisory fees only in proportion to the number of days in the quarter for which the Client is a Client of AFW. If the Client has pre-paid advisory fees that AFW has not yet earned, the Client will receive a prorated refund of those fees.

See the relevant LPL program agreement for detailed information regarding account termination and prorated fees.

E. Outside Compensation For the Sale of Securities to Clients

AFW or its supervised persons may accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Raul Alfonso Isern is a registered representative of a broker-dealer and an insurance agent and, in these roles, accepts compensation for the sale of securities and other products to AFW clients.

1. This is a Conflict of Interest

Supervised persons may accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds to AFW's clients. This presents a conflict of interest and gives the supervised person an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of securities or investment products for which the supervised persons receive compensation, AFW will document the conflict of interest in the client file and inform the client of the conflict of interest.

2. Clients Have the Option to Purchase Recommended Products From Other Brokers

Clients always have the option to purchase AFW recommended products through other brokers or agents that are not affiliated with AFW.

3. Commissions are not the Primary Source of Income for AFW

Commissions are not the primary source of compensation for licensed individuals associated with AFW.

Item 6: Performance-Based Fees and Side-By-Side Management

AFW does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

AFW generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals

Minimum Account Size

There is no account minimum for any of AFW's services. However, some LPL programs or third-party programs may impose account minimums.

Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss

A. Methods of Analysis and Investment Strategies

Methods of Analysis

AFW utilizes modern portfolio theory. **Modern portfolio theory** is 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 choosing the proportions of various assets.

Investment Strategies

AFW uses long-term trading, short-term trading, short sales, margin transactions, and options trading (including covered options, uncovered options, or spreading strategies).

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Modern Portfolio Theory assumes that investors are risk-averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk, an alternative portfolio exists which has better expected returns.

Investment Strategies

AFW's use of short sales, margin transactions, and options trading generally hold greater risk, and clients

should be aware that there is a material risk of loss using any of those strategies.

Long-term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Short-term trading risks include liquidity, economic stability, and inflation, in addition to the long-term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short sales entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

Margin transactions use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets in a shorter time frame than desired.

Options transactions involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of a leveraged loss of trading capital due to the leveraged nature of stock options. **Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

C. Risks of Specific Securities Utilized

AFW's use of short sales, margin transactions, and options trading generally hold a greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature (mentioned below).

An equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions, and the general economic environments.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt, and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation-protected/inflation-linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest, and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which owns a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

Risks Associated with Investing in Buffer ETFs: Buffer ETFs are also known as defined-outcome ETFs since the ETF is designed to offer downside protection for a specified period of time. These ETFs are modeled after options-based structured notes, but are generally cheaper, and offer more liquidity. Buffer ETFs are designed to safeguard against market downturns by employing complex options strategies. Buffer ETFs typically charge higher management fees that are considerably more than the index funds whose performance they attempt to track. Additionally, because buffer funds own options, they do not receive dividends from their equity holdings. Both factors result in the underperformance of the Buffer ETF compared to the index they attempt to track. Clients should carefully read the prospectus for a buffer ETF to fully understand the cost structures, risks, and features of these complex products.

Risks Associated with Investing in Inverse and Leveraged Funds: Leveraged mutual funds and ETFs generally seek to deliver multiples of the daily performance of the index or benchmark that they track. Inverse mutual funds and ETFs generally seek to deliver the opposite of the daily performance of the index or benchmark that they track. Inverse funds often are marketed as a way for investors to profit from, or at least hedge their exposure to, downward-moving markets. Some Inverse funds are both inverse and leveraged, meaning that they seek a return that is a multiple of the inverse performance of the underlying index. To accomplish their objectives, leveraged and inverse funds use a range of investment strategies, including swaps, futures contracts, and other derivative instruments. Leveraged,

inverse, and leveraged inverse funds are more volatile and riskier than traditional funds due to their exposure to leverage and derivatives, particularly total return swaps and futures. At times, we will recommend leveraged and/or inversed funds, which may amplify gains and losses.

Most leveraged funds are typically designed to achieve their desired exposure on a daily (in a few cases, monthly) basis, and reset their leverage daily. A "single day" is measured from the time the leveraged fund calculates its net asset value ("NAV") to the time of the leveraged fund's next NAV calculation. The return of the leveraged fund for periods longer than a single day will be the result of each day's returns compounded over the period. Due to the effect of this mathematical compounding, their performance over longer periods of time can differ significantly from the performance (or inverse performance) of their underlying index or benchmark during the same period of time. For periods longer than a single day, the leveraged fund will lose money when the level of the Index is flat, and the leveraged fund may lose money even if the level of the Index rises. Longer holding periods, higher index volatility, and greater leverage all exacerbate the impact of compounding on an investor's returns. During periods of higher Index volatility, the volatility of the Index may affect the leveraged fund's return as much as or more than the return of the Index itself. Therefore, holding leveraged, inverse, and leveraged inverse funds for longer periods of time increases their risk due to the effects of compounding and the inherent difficulty in market timing. Leveraged funds are riskier than similarly benchmarked funds that do not use leverage. Non-traditional funds are highly volatile and not suitable for all investors. They provide the potential for significant losses.

Real Estate funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

Annuities are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet a requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

Private placements carry a substantial risk as they are subject to less regulation than publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to

restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

Options are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk, and interest rate risk.

Non-U.S. securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting, and the lesser degree of accurate public information available.

Structured Notes: Below are some specific risks related to the structured notes recommended by our firm:

- *Complexity:* Structured notes are complex financial instruments. Clients should understand the reference asset(s) or index(es) and determine how the note’s payoff structure incorporates such reference asset(s) or index(es) in calculating the note’s performance. This payoff calculation may include leverage multiplied by the performance of the reference asset or index and protection from losses should the reference asset or index produce negative returns, and/or fees. Structured notes may have complicated payoff structures that can make it difficult for clients to accurately assess their value, risk, and potential for growth through the term of the structured note. Determining the performance of each note can be complex and this calculation can vary significantly from note to note depending on the structure. Notes can be structured in a wide variety of ways. Payoff structures can be leveraged, inverse, or inverse-leveraged, which may result in larger returns or losses. Clients should carefully read the prospectus for a structured note to fully understand how the payoff on a note will be calculated and discuss these issues with our firm.
- *Market risk.* Some structured notes provide for the repayment of principal at maturity, which is often referred to as “principal protection.” This principal protection is subject to the credit risk of the issuing financial institution. Many structured notes do not offer this feature. For structured notes that do not offer principal protection, the performance of the linked asset or index may cause clients to lose some, or all, of their principal. Depending on the nature of the linked asset or index, the market risk of the structured note may include changes in equity or commodity prices, changes in interest rates or foreign exchange rates, and/or market volatility.
- *Issuance price and note value:* The price of a structured note at issuance will likely be higher than the fair value of the structured note on the date of issuance. Issuers now generally disclose an estimated value of the structured note on the cover page of the offering prospectus, allowing investors to

gauge the difference between the issuer's estimated value of the note and the issuance price. The estimated value of the notes is likely lower than the issuance price of the note to investors because issuers include the costs for selling, structuring, and/or hedging the exposure on the note in the initial price of their notes. After issuance, structured notes may not be re-sold on a daily basis and thus may be difficult to value given their complexity.

- *Liquidity*: The ability to trade or sell structured notes in a secondary market is often very limited, as structured notes (other than exchange-traded notes known as ETNs) are not listed for trading on securities exchanges. As a result, the only potential buyer for a structured note may be the issuing financial institution's broker-dealer affiliate or the broker-dealer distributor of the structured note. In addition, issuers often specifically disclaim their intention to repurchase or make markets in the notes they issue. Clients should, therefore, be prepared to hold a structured note to its maturity date or risk selling the note at a discount to its value at the time of sale.
- *Credit risk*: Structured notes are unsecured debt obligations of the issuer, meaning that the issuer is obligated to make payments on the notes as promised. These promises, including any principal protection, are only as good as the financial health of the structured note issuer. If the structured note issuer defaults on these obligations, investors may lose some, or all, of the principal amount they invested in the structured notes as well as any other payments that may be due on the structured notes.
- **Environmental, Social, and Governance Investment Criteria Risk**: If a portfolio is subject to certain environmental, social, and governance (ESG) investment criteria it may avoid purchasing certain securities for ESG reasons when it is otherwise economically advantageous to purchase those securities or may sell certain securities for ESG reasons when it is otherwise economically advantageous to hold those securities. In general, the application of the portfolio's ESG investment criteria may affect the portfolio's exposure to certain issuers, industries, sectors, and geographic areas, which may affect the financial performance of the portfolio, positively or negatively, depending on whether these issuers, industries, sectors or geographic areas are in or out of favor. An adviser can vary materially from other advisers with respect to its methodology for constructing ESG portfolios or screens, including with respect to the factors and data that it collects and evaluates as part of its process. As a result, an adviser's ESG portfolio or screen may materially differ from or contradict the conclusions reached by other ESG advisers concerning the same issuers. Further, ESG criteria are dependent on data and are subject to the risk that such data reported by issuers or received from third-party sources may be subjective, or it may be objective in principle but not verified or reliable.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

As a registered representative of LPL, Raul Alfonso Isern accepts compensation for the sale of securities in his capacities with LPL.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither AFW nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor, or an associated person of the foregoing entities.

D. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Raul Alfonso Isern is a registered representative of LPL and a licensed insurance agent and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. AFW always acts in the best interest of the client, including with respect to the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of AFW in such individual's capacity as a registered representative.

Additionally, as licensed insurance agents, individuals associated with AFW, including Mr. Isern, will earn commission-based compensation for selling insurance products, including insurance products they sell to AFW clients. Insurance commissions paid to licensed individuals associated with AFW are separate from and in addition to AFW's advisory fees. The sale of insurance instruments and other commissionable products offered by associated, licensed individuals are intended to complement our advisory services. However, this practice presents a conflict of interest because individuals providing investment advice on behalf of AFW who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than recommending them based solely on your needs. We address this conflict of interest by recommending insurance products only where we, in good faith, believe that it is appropriate for the client's particular needs and circumstances and only after a full presentation of the recommended insurance product to our client. In addition, we explain the insurance underwriting process to our clients to illustrate how the insurer also reviews the client's application and disclosures prior to the issuance of a resulting insuring agreement. Clients to whom AFW offers advisory services are informed that they are under no obligation to purchase insurance services. Clients who choose to purchase insurance services are under no obligation to do so through licensed individuals associated with AFW and may use any insurance firm and agent they choose.

Where fixed annuities are sold, clients should also note that the annuity sales result in substantial up-front commissions and ongoing trails based on the annuity's total value. In addition, many annuities contain surrender charges and/or restrictions on access to your funds. Payments and withdrawals can have tax consequences. Optional lifetime income benefit riders are used to calculate lifetime payments only and are not available for cash surrender or in a death benefit unless specified in the annuity contract. In some annuity products, fees can apply when using an income rider. Annuity guarantees are based on the financial strength and claims-paying ability of the issuing insurance company. We urge our clients to read all insurance contract disclosures carefully before making a purchase decision. Rates and returns mentioned on any program presented are subject to change without notice. Insurance products are subject to fees and additional expenses.

Raul Alfonso Isern is a Board Member of the Plaza San Remo Property Owner's Association.

E. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

AFW may direct clients to third-party investment advisers. AFW will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. AFW will verify that all recommended advisers are properly licensed, notice filed, or exempt in the states where AFW is recommending the adviser to clients.

AFW receives compensation as a result of a client's participation in an LPL program. Depending on, among other things, the type and size of the account, the type of securities held in the account, changes

in its value over time, the ability to negotiate fees or commissions, the historical or expected size or the number of transactions, and the number and range of supplementary advisory and client-related services provided to the client, the amount of this compensation may be more or less than what the AFW would receive if the client participated in other programs, whether through LPL or another sponsor or paid separately for investment advice, brokerage, and other services.

Clients should consider the level and complexity of the advisory services to be provided when negotiating the account fee (or AFW's portion of the account fee, as applicable) with AFW. With regard to accounts utilizing third-party portfolio managers under aggregate, all-in-one account fee structures, the portion of the account fee retained by AFW varies depending on the portfolio strategist fee associated with a portfolio.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading Advisory Business

A. Code of Ethics

AFW has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts, and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures, and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. AFW's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

AFW does not recommend that clients buy or sell any security in which a related person to AFW or AFW has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of AFW may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of AFW to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. AFW will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of AFW may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of AFW to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, AFW will never engage in trading that operates to the client's disadvantage if representatives of AFW buy or sell securities at or around the same time as clients.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

Custodians/broker-dealers will be chosen based on AFW's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and AFW may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in AFW's research efforts. AFW will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

Currently, we recommend the brokerage and custodial services of unaffiliated qualified custodians. We believe that recommended broker-dealers/custodians provide quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers/custodians, including the value of research provided, the company's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services recommended broker-dealers/custodians provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

At this time, we primarily recommend the services of LPL Financial LLC (LPL) and Charles Schwab & Co., Inc. (Schwab), both FINRA-registered broker-dealers and members SIPC.

Brokerage and Custodial Services Offered by LPL

AFW recommends that you establish brokerage accounts with LPL, a registered broker-dealer and member SIPC, to maintain custody of assets and to effect trades. Factors, which AFW considers in recommending LPL to clients, include their respective financial strength, reputation, execution, pricing, research, and service. LPL enables AFW to obtain many mutual funds without transaction charges and

other securities at nominal transaction charges. The commissions and/or transaction fees charged by LPL may be higher or lower than those other Financial Institutions may charge.

LPL provides AFW with access to its institutional trading and custody services, which are typically not available to retail investors. LPL services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or that would require a significantly higher minimum initial investment.

For AFW's client accounts maintained in custody, LPL charges account holders transaction-related fees for securities trades. LPL provides AFW assistance in managing and administering clients' accounts. These include access to client account data, facilitating trade execution, providing research, facilitating payment of AFW management fees from its clients' accounts, recordkeeping, and client reporting. LPL also makes available to AFW other services intended to help AFW manage and further develop its business enterprise. These services may include consulting, publications, and conferences on practice management, information technology, business succession, regulatory compliance, and marketing.

In choosing a broker-dealer or negotiating commission rates, we are not obligated to seek competitive bids or the lowest commission cost to you; but we determine that the commission rate charged is reasonable based on the quality of custodial services available to our clients. As a fiduciary, AFW endeavors to act in your best interest.

The commissions paid by AFW's clients comply with AFW's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where AFW determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. AFW seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Schwab Advisor Services

AFW has an institutional custodial relationship with Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC. Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like ours. We are independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and will buy and sell securities in your account(s) upon our instructions. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and you will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you.

Schwab generally does not charge you separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into your Schwab account. In addition to commissions, Schwab charges a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account.

Below is a detailed description of Schwab’s support services:

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

Services that May Not Directly Benefit You: Schwab also makes available to us 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. They include investment research, both Schwab’s own and that of third parties. We may use this research to service all or some substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients’ accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

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

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

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

1. Research and Other Soft-Dollar Benefits

While AFW has no formal soft dollar program in which soft dollars are used to pay for third-party services, AFW may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). As described above and below in Item 14, AFW will receive other economic benefits from recommended custodians in the form of access to its institutional brokerage, trading, custody, reporting, and related support services, many of which are not typically available to retail customers. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Therefore, we have an incentive to recommend LPL or Schwab over other custodians based on the economic benefits available to us through our relationships with LPL and Schwab.

2. Brokerage for Client Referrals

AFW receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

Neither we nor any of our firm's related persons have discretionary authority in determining the brokers with whom orders for the purchase or sale of securities are placed for execution and the commission rates at which such securities transactions are effected. We routinely recommend that a client directs us to execute through a specified broker-dealer. AFW recommends clients use LPL and/or Charles Schwab & Co., Inc. Associated persons of our firm, who are registered representatives of LPL, are subject to FINRA conduct rules, which restrict such registered individuals from conducting securities transactions away from LPL unless LPL provides the representative with written authorization. Therefore, clients are advised that such persons may be limited to conducting certain securities transactions through LPL or another broker-dealer/custodian approved by LPL. Not all Advisers require their clients to direct brokerage to a specific broker-dealer/custodian. AFW has chosen LPL and Schwab based on several factors, including quality of service, fees, reputation, accountability, and security of assets.

B. Aggregating (Block) Trading for Multiple Client Accounts

AFW does not aggregate or bunch the securities to be purchased or sold for multiple clients. This may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

All client portfolio management accounts are monitored on a regular and continuous basis by Raul Isern with regard to clients' respective investment objectives and risk tolerance levels. AFW recommends account reviews with clients at least annually or as needed when there are changes in the client's needs or circumstances.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in the client's financial situation (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Client accounts held at LPL will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from LPL. Advent Custodial Data Network via Black Diamond software is used for client accounts held at Charles Schwab & Co., Inc.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

AFW has brokerage and clearing arrangements with LPL and Schwab, and we may receive additional benefits from these firms in the form of electronic delivery of client information, electronic trading platforms, institutional trading support, proprietary and/or third-party research, continuing education, practice management advice, and other services provided by custodians for the benefit of investment advisory clients. Please refer to item 12 above for more information about the receipt of additional benefits from broker-dealers/account custodians.

Additionally, AFW and employees may receive additional compensation from product sponsors. However, such compensation will not be tied to the sales of any products. Compensation could include such items as gifts of a de minimis value; an occasional dinner or ticket to a sporting event; reimbursement in connection with educational meetings with an associated person of AFW, client workshops, or events; or marketing events or advertising initiatives, including services for identifying prospective clients. Product sponsors may also pay for or reimburse AFW for the costs associated with AFW employees and investment adviser representatives attending various education or training events, as well as conferences and events sponsored by or in conjunction with AFW.

B. Compensation to Non-Advisory Personnel for Client Referrals

AFW may enter into written arrangements with third parties to act as promoters for AFW's investment management services. Promoter relationships will be fully disclosed to each client to the extent required by applicable law. AFW will ensure each promoter is properly registered in jurisdictions where required.

Item 15: Custody

AFW does not have physical custody of any Client funds and/or securities. Client funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. As paying agent for AFW, the Client's independent custodian will directly debit the Client's account(s) for the payment of advisory fees. Where AFW calculates the fee and directs the account custodian to debit the fee, AFW is deemed to have custody of client funds or securities solely because of the fee deduction authority granted by the client in the investment advisory agreement and in certain situations where we accept standing letters of authorization from you to transfer assets to third parties. Accordingly, AFW maintains safeguards in accordance with regulatory requirements regarding the custody of Client assets. Where the account custodian, program sponsor, or Independent Manager calculates and deducts the fee, we are not deemed to have custody.

In any case, the Client will receive account statements from the independent, qualified custodian(s) holding the Client's funds and securities at least quarterly. The account statements from the custodian(s) will indicate any deductions from the Client's account(s), including the amount of advisory fees deducted from the account(s) each billing period. Clients should carefully review account statements for accuracy. Clients should contact us directly at the telephone number on the cover page of this brochure with any questions regarding their account statement(s).

Item 16: Investment Discretion

AFW provides discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, AFW manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Item 17: Voting Client Securities (Proxy Voting)

AFW will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

AFW neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, AFW is not required to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither AFW nor its management has any financial condition that is likely to reasonably impair AFW's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in the Previous Ten Years

AFW has not been the subject of a bankruptcy petition in the last ten years.

AFW

Atlantic Family Wealth

PRIVACY NOTICE

This notice is being provided to you in accordance with the Securities and Exchange Commission's rule regarding the privacy of consumer financial information ("Regulation S-P"). Please take the time to read and understand the privacy policies and procedures that we have implemented to safeguard your nonpublic personal information.

INFORMATION WE COLLECT

Atlantic Family Wealth, LLC (AFW) must collect certain personally identifiable financial information about its customers to provide financial services and products. The personally identifiable financial information that we gather during the normal course of doing business with you may include:

- information we receive from you on applications or other forms;
- information about your transactions with us, our affiliates, or others;
- information we receive from a consumer reporting agency.

INFORMATION WE DISCLOSE

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted or required by law, or as necessary to provide services to you. In accordance with Section 248.13 of Regulation S-P, we may disclose all of the information we collect, as described above, to certain nonaffiliated third parties such as our attorneys, accountants, auditors, and persons or entities that are assessing our compliance with industry standards. We enter into contractual agreements with all nonaffiliated third parties that prohibit such third parties from disclosing or using the information other than to carry out the purposes for which we disclose the information.

Regulation S-AM: Under Regulation S-AM, we are prohibited from using eligibility information that we receive from an affiliate to make a marketing solicitation unless: (1) the potential marketing use of that information has been clearly, conspicuously, and concisely disclosed to the consumer; (2) the consumer has been provided a reasonable opportunity and a simple method to opt out of receiving the marketing solicitations; and (3) the consumer has not opted out. We do not receive information regarding marketing eligibility from affiliates to make solicitations.

Regulation S-ID: Regulation S-ID requires our firm to have an Identity Theft Protection Program (ITPP) that controls reasonably foreseeable risks to customers or to the safety and soundness of our firm from identity theft. We have developed an ITPP to adequately identify and detect potential red flags to prevent and mitigate identity theft.

CONFIDENTIALITY AND SECURITY

We restrict access to nonpublic personal information about you to those Employees who need to know that information to provide financial products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

ACCURACY

AFW strives to maintain accurate personal information in our client files at all times. However, as personal situations, facts, and data change over time; we encourage our clients to provide feedback and updated information to help us meet our goals.

CLOSED OR INACTIVE ACCOUNTS

If you decide to close your account(s) or become an inactive customer, our Privacy Policy will continue to apply to you.

CHANGES TO OUR PRIVACY POLICY

If we make any substantial changes in the way we use or disseminate confidential information, we will notify you. If you have any questions concerning this Privacy Policy, please call us at (305) 222-0977 or email us at raul.isern@lpl.com.