



MONOGRAPH

## Form ADV Part 2A Brochure

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This brochure provides information about the qualifications and business practices of Monograph Wealth Advisors, LLC. If you have any questions about the contents of this brochure, please contact Claire Gregory at 310-496-7377 or [claire@mgwealth.com](mailto:claire@mgwealth.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.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Monograph Wealth Advisors, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our Firm's CRD number is 173949.



## ITEM 2 MATERIAL CHANGES

This brochure, dated March 27, 2024, is an amended document prepared by Monograph Wealth Advisors, LLC (“Monograph,” “MWA,” the “Firm”) according to the SEC’s requirements and rules relating to the Form ADV. This item provides our clients with a summary of new and/or updated material information, but it does not reflect all changes made to this brochure.

There have been no material changes since the previous brochure dated March 31, 2023.

Consistent with regulatory requirement, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the calendar year end. Furthermore, we will provide you with other interim disclosures about material changes as necessary.



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## ITEM 4 ADVISORY BUSINESS

Monograph Wealth Advisors, LLC ("Monograph," "MWA," the "Firm") is an SEC-registered investment adviser with its principal place of business located in California. MWA began conducting business in 2015.

Joseph Chrisman and Sean Shannon are the Managing Members of MWA. The Firm's shareholders that each hold more than 20% control of the company are Jolt C. Inc. and Shannon Family Inc. The Chrisman Family Trust is the sole owner of Jolt C. Inc., and the Shannon Family Trust is the sole owner of Shannon Family Inc.

MWA offers the following advisory services to our clients:

### **Investment Advisory Services ("IAS")**

MWA provides continuous advice to clients regarding the investment of client funds based on the individual needs of the client. Personal discussions illuminate a client's particular circumstances and the establishment of goals and objectives. We use these goals and objectives to develop a client's bespoke Investment Policy Statement ("IPS") and create and manage a portfolio based on that IPS. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives as well as tax considerations. Prior to engaging MWA to provide Investment Advisory Services, the client is required to enter into an Investment Advisory Agreement with the Firm setting forth the terms and conditions of the engagement, as well as describing the specific scope of services to be provided. As part of the client agreement, MWA typically requests that the client provide an emergency contact and/or other trusted advisers with whom the Firm may contact and share limited, relevant client financial information with if the Firm believes doing so is in the best interest of the client.

We may also provide advisory management services to our clients through our selection and monitoring of Sub-Advisor programs (hereinafter, "Programs"). Based on the client's individual circumstances, needs, and our discretionary authority, we may use various unaffiliated registered investment advisers to sub-advise an investment strategy that we have deemed appropriate for that client. Factors considered in making this determination include the type of securities held in the account, appropriate client investment strategy, account size, risk tolerance, tax characteristics, and investment philosophy and approach of the selected registered investment adviser. Once we determine the most suitable investment adviser(s) for the client, we provide the selected adviser(s) with the client's information and the selected investment strategy. The adviser(s) then manages the client's account, which remains with the selected custodian, in accordance with the selected strategy.



We monitor the performance and activity of the selected registered investment adviser(s). If we determine that a particular selected registered investment adviser(s) is not providing sufficient management services to the client or is not managing the client's portfolio in a manner consistent with the client's objectives, we will terminate the sub-advisor and assume management of the assets or select another sub-advisor for the account.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, and/or industry sectors.

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

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Options contracts on commodities
- Futures contracts on tangibles
- Futures contracts on intangibles
- Interests in partnerships/private funds investing in real assets
- Interests in partnerships/private funds in venture capital and non-venture private equity
- Interests in partnerships in hedge funds

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability.

MWA will impose an initial delay of disbursements from or put a freeze on a client's account(s) for up to fifteen (15) business days if MWA has a reasonable belief that financial exploitation of a senior investor client (over age 65) has been attempted or occurred. The delay may be extended for an additional ten (10) business days at the request of either an authorized state securities regulator or state adult protective services.



## Wealth Planning Services

We typically provide “Wealth Planning Services” as a complimentary service to our Investment Advisory Services. However, clients who do not have an investment advisory relationship with MWA can elect to receive Wealth Planning Services on a stand-alone basis. Existing Investment Advisor clients may also choose to hire us for additional wealth planning services that fall outside the normal scope of our complementary services. Our Wealth Planning Services range from comprehensive financial planning to more focused consultations depending on the needs of each client. They may also be provided on a “one-time” or “ongoing” basis depending upon the election of the client. MWA evaluates the client’s current and future financial state by using currently known variables to predict future cash flows, asset values, and withdrawal plans. Clients seeking Wealth Planning Services as a stand-alone service are required to enter into a wealth planning agreement that describes the scope of the services provided and the fees charged.

To begin this process, we interview the client to gather certain necessary information. We may also request additional documents or request the client complete a questionnaire. The information gathered by MWA typically includes the client's current financial status, tax status, future goals, returns objectives, and attitudes towards risk. Considering the client's information, we analyze and recommend appropriate changes in strategy and suggest reallocation of assets if necessary to achieve what we believe will result in optimum overall results for the client. At the conclusion of this review, a personal wealth plan is communicated to the client. The areas to be reviewed as part of the Firm's Wealth Planning Services are reflected in the client agreement.

Typically, the wealth plan is presented to the client within three months of the contract date, provided that all information needed to prepare the wealth plan has been promptly supplied.

Clients are free at all times to accept or reject any or all wealth planning recommendations made by MWA, and clients retain the authority and discretion on whether or not to implement any recommendations. Should the client decide to follow such recommendations, typically investment advisory services are offered through MWA pursuant to a separate written agreement. Clients should recognize that such recommendations represent a conflict of interest since MWA will receive fees, compensation, or other concessions for the delivery of investment advisory services. Clients are free to select any advisory firm, brokerage firm, insurance agency, similar sales agency, or representative to implement the advice and recommendations provided by MWA and/or its advisory representatives as part of the wealth plan.

Wealth planning recommendations are based on each client's financial situation at the time the recommendations are provided and predicated upon information provided by the client. In addition, certain assumptions are made with respect to interest and inflation rates, use of past trends, and performance of the market and economy. Past performance is in no way an indication of future performance, and MWA cannot offer any guarantees or promises that any client's financial goals and objectives will be met. As a client's financial situation, goals, objectives, and/or needs change, the client is strongly urged to promptly



notify MWA. For more information on the risks associated with investing, please refer to Item 8, below.

Please see Item 5 below for information concerning fees associated with MWA's Wealth Planning Services. As mentioned above, MWA will typically waive its fees for Wealth Planning Services for those clients receiving Investment Advisory Services from the Firm.

### **Pension Consulting Services**

MWA provides its Pension Consulting Services separately or in combination with one or more services described below. While the primary clients for these services are pension, profit sharing, and 401(k) plans, we offer these services, where appropriate, to individuals and trusts, estates, and charitable organizations. Pension Consulting Services are comprised of four distinct services. Clients may choose to use any or all of these services:

***Investment Policy Statement preparation ("IPS"):*** MWA meets with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. MWA then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing intervals for monitoring of investment performance.

***Selection of investment vehicles:*** MWA assists plan sponsors in constructing appropriate asset allocation models. We then review various index and managed exchange-traded funds ("ETFs") and mutual funds, as accessible and appropriate, to determine which investments are suitable to implement the client's IPS. The number of investments to be recommended will be determined by the client and based upon the IPS.

***Monitoring of investment performance:*** MWA monitors client investments continually based on the procedures and timing intervals delineated in the IPS. Although MWA is not involved in any way in the purchase or sale of these investments, we supervise the client's portfolio and make recommendations to the client as market factors and the client's needs dictate.

***Employee communications:*** For pension, profit sharing, and 401(k) plan clients with individual plan participants exercising control over assets in their own accounts ("self-directed plans"), we also provide quarterly educational support and investment workshops designed for the plan participants when the plan sponsor engages our firm to provide these services. The nature of covered topics are determined by us and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.



## Wrap Fee Programs

MWA does not participate in any wrap fee sponsor programs currently. Our clients pay advisory fees directly to MWA, investment management fees directly to third party managers, and trading and custody costs separately to custodians.

## Amount of Supervised Assets

As of December 31, 2023, the following represents MWA's regulatory assets under management on a discretionary and non-discretionary basis:

Type of Account	Assets Under Management
Discretionary	\$2,155,511,210
Non-Discretionary	\$72,520,237
Total:	\$2,228,031,447

As part of our wealth planning services, MWA also advises on or incorporates an added \$2.4 billion of additional assets that are part of clients' comprehensive financial structure.

## ITEM 5 FEES AND COMPENSATION

### Investment Advisory Services

For investment advisory services, MWA generally charges an annual fee of less than 1% of a client's assets under management. MWA's investment advisory fees are typically assessed quarterly, in arrears, based upon the average daily value of assets in the client's account(s) during the preceding calendar quarter.

MWA requires a minimum fee of \$85,000 which, at MWA's sole discretion, may be reduced or waived based upon certain criteria. The Firm may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee. Should the client's annual investment management fee fall below \$85,000 in any calendar year, MWA may, in its sole discretion, discontinue providing investment advisory services the following calendar year, or alternatively, move to a fixed fee arrangement for future services (see below for additional information on fixed fees).

Investment advisory fees will be automatically deducted from the client's account by the custodian as soon as practicable following the end of each applicable period. Should the client open or terminate an account during a quarter, the Firm's fee will be prorated based on the number of days that the account was open during the quarter. In the event the Firm's services are terminated mid-quarter, any paid, unearned fees will be promptly refunded to the client, while any unpaid fees will be promptly paid to the Firm. The number of days the account was managed during the quarter until termination is used to determine the percentage of the management fee earned (based on the total number of days in the quarter) and the balance due.

Occasionally, and upon approval by the Firm, annual fees for Investment Advisory Services may be charged on a fixed fee basis instead of a percentage of the client's assets under the





management with the Firm. Such annual fixed fees typically range from \$100,000 to \$1,000,000, depending on the specific arrangement reached with the client. Fixed fees are typically charged quarterly, in advance. The application of an annual inflation adjustment, based on headline inflation (CPI), is considered for flat fee arrangements.

In rare situations, the above-mentioned minimum fee or flat fee may result in an annual fee that is greater than 1% depending on the client's assets under management.

**Limited negotiability of advisory fees:** Although MWA has established the aforementioned fees, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances, and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, and reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of the Firm.

### **Wealth Planning Fees**

As mentioned in Item 4 above, MWA typically includes wealth planning as a complimentary service for those clients receiving Investment Advisory Services. For clients receiving separate Wealth Planning Services, MWA charges a fixed fee, which normally varies between \$100,000 - \$1,000,000 based upon the scope and complexity of the project, and such fee is assessed in accordance with the following:

**One-time plan:** If the client is receiving a "one-time" wealth plan, an invoice for services is issued upon completion of the written analysis, which is payable within fifteen (15) days of receipt.

**Ongoing planning:** If the client is receiving "ongoing" Wealth Planning Services, the client will be sent an invoice at the end of each quarter for services performed during the previous quarter. Such fee will be payable within fifteen (15) days of receipt of the invoice.

### **Pension Consulting Fees**

For Pension Consulting Services, MWA generally charges an annual fee of less than 1% of a client's assets under management. MWA's pension consulting fees are assessed quarterly, in arrears, based upon the average daily value of assets in the client's account(s) during the preceding calendar quarter. Each client's applicable fees are negotiable and set forth in the applicable investment advisory agreement pursuant to which MWA manages the plan's account.

MWA requires a minimum fee of \$85,000 for its Pension Consulting Services which, at MWA's sole discretion, may be reduced or waived based upon certain criteria. Should the client's annual investment management fee fall below \$85,000 in any calendar year, MWA



may, in its sole discretion, discontinue providing Pension Consulting Services the following calendar year, or alternatively, move to a fixed fee arrangement for future services.

Occasionally, and upon approval by the Firm, annual fees for Pension Consulting Services may be charged on a fixed fee basis instead of a percentage of the client's assets under the management with the Firm. Such annual fixed fees typically range from \$100,000 to \$1,000,000, depending on the specific arrangement reached with the client.

### General Information

***Termination of the advisory relationship:*** A client agreement may be canceled immediately at any time, by either party, for any reason upon receipt of written notice. Upon termination of any agreement, any prepaid, unearned fees will be promptly refunded.

***Mutual fund and/or ETF fees:*** All fees paid to MWA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client will pay an initial or deferred sales charge. A client could invest in a mutual fund or ETF directly, without our services. In that case, the client would not receive the services provided by MWA which are designed, among other things, to assist the client in determining which mutual funds or ETFs are most appropriate for each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and MWA to fully understand the total amount of fees paid by the client and to thereby evaluate the advisory services being provided.

***Wrap fee programs and separately managed account fees:*** Clients participating in separately managed account programs are charged various program fees in addition to the advisory fee charged by MWA. Similar to investment management fees charged by mutual fund and ETF managers, sub-advisors charge an investment management fee, which is typically less than 0.45% of assets. Alternatively, fees may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage, and custodial services. MWA does not participate in a wrap fee program at this time. Clients' portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. MWA reviews with clients any separate program fees that are charged to clients.

***Additional fees and expenses:*** In addition to the Firm's advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers, including but not limited to, any transaction charges imposed by a broker-dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.



**ERISA accounts and 408(b)(2) disclosures:** MWA is deemed to be a “fiduciary” to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act (“ERISA”) and regulations under the Internal Revenue Code of 1986 (the “Code”), respectively. As such, we are required to disclose to plan fiduciaries a description of the services provided and fees charged by the Firm. As set forth in the “Fees and Compensation” above, for our services, MWA accepts direct compensation in the form of fees. Each client’s applicable fees are negotiated and set forth in the applicable investment advisory agreement pursuant to which MWA manages the plan’s account. MWA does not receive indirect compensation from any of the issuers of securities held in client accounts (such as 12b-1 or similar fees). From time to time, MWA receives research reports from broker/custodians (as defined below) through which it executes brokerage transactions in a client account. For a more detailed discussion of the indirect benefits received by the Firm, please see “Brokerage Practices” below.

**Advisory fees in general:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

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

The Firm does not charge performance-based fees (i.e., fees calculated based on a share of capital gains upon or capital appreciation of the investments or any portion of the investments of an advisory client). Consequently, the Firm does not engage in side-by-side management of accounts that are charged a performance-based fee with accounts that are charged another type of fee (such as assets under management). As described above, the Firm provides advisory services for a percentage of assets under management or fixed fees, in accordance with applicable law.

## **ITEM 7 TYPES OF CLIENTS**

MWA provides advisory services to the following types of clients:

- High net worth individuals
- Individuals (other than high net worth individuals)
- Charitable organizations
- Institutions and other corporations

As previously disclosed in Item 5, MWA has established certain minimum account requirements to maintain an account, based on the nature of the service(s) provided. However, the Firm reserves the right to accept or decline a potential client for any reason in its sole discretion. Prior to engaging the Firm to provide any of the services described in this brochure, the client is required to enter into one or more written agreements with the Firm setting forth the terms and conditions under which the Firm shall render its services. For a more detailed understanding of those requirements, please review the disclosures provided under each applicable service.



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

### Methods Of Analysis

MWA uses the following methods of analysis in formulating our investment advice and/or managing client assets:

**Source of returns analysis:** Investment returns may be considered as being driven by enterprise risk, structure, and/or the competitive advantage of a given manager. As a result, much of our analysis focuses on understanding the underlying risks of the various assets in which we are investing. While the full set of risks associated with an investment are too numerous to catalogue, they may be represented by equity characteristics such as companies' relative size, price, and profitability. Other fixed income characteristics may include term, credit, liquidity, the real rate, and whether the investment is real or nominal. We also consider whether various structural approaches may be able to produce additional forms of return due to variables such as leverage, illiquidity, and others. Lastly, we consider if opportunities exist to enhance the return of a given investment by seeking access to managers with competitive advantage(s) and/or demonstrated and reproducible skill. Risk, structure, and competitive advantage all contribute to the potential return of a given investment. Our analysis seeks to identify compensated forms of risk and weight strategies in those forms in which we have the highest degree of confidence.

**Asset allocation:** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry, or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to market movements and, if not rebalanced, will no longer be appropriate for the client's goals.

**Mutual fund and/or ETF analysis:** We assess the experience and track record of the mutual fund or ETF manager in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and under different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. Additionally, we monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful historically may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.



**Third-party separate account manager analysis:** We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and under different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations, and leverage as part of our overall periodic risk assessment. Additionally, as part of our due diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with a third-party separate account manager who has been successful in the past is that such manager may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party separate account manager's portfolio, there is also risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory, or reputational deficiencies.

**Risks for all forms of analysis:** Our analysis methods rely on the assumption that the investments we purchase and sell, the rating and research agencies that review these investments, and other publicly-available sources of information about these investments, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always risk that our analysis may be compromised by inaccurate or misleading information.

## Investment Strategies

MWA uses the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases:** We generally purchase securities with the intention of holding them in the client's account for a year or longer. Typically, we employ this strategy when we want exposure to a particular asset class over time, regardless of the current projection for the asset class.

A risk in a long-term purchase strategy is that by holding the investment for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our expectations are incorrect, an investment may decline sharply in value before we make the decision to sell.

**Fund selection & portability:** Many of the investments that we select for clients are mutual funds. We utilize some mutual funds that may not be portable to all third-party custodians or brokerage firms. If you choose to terminate us and wish to transfer mutual funds that aren't available at the replacement custodian/brokerage firm, you will need to divest and may be subject to capital gain taxes. Alternatively, MWA is available to help you identify a custodian that will enable you to continue holding the mutual funds in a retail account.



**Short sales:** We may borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We will generally engage in short selling to establish a hedge that we believe is suitable for the specific needs of the client.

**Margin transactions:** We may purchase investments for your portfolio with money borrowed from your brokerage account. This is generally done in an effort to create a financing resource for non-investment related needs. In unusual cases, it may also allow you to purchase more shares than you would be able to with your available cash and allows us to purchase shares without selling other holdings.

**Option writing:** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We may buy a call if we expect an investment's price to increase substantially before the option expires.
- A put gives us the right to sell an asset at a certain price within a specific period of time. We may buy a put if we expect the price of an investment will fall before the option expires.

We generally use options as a portfolio hedge, and in unusual circumstances, to speculate on the possibility of a sharp price swing. In other words, we use option purchases or sales to limit the potential upside and downside of an investment held within the client's portfolio.

We use "covered calls" in which we sell a call on a security the client owns. In this strategy, the client receives a fee for selling the call available, and the person purchasing the call has the right to buy the security from the client at an agreed-upon strike price.

We use "protective puts" in which we buy a put on a security the client owns. In this strategy, the client pays a fee for buying the put, and such client has the right to sell the security at an agreed-upon strike price.

We use a "spread strategy" in which we purchase and sell two or more option contracts (for example, a call option that the client buys and a call option that the client sells) for the same underlying security. This effectively puts the client on both sides of the market, but with the ability to vary price, time, and other factors.

### **Risk of Loss**

Clients should understand that investing in any securities, including mutual funds and ETFs, involves a risk of loss of both income and principal. There are certain additional risks associated with the securities recommended and strategies utilized by MWA including, among others:





**Market risk:** Either the stock market as a whole or the value of an individual company declines resulting in a decrease in the value of client investments. This is also referred to as systematic risk.

**Equity (stock) market risk:** Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If the client holds common stock or common stock equivalents of any given issuer, the client would generally be exposed to greater risk than if the client holds preferred stock and debt obligations of the issuer.

**Fixed income risk:** When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.

**Interest rate risk:** The chance that prices of fixed income securities will decline because of rising interest rates. Similarly, the income from fixed income securities may decline because of falling interest rates.

**Reinvestment risk:** The risk that interest and principal payments from a bond will be reinvested at a lower yield than that received on the original bond. During periods of declining interest rates, bond payments may be invested at lower rates; during periods of rising rates, bond payments may be invested at higher rates.

**Real estate risk:** The risk that investments in real estate and real estate-linked securities will subject the portfolio to risks similar to those associated with direct ownership of real estate, including losses from casualty or condemnation, and changes in local and general economic conditions, supply and demand, interest rates, zoning laws, regulatory limitations on rents, property taxes, and operating expenses.

**Alternative investment risk:** Alternative investments present special risks for MWA's clients, including without limitation, limited liquidity, higher fees, volatile performance, heightened risk of loss, limited transparency, special tax considerations, subjective valuations, and limited regulatory oversight. Therefore, private investments are not suitable for all MWA clients and will be offered only to those qualifying clients for whom an investment therein is determined to be suitable (Please refer to Item 12 below for further information on allocation of Private Fund investments). Generally, such investments are available for investment only to a limited number of sophisticated investors who meet the definition of "accredited investor" under Regulation D of the Securities Act of 1933, as amended (the "Securities Act") and "qualified client" under the Investment Advisers Act of 1940. It is important that each potential qualified investor fully read each offering or Private Placement Memorandum prior to investing.

**Private fund risk:** Private funds often impose performance-based fees or incentive allocations payable to the fund manager or general partner. Such performance-based fee/incentive allocation structures create an incentive for the managers of the private



funds to make investments that are riskier or more speculative than would be the case in the absence of a performance-based fee/incentive allocation structure. Additionally, the performance-based fee structure could also cause the portfolio managers responsible for the private funds to devote a disproportionate amount of time to the management of the private funds, and compensation may be larger than it otherwise would have been because the fee/incentive allocation will be based on account performance instead of a percentage of assets under management. Additionally, private funds often have an investor pledge an amount of capital to be invested in the fund, and then require the investor to make capital available at varying time intervals until the fund has “called” all monies pledged by the investor. The investor needs to be aware that these are contractual commitments, and should the investor fail to make contributions when called, the fund may consider the investor in “default.” Remedies may be sought by the fund, including but not limited to lawsuits and loss of investment or interests in the fund. For specific risks associated with a particular investment, clients should look to relevant language found in the fund’s subscription and/or Private Placement Memorandum documents.

**Leverage/hedging risk:** Some of the private funds recommended by MWA employ alternative or riskier strategies, such as the use of strategies that employ leverage or hedging techniques. Leverage is the use of debt to finance an activity. For example, leverage is used when one uses margin to buy a security. While leverage can operate to increase rates of return, it also increases the amount of risk inherent in an investment. Hedging, on the other hand, occurs when an investment is made in an endeavor to reduce the risk of adverse price movements in a security. For example, hedging is used when one takes an offsetting position in a related security, such as an option or short sale. While hedging can operate to reduce risk in an investment, there are costs to hedge and there is the potential that hedging is not as effective as intended.

**ETF and mutual fund risk:** When investing in an ETF or mutual fund, clients will bear additional expenses based on their pro rata share of the ETF’s or mutual fund’s operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients may also incur brokerage costs when purchasing or selling ETFs and mutual funds.

**Liquidity risk:** Risk stems from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss. Liquidity risk is typically reflected in a wide bid-ask spread, large price movements, or low volume. It also is a risk associated with an investment in private funds. The illiquidity of each private fund depends on a few factors, including, but not limited to, the type and liquidity of the private fund’s underlying investments and the ability to add or withdraw assets from the fund. It is important for investors to read the private fund’s offering documents fully before investing.

**Management risk:** Your investment with MWA varies with the success and failure of our investment strategies, research, analysis, and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.





**Opportunity cost risk:** Risk arises if an investor may forego profits or returns from other investments.

## ITEM 9 DISCIPLINARY INFORMATION

Registered investment advisers, such as MWA, are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

MWA and its management personnel have no reportable disciplinary events to disclose.

## ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither MWA nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities. Moreover, MWA does not have any relationship or arrangement that is material to its advisory business or to its clients. MWA does not recommend or select other investment advisers for clients in exchange for compensation from those advisers.

**Our relationship with Libretto:** MWA has entered into a License Agreement and Consultation Agreement with Libretto LLC ("Libretto"), which delivers a comprehensive software-as-a-service ("SaaS") platform and system of wealth management for use by investment advisers. MWA utilizes Libretto's system within its client delivery because it provides capabilities for managing complex wealth not elsewhere available in the market. MWA believes that Libretto enables additional value to be added to clients and provides best-in-class solutions and a competitive advantage for MWA in the market.

Certain members of MWA have an ownership interest in Libretto. Specifically, Jeffery Coyle, Monograph's founder, previous Chief Investment Officer, and minority owner of Monograph, leads Libretto and maintains a significant ownership interest in the company. MWA believes both organizations benefit from the relationship and resulting synergies, and related, potential conflicts of interest are mitigated through the organizations' separate governance structures and controlling ownership interests. These potential conflicts are disclosed to MWA clients at the time of entering into an advisory agreement, mainly through the delivery of this Disclosure Brochure (ADV Part 2A).

Additionally, Joseph Chrisman, Sean Shannon, and Alex Yaftali have a minority ownership interest in Libretto. Mr. Chrisman, Mr. Shannon, and Mr. Yaftali do not perform any duties on behalf of Libretto. At this time, Mr. Chrisman, Mr. Shannon, and Mr. Yaftali do not receive compensation from Libretto. However, there is the potential that they may receive future compensation from their interests in Libretto. This activity is disclosed through the delivery of this Disclosure Brochure (ADV Part 2A) and each partner's Brochure Supplement (ADV Part 2B).



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

MWA has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. MWA and our personnel owe a duty of loyalty, care, fairness, and good faith towards our clients, and we have an obligation to adhere not only to the specific provisions of the Code of Ethics but also to the general principles that guide the Code.

The Code of Ethics includes policies and procedures requiring MWA to maintain a list of all reportable securities holdings for the Firm and associated supervised persons with access to nonpublic advisory recommendations and/or other nonpublic securities transactions ("access persons"). These holdings are reviewed on a regular basis by the Firm's Chief Compliance Officer or his/her designee. Such reviews include the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the Firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. The Code also provides for oversight, enforcement, and recordkeeping provisions.

The Code of Ethics also includes the Firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are regularly reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email or phone call to [claire@mgwealth.com](mailto:claire@mgwealth.com) or (310) 496-7377, respectively.

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

MWA and supervised individuals associated with the Firm are prohibited from engaging in principal trading. That is, MWA and supervised individuals associated with the Firm may not buy nor sell securities for the Firm or for themselves from or to our advisory clients. MWA and individuals associated with the Firm are also prohibited from engaging in agency cross transactions. Agency cross transactions occur where a person acts as an investment adviser in relation to a transaction in which the adviser, or an affiliate of the adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

### **Personal Trading**

On occasion, access persons of MWA may purchase for their own accounts securities which the Firm also recommends to clients. In particular, the Firm recommends mutual funds and ETFs that access persons of MWA purchase for their personal accounts. It is possible that access persons of MWA may purchase or sell securities or other instruments that the Firm has recommended to clients and may engage in transactions for their own accounts in a manner that is inconsistent with the Firm's recommendations to its clients. Personal



securities transactions by access persons may raise potential conflicts of interest when such persons trade in reportable securities that are owned by, or considered for purchase or sale for, a client.

In order to mitigate this conflict of interest and comply with all applicable laws and regulations, MWA's Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of our access persons will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while simultaneously allowing access persons to invest for their own accounts.

It is the expressed policy of MWA that no access person of the Firm may purchase or sell any reportable security prior to a transaction(s) being implemented for a client's advisory account, thereby preventing such person(s) from benefiting from transactions placed on behalf of client accounts. Further, no access person of the Firm may purchase or sell securities for their personal portfolio(s) where their decision is predicated upon information received as a result of their employment unless such information is also available to the investing public.

The Firm may aggregate our access persons' trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally or on a pro-rata basis. In instances where there is a partial fill of a particular batched order, we will allocate all trades pro-rata, with each account receiving the average price. Our access person accounts will be excluded from the pro-rata allocation.

All of our supervised persons must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. MWA requires delivery and acknowledgement of the Code of Ethics by each supervised person of the Firm. MWA has established policies requiring the reporting of Code of Ethics violations to our senior management. Any individual who violates any of the above restrictions will be subject to sanctions up to and including termination.

## **ITEM 12    BROKERAGE PRACTICES**

MWA does not maintain physical custody of client assets that we manage. MWA is deemed to have custody of assets due to 3<sup>rd</sup> party standing letters of authorization (SLOAs) that it has in place for some client accounts. Furthermore, we are deemed to have constructive custody of client assets because clients give us authority to deduct management fees from their accounts (see Item 15 Custody, below). Client assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. MWA is not limited to the use of any single custodian. Allowing for different custodians facilitates the suitability of matching services to clients and creates a competitive environment for pricing. MWA currently recommends that clients use primarily Fidelity Brokerage Services LLC ("Fidelity"), Pershing LLC ("Pershing"), or Charles Schwab (collectively hereinafter "broker/custodians") to maintain custody of client assets and to effect trades for client accounts. MWA is independently owned and operated and not affiliated with any broker/custodians. The broker/custodians will hold client assets in brokerage accounts and purchase and sell



securities when MWA instructs them to do so. While MWA recommends using one or more of the broker/custodians mentioned above, clients ultimately retain selection authority and enter into an account agreement directly with their chosen broker/custodian.

As further described below, factors considered by MWA in recommending clients to utilize the services of a broker/custodian include but are not limited to, the reasonableness of their commissions, their financial strength, product availability, research, and other services available to both the client and the Firm.

### **Selection Criteria**

MWA generally places all transactions through the broker/custodians mentioned above. MWA periodically evaluates the commissions charged and the services provided by these broker/custodians and compares those with other broker-dealers to evaluate whether overall best qualitative execution could be achieved by using alternative custodians.

MWA seeks to select and recommend broker/custodians who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. MWA considers a wide range of factors, including, among others, the following:

- the broker's ability to provide professional services,
- MWA's prior experience with the broker and their reputation,
- the broker's quality of execution services, and
- costs associated with such services.

Clients are not under any obligation to affect trades through any recommended broker/custodian. For those clients who choose to use a broker-dealer other than those recommended by the Firm, such clients should be aware that MWA may not be able to negotiate specific brokerage commission rates with the broker on the client's behalf or seek better execution services or prices from other broker-dealers. As a result, the client may pay higher commissions and/or receive less favorable net prices on transactions for their account than might otherwise be the case, and MWA will have limited ability to ensure the broker-dealer selected by the client will provide best possible execution.

### **Best Execution**

For those broker/custodians recommended by the Firm, it is MWA's policy and practice to strive for the best price and execution that are competitive in relation to the value of the transaction ("best execution"). MWA will generally seek "best execution" in light of the circumstances involved in transactions. In seeking best execution, the determinative factor is not necessarily the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, net price, reputation, financial strength and stability, efficiency of execution and error resolution, the size of the transaction, and the market for the security. MWA will not obligate itself to obtain the lowest commission or best net price for an account on any particular transaction. Consistent with the foregoing,



while MWA will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

To ensure that brokerage firms recommended by MWA are conducting overall best qualitative execution, MWA will periodically (but at least annually) evaluate the trading process and brokers utilized. This evaluation will include, but is not limited to price, commission, timing, research, aggregated trades, capable floor brokers or traders, competent block trading coverage, ability to position, capital strength and stability, reliable and accurate communications and settlement processing, use of automation, knowledge of other buyers or sellers, and administrative ability.

### **Research and Other Soft-Dollar Benefits**

Section 28(e) of the Exchange Act allows investment advisers to use client commissions to pay for brokerage and research services under certain circumstances without breaching their fiduciary duties to clients. This practice is commonly referred to as "soft dollars." While MWA does not enter into formal soft dollar arrangements with any brokers/custodians, MWA is eligible to receive products and services from certain broker/custodians that may be used to service all or a substantial number of client accounts including, but not limited to, access to software, research, and technology to facilitate trade execution. Because such products and services benefit MWA, there exists a conflict of interest in recommending and allocating client brokerage business. In other words, MWA could receive valuable services related to the commissions charged by certain broker-dealers, and the transaction commissions charged by such broker-dealers might not be the lowest commissions MWA might otherwise be able to negotiate. In this scenario, MWA has an incentive to recommend certain broker-dealers or cause clients to engage in more securities transactions than would otherwise be optimal in order to generate brokerage commissions with which to facilitate access to products and services.

To mitigate this conflict, MWA has developed policies and procedures that address and monitor the use of such economic benefits. The Firm regularly reviews the amount of costs allocated to custodians that provide such benefits. MWA receives the following services from our custodians:

The institutional platform services provided by our custodians include brokerage, custody, and other related services. Our custodians' institutional platform services that assist us in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping, and client reporting.

Our custodians also offer other services intended to help us manage and further develop our advisory practice. Such services include but are not limited to, performance reporting, financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources,



and access to consultants and other third-party service providers who provide a wide array of business-related services and technology with whom we may contract directly.

Our custodians generally do not charge their advisor clients separately for custody services but are compensated by account holders through commissions and other transaction-related fees for securities trades that are executed through the custodian or that settle into custodial accounts (e.g., transactions fees are charged for certain no-load mutual funds, commissions may be charged for individual equity and debt securities transactions). Our custodians provide access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

As a fiduciary, we endeavor to act in our clients' best interests at all times. Our recommendation that clients maintain their assets at a particular broker/custodian is based on several factors, including the nature of cost or quality of custody and brokerage services provided by the custodian. Broker-dealers will not be excluded from consideration of receiving brokerage business simply because they have not provided research or other services or products.

### **Directed Brokerage**

In circumstances where MWA is required by the client to execute transactions through a specific broker other than a recommended broker/custodian (aka "Directed Brokerage"), the client should understand that the client will negotiate terms and arrangements for the account with that broker-dealer, and MWA will not seek better execution services or prices from other broker-dealers or be able to "block" client transactions for execution through other broker-dealers with orders for other accounts managed by MWA (as described below). Additionally, in directed brokerage situations, MWA will have limited ability to ensure the broker-dealer selected by the client will provide best possible execution. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, MWA may decline a client's request to direct brokerage if, in our sole discretion, we believe such directed brokerage arrangement would not be beneficial to a client.

### **Trade Aggregation and Allocation**

Transactions for each client account generally will be effected independently unless MWA decides to purchase or sell the same securities for several clients at approximately the same time. Because clients must direct MWA as to the broker-dealer to be used, the Firm is not able to combine or "block" orders to achieve most favorable execution when client accounts are distributed across various custodians, nor is the Firm able to allocate equitably among its clients the differences in prices and commissions or other transaction costs that might have been obtained had such orders been blocked. Consequently, transactions will be averaged as to price and transaction costs and will be allocated among MWA's clients in proportion to the purchase and sale orders placed for each client account, across the same custodian, on any given day. If the Firm cannot obtain execution of all the combined orders at prices or for transactions costs that we believe are desirable, we will





allocate the securities the Firm does buy or sell as part of the combined orders by following the Firm's order allocation procedures.

## ITEM 13 REVIEW OF ACCOUNTS

### Investment Advisory Services

**Reviews:** While the underlying securities within a client's accounts are continually monitored, these accounts are reviewed by the Firm's portfolio management and client service teams at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political, or economic environment. Clients are encouraged to notify the Firm and its advisory representatives of any changes in their personal financial situations that might affect their investment needs, objectives, or time horizon.

**Reports:** Written account statements are generated no less than quarterly and are sent directly from the account custodian. These statements list the account positions, activity in the account over the covered period, and other related information, including any fees deducted from the account. Clients are also sent confirmations following each brokerage account transaction unless Clients opt to enroll in quarterly trade confirmation reporting. Clients are urged to carefully review all account statements.

In addition, MWA typically provides quarterly reports to clients summarizing relevant account information such as performance, balances, and holdings.

### Wealth Planning Services

**Reviews:** Reviews may occur at different stages depending on the nature and terms of the specific engagement.

**Reports:** Wealth Planning clients will receive a completed financial plan as part of an iterative planning process.

## ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

As discussed under Item 12, while MWA does not enter into soft dollar arrangements with those custodians/broker-dealers whom we recommend to clients, MWA is eligible to receive products and services from certain broker/custodians including investment research products and/or services, which assist the Firm in its investment decision-making. Please see "Brokerage Practices" above for additional information.

On a limited basis, MWA will engage promoters or pay related or non-related persons for referring potential clients to the Firm. Any prospective clients directed to MWA through a promoting party will be notified of such agreements and terms in writing, in advance of becoming a client of MWA. Each promotion arrangement is individually negotiated between MWA and the promoter.



While MWA may pay promoters on a limited basis for prospective client introductions, MWA strictly adheres to a policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards, or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Occasionally, MWA will meet with prospective clients seeking wealth planning and investment advisory services whose characteristics do not align well with the Firm's target client profile or minimum fee requirements. In these situations, MWA may elect to introduce and refer such prospective clients to another external adviser ("Recommended Advisor") if MWA believes, in its sole discretion and judgement, that such Recommended Advisor's services are suitable and appropriate for the prospective clients. Under limited circumstances, MWA and the Recommended Advisor have a referral agreement in place, and MWA receives compensation from the Recommended Advisor in consideration of the prospective client referral. Any prospective clients that MWA receives referral compensation for will be notified of such agreements and terms in writing and in advance of becoming a client of the Recommended Advisor.

## **ITEM 15 CUSTODY**

Pursuant to the Investment Advisers Act of 1940, MWA is deemed to have "constructive custody" of client funds because the Firm has the authority and ability to debit its fees directly from client accounts. Additionally, certain clients have, and may in the future, sign a Standing Letter of Authorization ("SLOA") that gives MWA the authority to transfer funds to a third-party as directed by the client in the SLOA. This is also deemed to give the Firm custody. Custody is defined as any legal or actual ability by the Firm to withdraw client funds or securities. Firms with deemed custody must take the following steps:

1. Ensure clients' managed assets are maintained by a qualified custodian;
2. Have a reasonable belief, after due inquiry, that the qualified custodian will deliver an account statement directly to the client at least quarterly;
3. Confirm that account statements from the custodian contain all transactions that took place in the client's account during the period covered and reflect the deduction of advisory fees; and
4. Obtain a surprise audit by an independent accountant on the clients' accounts for which the advisory firm is deemed to have custody.

However, the rules governing the direct debit of client fees and SLOAs exempt MWA from the surprise audit rules if certain conditions (in addition to steps 1 through 3 above) are met. Those conditions include:

1. When debiting fees from client accounts, MWA must receive written authorization from clients permitting advisory fees to be deducted from the client's account.
2. For SLOAs, MWA must: (i) confirm that the name and address of the third party is included in the SLOA, (ii) document that the third-party receiving the transfer is not related to the Firm, and (ii) ensure that certain requirements are being performed by the qualified custodian.





The qualified custodian that is selected by a client maintains actual physical custody of client assets. Client account statements from custodians will be sent directly to each client via the email or postal mailing address the client provides to such qualified custodian. Clients are encouraged to compare information provided in reports or statements received from MWA with the account statements received from their custodian for accuracy. In addition, clients should understand that it is their responsibility, not the custodian's, to ensure that the fee calculation is correct.

MWA will not accept physical custody of client assets, even temporarily, and if client funds or securities are inadvertently received by our Firm, they are promptly returned to the sender.

## **ITEM 16 INVESTMENT DISCRETION**

MWA will perform advisory services on either a non-discretionary or discretionary basis as selected by the client. For client accounts managed on a non-discretionary basis, MWA will purchase, sell, or otherwise trade securities or other investments for the client's account only after the client has been notified of and approved the transaction. This approval may be verbal or written.

For client accounts managed on a discretionary basis, MWA will place trades in a client's account without contacting the client prior to each trade and requesting permission.

MWA's discretionary authority includes the ability to do the following without contacting the client: (i) determine the security to purchase or sell; (ii) determine the amount of the security to purchase or sell; and (iii) determine when transactions are made. By signing the Firm's "discretionary agreement," clients authorize us to exercise this full discretionary authority with respect to all investment transactions involving the client's investment management account. Pursuant to such agreement, we are designated as the client's attorney-in-fact with discretionary authority to effect investment transactions in the client's account, which also authorizes us to give instructions to third parties in furtherance of such authority. Clients may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **ITEM 17 VOTING CLIENT SECURITIES**

Unless instructed otherwise, MWA will be responsible for voting proxies on behalf of clients. MWA has adopted proxy voting policies and procedures and has contracted with Institutional Shareholder Services ("ISS"), an unaffiliated third-party provider, to provide research and proxy voting services. ISS obtains proxy ballots, provides vote recommendations, votes proxies, and provides recordkeeping and reporting services on behalf of MWA.

While MWA has developed its own voting guidelines, such guidelines are typically in accordance with ISS's General Guidelines. ISS will execute the act of voting proxies in accordance with their General Guidelines given such guidelines do not conflict with MWA's voting guidelines and there are no identified conflicts of interest. In the event of a conflict, ISS may either refrain from voting, consult with MWA on the proper vote, or obtain an



independent third-party recommendation. MWA retains the right to instruct ISS to vote either for or against a particular type of proposal on a case-by-case basis. In such instances, a written record supporting the decision to override the ISS recommendation is maintained.

Clients may, from time to time, choose to direct the vote of a specific proposal on a proxy. Such requests must be made in writing to MWA at least two weeks prior to the meeting date to direct the vote of a specific proposal. If clients want a more customized proxy voting policy, they are encouraged to contact MWA regarding their interests.

In cases where clients elect to maintain authority to vote securities, the clients typically receive their proxies directly from their custodian or transfer agent. In the case of ERISA clients, MWA generally does not vote proxies for ERISA client accounts. Should proxy materials be forwarded on to the Firm at the request of an ERISA plan sponsor, we will strive to vote proxies in the best interest of the client.

A complete copy of our Proxy Voting Policies and Procedures is available and will be provided upon request. Also, records relating to how the Firm voted for specific issues in client accounts can be provided. These items will be furnished without charge.

## **ITEM 18 FINANCIAL INFORMATION**

MWA is required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. MWA has no such financial circumstances to report.

Under no circumstances does the Firm require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

MWA has not been the subject of a bankruptcy petition at any time during the past ten years.