

WASHINGTON CROSSING ADVISORS

Part 2A of Form ADV Firm Brochure

March 28, 2024

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This brochure provides information about the qualifications and business practices of Washington Crossing Advisors, LLC (“WCA”). If you have any questions about the contents of this brochure, please contact us at (301) 941-2439. 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. An investment adviser’s registration with the SEC does not imply any level of skill or training. Additional information about WCA also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Washington Crossing Advisors, LLC (“WCA”) is providing this annual updating amendment as of March 28, 2024. WCA’s last filing was an annual updating amendment on March 31, 2023. This brochure has been updated to reflect the following:

- The Cover Page of this brochure has been updated to reflect WCA’s principal office address.
- Item 14 Client Referrals and Other Compensation section has been updated to reflect WCA’s relationship with a third party firm to refer prospective clients to WCA.

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Item 4 – Advisory Business

Washington Crossing Advisors, LLC (“WCA,” “we,” “us,” “our”, the “Firm”) is registered as an investment adviser with the Securities and Exchange Commission (“SEC”). WCA is a wholly owned subsidiary of Stifel Financial Corp., a financial services holding company whose stock is publicly traded on the New York Stock Exchange under the symbol SF. WCA provides investment management services to wrap and model programs (“Wrap Sponsors”). These services include security selection and continuous monitoring of securities for wrap program accounts (“Wrap Accounts”). The types of securities used include stocks, bonds, open and closed-end mutual funds, and exchange traded funds (“ETFs”).

WCA is managed on a day-to-day basis by Co-Chief Investment Officers Kevin R. Caron and Chad A. Morganlander.

WCA is a discretionary investment manager to wrap fee programs (“Wrap Program”) offered by other financial institutions in the U.S. (a “Wrap Sponsor”), including our affiliated broker-dealer, Stifel, Nicolaus & Company, Incorporated (“Stifel”). Clients participating in separately managed account programs may be charged various program fees by the Wrap Sponsor in addition to the advisory fee charged by us. We manage Wrap Accounts in accordance with their investment policies and will use reasonably available resources to comply with investment restrictions, when applicable. There may be differences in the performance of wrap portfolios among WCA clients, resulting from differences in the number of securities held in the portfolio, cash availability, investment restrictions, account sizes, tax considerations, and other factors. The Wrap Sponsor generally pays WCA a fee based on assets managed in connection with the Wrap Program. The fees we receive in connection with Wrap Programs may vary from fees charged to other clients and between Wrap Programs. For our services, we receive a portion of the total wrap fee charged by the Wrap Sponsor.

WCA is a discretionary investment manager to clients of other financial institutions that select WCA to manage their client’s assets. Such clients are considered “dual contract” clients because the client will have a contractual relationship, which includes custodial services, directly with their financial institution (each, a “Dual Contract platform”) and directly with WCA.

WCA also provides non-discretionary investment advisory services in the form of model portfolios (“Models”), as described more fully below. These Models are provided to the model programs (“Model Programs”) offered by other financial institutions in the U.S. (each, in this capacity, a “Model Firm”), including Stifel. In turn, the Model Firm uses our Models to manage individual client accounts (“Model Clients”). The Models contain our current investment recommendations as to the composition of the portfolio that would be appropriately purchased for the strategy. The Model Firm may choose to implement some or all of our Model recommendations in terms of both the securities and/or weightings on its own trading platform for the clients that have chosen to participate in the Model Program. As securities and weightings change in the Model, those modifications are communicated to the Model Firm. There is no requirement that the Models will be administered as they are provided, or at all, and we do not supervise the Model Firm’s administration or implementation of the Models. We receive a portion of

the wrap fee for these services.

As of December 31, 2023, WCA had \$1.94 billion in assets under management and \$7.8 billion in assets under advisement. Assets under advisement represent assets for which WCA provides a Model and does not have trading authority over the assets.

Item 5 – Fees and Compensation

WCA has standard fee schedules based on the type of account and/or services provided and the particular investment strategy involved. Typically, the standard fee schedules are based on a percentage of the net market values of assets advised using the applicable strategy based on market close prices as of the last business day of the preceding quarter. Depending upon the method used by the Wrap Sponsor or Dual Contract platform, fees may be based on average daily net market values of assets during the billing period.

The fees WCA receives for its services are a portion of the fee that a client pays to the Wrap Sponsor, Dual Contract platform, or Model Firm. The fees WCA receives are negotiated with the Wrap Sponsor, Dual Contract platform, or Model Firm, not the investing client. If the Wrap Sponsor, Dual Contract platform, or Model Firm prorates its fees based on the time during a quarter in which its client opens an account, WCA's fees also will be prorated. WCA's fees are also affected if the Wrap Sponsor, Dual Contract platform, or Model Firm reimburses pre-paid fees in the event such a client terminates an account during a quarter. For complete information on Wrap Program, Dual Contract platform, and Sponsor Firm's fees, please refer to that firm's Form ADV Part 2A.

In general, the Wrap Sponsor or Model Firm may terminate our agreement by providing WCA with written notice. WCA does not have a contractual relationship with any Dual Contract platform, only the end client. Upon termination, WCA is entitled to receive any fees that have been earned but not yet paid.

WCA's current maximum fee schedule for its strategies is as follows:

- Equity strategies: 50 basis points annually
- Fixed income strategies: 35 basis points annually
- Balanced strategies: 40 basis points annually.

Typically, clients are invoiced their fees directly on a quarterly basis. Depending upon the Wrap Sponsor, fees are invoiced either in advance or in arrears; the invoicing method for each account is identified in the advisory agreement between the Wrap Sponsor and client. For certain dual contract clients, WCA has the authority to deduct fees directly from client accounts. Such authority is explicitly noted in a dual contract client's investment management agreement with WCA. All other fee billing is managed by the Wrap Sponsor or Model Firm.

If an account that pays in advance is closed during a billing period, a pro rata fee is calculated for the time that the account was in existence during the quarter and any unused portion of the advance payment will be returned to the Wrap Sponsor or Model Firm.

Fees Negotiable

From time to time, WCA may negotiate fees with the Wrap Sponsors, Model Firms, or dual contract clients depending on, but not limited to, account size, customization, multi-product relationships, the date of establishment of the advisory relationship, or other circumstances or factors that WCA may deem relevant.

Employees (and relatives) of WCA and affiliates typically receive a discount from the preceding schedules or, in some cases, may not pay an investment management fee at all.

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

WCA does not charge performance-based fees with respect to any of its existing client accounts.

Item 7 – Types of Clients

WCA generally provides its services to high-net-worth individuals, defined benefit plans, as well as Wrap Sponsors and Model Firms. The financial advisors to the Wrap Accounts or Dual Contract platform determine the investment amount allocated for their clients in the products or portfolios offered in each program which utilizes our services.

WCA's minimum account size per strategy is shown below:

- Equity strategies: \$35,000
- Fixed Income strategies: \$150,000
- Asset Allocation strategies: \$25,000
- Balanced strategies: \$250,000

Accounts below the established minimum may be accepted on a case-by-case basis.

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

WCA's method of analysis varies based upon the investment strategy. Investing in securities involves the risk of loss that clients should be prepared to bear. Currently we offer the following portfolio strategies:

VALUE-DRIVEN EQUITY INVESTING

- **Victory All-Cap Value Portfolio** – An all-cap value strategy that seeks to invest primarily in equity securities of domestic and international companies deemed growing, profitable, and well capitalized. The strategy uses a proprietary valuation process which attempts to identify companies with positive after-tax, free cash flow, high rates of return on capital, improvements in revenue growth, and margin expansion. The Portfolio is a long-only, non-leveraged strategy that uses cash as a hedge against market and company-specific risk.
- **Rising Dividend Portfolio** – A large cap strategy that seeks to buy quality companies with rising dividends at reasonable valuations. To be considered a quality company, we look for low debt, stable cash flow, and productive assets, measured as return on invested capital. We generally seek to buy portfolio companies that demonstrate dividend increases for five or more consecutive calendar years. Moreover, we attempt to buy these companies without paying premium prices.

FIXED INCOME INVESTING

- **Laddered Corporate Bond Portfolio (1 – 10 year maturity)** – A strategy that seeks to provide a stream of income with preservation of capital. Bonds are chosen based upon fundamental evaluation of balance sheet quality, trends in cash flow, interest coverage, and liquidity. This Portfolio extends out 10 years with approximately 10% of the Portfolio invested in each year. We seek to invest primarily in high quality corporate bonds. In situations where market conditions are such that an appropriate corporate bond is not available, we may elect to hold a U.S. Treasury bond until an appropriate corporate issue becomes available.
- **Laddered Corporate Bond Portfolio (1 – 7 year maturity)** – A strategy that seeks to provide a stream of income with preservation of capital. Bonds are chosen based upon fundamental evaluation of balance sheet quality, trends in cash flow, interest coverage, and liquidity. This Portfolio extends out 7 years with approximately 14% of the Portfolio invested in each year. We seek to invest primarily in high quality corporate bonds. In situations where market conditions are such that an appropriate corporate bond is not available, we may elect to hold a U.S. Treasury bond until an appropriate corporate issue becomes available.

ASSET ALLOCATION STRATEGIES

- **Conquest Portfolios** – These Portfolios seek to add value by actively allocating assets among U.S. equities, bonds, commodities, and foreign assets through the use of exchange traded funds (“ETFs”). The Conquest approach aims to reduce overall risk exposure to individual issuers through diversification, to improve liquidity by utilizing ETFs, and to maintain a portfolio of many asset classes throughout various market conditions. These Portfolios pursue additional returns by tactically tilting portfolio weights to assets we expect to outperform in the coming months while reducing exposure to assets we expect to underperform (i.e., tactical asset allocation). Investors may select the traditional Conquest Portfolios, or the Conquest – Sector Enhanced Portfolios in which the equity portion of the Portfolio may be focused on one or more of the Standard & Poor’s® industry sectors.

BALANCED STRATEGY

- **Income Builder Portfolio** – This portfolio combines the WCA Rising Dividend and Laddered Bond Portfolio in one account with a target stock and bond allocation of 60% and 40%, respectively. We seek to invest primarily in high quality corporate bonds. In situations where market conditions are such that an appropriate corporate bond is not available, we may elect to hold a U.S. Treasury bond until an appropriate corporate issue becomes available. Please refer to the sections covering the WCA Rising Dividend and WCA Laddered Bond portfolio for a full description of these strategies.

Principal Investment Risks

In general, the types of risks that each investor will be exposed to will vary, depending on the particular Strategy utilized. Investments in securities generally are subject to market risk, which is the risk that the security’s value will decline because of downturns in the general securities markets. Depending on

market conditions, the value of an investment at the end of an investment period may be less than its initial value, and clients could lose money. Additional risks that may apply include:

- **General Economic and Market Conditions Risk:** The success of the firm's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls, energy prices, commodity prices, national and international political circumstances (including government intervention in financial markets, wars, terrorist acts, or security operations), natural disasters and regional, national, and global health crises (for example the global outbreak of the coronavirus disease 2019 (COVID-19) in 2020). These factors may affect the volatility of securities prices and the liquidity of your investments. Volatility or illiquidity could impair your profitability or result in losses. The firm's clients may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.
- **Equity Securities Risks.** Each Strategy invests in equity securities. Stock markets are volatile. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions.
- **Market Risk and Selection Risk.** Market risk is the risk that one or more markets in which our strategies invest will go down in value, including the possibility that the markets will go down sharply and unpredictably. Selection risk is the risk that the securities that we select will underperform the markets, the relevant indices, or the securities selected by other strategies with similar investment objectives.
- **Income-Producing Stock Availability Risk.** Depending upon market conditions, income-producing common stocks that meet the investment criteria of the Rising Dividend Strategy may not be widely available and/or may be highly concentrated in only a few market sectors. This may limit the ability of this strategy to produce current income while remaining fully diversified.
- **Debt Securities Risks.** WCA Laddered Bond and the Income Builder Strategies invests in debt instruments. Debt securities, such as bonds, involve a number of risks, including credit risk, interest rate risk, duration risk, and liquidity risk. Credit risk is the risk that the borrower will not make timely payments of principal and interest. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may also affect the value of the strategy's investment in that issuer. The degree of credit risk depends on the issuer's financial condition and on the terms of the securities. Interest rate risk is the risk that the value of a debt security will fall when interest rates rise. Duration risk measures a debt security's price sensitivity to interest rate changes. Bonds with higher duration carry more risks and have higher price volatility than bonds with lower duration. Liquidity risk is the risk that a particular security may be difficult to purchase or sell and that an investor may be unable to sell illiquid securities at an advantageous time or price.
- **Smaller Cap Companies Risks.** Many of WCA's strategies invest across market capitalizations and investment styles. Investments in securities of smaller companies may be riskier, more volatile, and vulnerable to economic, market and industry changes than securities of larger, more established companies. As a result, share price changes may be more sudden or erratic than the prices of other equity securities, especially over the short term.
- **REIT Risk.** The securities of REITs involve greater risks than those associated with larger, more

established companies and may be subject to more abrupt or erratic price movements because of interest rate changes, geographic or industry concentration, economic conditions, and other factors.

- **American Depositary Receipts (ADRs) Risk.** ADRs are receipts typically issued by an American bank or trust company evidencing ownership of the underlying securities foreign issuers. Generally, ADRs, in registered form, are designed for the U.S. securities markets. WCA may invest in sponsored or unsponsored ADRs. In the case of an unsponsored ADR, WCA is likely to bear its proportionate share of the expenses of the depository and may have greater difficulty in receiving shareholder communications than it would have with a sponsored ADR.
- **Conflict of Interest Risk.** WCA may take conflicting views on security holdings across strategies, depending upon the strategy's objective. However, WCA's compensation structure does not favor one strategy over another, and is determined on an overall basis, and takes into consideration the profitability of the overall asset management practice.

A potential conflict may arise both with respect to allocation of time to specific client accounts as well as an incentive to favor certain accounts over others. WCA personnel generally directly manage the applicable strategy rather than any specific account; investment decisions therefore are made at the strategy level rather than based on a client's specific circumstances. Client accounts in the same strategy typically hold the same securities (subject to exceptions arising from the applicable restrictions that a client may have imposed on an account). As a result, the portfolio managers are able to adequately manage their time without regard to the number of client accounts enrolled in a strategy.

- **Prepayment Risk:** Accounts that invest in income securities bear the risk that an issuer will exercise its right to pay principal on an obligation (such as an asset-based or mortgage-backed security) earlier than expected. This may happen during periods of declining interest rates. Under these circumstances, an account may receive a lower-than-expected yield and may be forced to reinvest in lower yielding securities.
- **Interest-rate Risk:** Fluctuations in interest rates cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline. In addition, interest rate changes typically have a greater effect on prices of longer-term fixed income securities than shorter-term fixed-income securities.
- **Tax-Exempt Securities Risks:** Certain investment programs may seek to invest in tax-exempt securities, including (but not limited to) municipal bonds as well as tax-exempt mutual funds and ETFs. In order to attempt to pay interest that is exempt from federal or state and local income tax, tax-exempt securities must meet certain legal requirements. Failure to meet such requirements may cause the interest received and distributed to shareholders to be taxable. In addition, income from one or more municipal bonds held in a Wrap Account could be declared taxable because of unfavorable changes in tax or other laws, adverse interpretations by the Internal Revenue Service ("IRS"), state, or other tax authorities, or noncompliant conduct of a bond issuer. Changes or proposed changes in federal or state income tax or other laws may also cause the prices of tax-exempt securities to fall. Finally, income from certain municipal bonds may be subject to the alternative minimum tax ("AMT") and/or state and local taxes, based on the investor's state of

residence.

IRS Circular 230 Disclosure: WCA, its affiliates, agents, and employees are not in the business of providing tax, regulatory, accounting, or legal advice. This brochure and any tax-related statements provided by WCA are not intended or written to be used, and cannot be used or relied upon, by any such taxpayer for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax adviser.

- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Extension Risk:** Rising or high interest rates may result in slower-than-expected principal payments which may tend to extend the duration of a debt instrument, making them more volatile and more sensitive to changes in interest rates.
- **Economic and Market Events Risk:** Global economies and financial markets are becoming increasingly interconnected and conditions and events in one country, region, or financial market may adversely impact issues in a different country, region or financial market.
- **Cybersecurity Risk:** The Firm maybe be prone to operational and information security risks resulting from cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of services attacks on websites, the unauthorized release of confidential information or various other forms of cybersecurity breaches. Cybersecurity attacks affecting WCA and its service providers may adversely impact clients. For instance, cyber-attacks may interfere with the processing of transactions, cause the release of private information about clients, impede trading, subject clients and the Firm to regulatory fines or financial losses, and cause reputational damage. Similar types of cybersecurity risks are also present for issuers of securities in which clients may invest, which could result in material adverse consequences for such issuers and may cause WCA's investment in such issuers to lose value.
- **Financial Institution Risk:** Actual events involving reduced or limited liquidity, defaults, non-performance, or other adverse developments that affect financial institutions or other companies in the financial services industry, including banks and other custodians of an investor's funds and securities, or impact the financial services industry generally, as well as concerns or rumors about any events of these kinds, have in the past and may in the future lead to market-wide liquidity problems, defaults on financial obligations, non-performance of contractual obligations, and other adverse impacts on these financial institutions, investors that deposit funds and securities at these institutions, lenders and borrowers of these institutions, and other companies in the financial services industry. For example, on March 10, 2023, Silicon Valley Bank, was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation as receiver. Investor concerns regarding the U.S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult to acquire financing on acceptable terms or at all. Any decline in available funding or access to cash and liquidity resources could, among

other risks, adversely impact the ability to meet operating expenses, satisfy financial obligations, liquidate portfolio holdings, withdraw capital, or fulfill other obligations, or result in breaches of financial and/or contractual obligations. Any of these impacts, or any other impacts resulting from the factors described above or other related or similar factors not described above, could have material adverse impacts on portfolio holdings, fund performance, or business operations.

Item 9 – Disciplinary Information

Neither WCA nor its employees have been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of WCA's advisory business or the integrity of its management.

Item 10 – Other Financial Industry Activities and Affiliations

As set forth above, WCA is a wholly-owned subsidiary of Stifel Financial Corp., a financial services holding company whose stock is publicly-traded on the New York Stock Exchange under the symbol SF. The Stifel Financial Corp. affiliated group of entities includes registered broker-dealers and/or other registered investment advisers and banking entities. These affiliates include, but are not limited to, Stifel Nicolaus & Company, Incorporated ("Stifel"), Stifel Independent Advisors, LLC, EquityCompass Investment Management, LLC, 1919 Investment Counsel LLC, Stifel Capital Management, LLC, Keefe, Bruyette & Woods, Inc, Eaton Partners, Stifel Trust Company, NA, Stifel Bank, NA, Stifel Trust Company, Delaware, and Stifel Bank & Trust, NA.

WCA provides model portfolios to various affiliates, including Stifel. Stifel is a Wrap Sponsor. Stifel's wrap fees generally do not vary on the basis of the managers selected. As a result, when the client selects WCA out of all other available options under a Stifel wrap platform, the total portion of the wrap fees that is retained by the Stifel Financial Corp. affiliated group will be higher than when the client selects an unaffiliated adviser.

From time to time, Stifel may separately provide other services to WCA's clients and/or to the issuers of securities held in WCAs portfolios. In such instances, Stifel generally will be paid separately customary fees for its services. In each such case, the client will receive appropriate disclosure of the affiliated relationship between Stifel and WCA from Stifel.

WCA has adopted policies and procedures designed to address conflicts, including policies restricting WCA's trading in a security if an affiliate or WCA is in receipt of material non-public information about the security and/or issuer. In those instances, WCA is not free to act upon any such information. As a result, WCA may not be able to initiate a transaction that it otherwise might have initiated and may not be able to dispose of a security that it otherwise may have sold.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

Code of Ethics

WCA has adopted a formal Code of Ethics and Insider Trading Policies and Procedures (the "Code") to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Investment Advisers Act of 1940, as amended ("Rule 204A-1"). For purposes of Rule 204A-1, all WCA supervised persons are designated as "access persons". The Code reinforces the fiduciary principles that govern supervised persons, including:

- Setting forth standards of business conduct that are expected of all supervised persons, which standards reflect WCA's fiduciary duties to our clients. All supervised persons are required to acknowledge in writing receipt of the Code of Ethics and any material amendments thereto.
- Requiring compliance with Federal securities laws, including (but not limited to) the Investment Advisers Act of 1940, as amended (the "Advisers Act"), the Investment Company Act of 1940, as amended (the 1940 Act"), and the rules thereunder, as well as applicable state securities and/or fiduciary laws. In addition, when managing accounts of employee benefit plans and individual retirement accounts, WCA and all personnel are also required to comply with all applicable provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), the Internal Revenue Code of 1986 and the rules thereunder.

Personal Securities Trading and Reporting

From time to time, WCA supervised persons may buy or sell securities for their own accounts that are also held in client accounts. Such personal securities transactions may raise potential conflicts of interest when these supervised persons trade at or around the same time as a client account, or in a manner inconsistent with WCA's then-current recommendations to a client. Personal securities transactions by WCA supervised persons may also raise potential conflicts of interest when WCA is considering the related security for purchase or sale in client accounts.

To mitigate the associated risks, WCA has adopted a Code designed to reasonably detect and prevent such conflicts of interest and, when they do arise, to ensure that the supervised person effects the transactions in a manner that is consistent with WCA's fiduciary duty to clients and in accordance with applicable law. To this end, all supervised persons are prohibited from using their position with WCA for any investment opportunities that any such individual learns of because of his or her position, to the detriment of WCA's clients. Additionally, all WCA supervised persons are required to obtain pre-approval from Compliance prior to entering any personal trade in certain security types.

Supervised persons must submit their personal trade pre-clearance requests via a web-based application on the date of the proposed transaction, and may not place an order for the purchase or sale of the security until the transaction has been approved.

Compliance monitors all supervised persons' trading and WCA supervised persons submit quarterly transaction reports in accordance with the Code. Compliance conducts periodic testing of WCA's procedures to ensure ongoing compliance by all supervised persons. A copy of the Code of Ethics is available upon request.

Participation or Interest in Client Transactions

WCA or its investment professionals, for themselves or for others, may take the same or conflicting positions in a security in which there has been an investment under WCA's strategies.

WCA may invest in securities of issuers that one or more of WCA's affiliates have sponsored or promoted. These affiliates may have purchased or otherwise acquired securities or other interests in such issuers on terms different from, and more favorable than, those available to WCA clients.

Affiliates of WCA frequently have access to non-public information about publicly traded companies. When this occurs, WCA may be prohibited from trading an existing position, resulting in investment losses or the failure to achieve investment gains. In other cases, WCA may cause the purchase or sale of

securities of an issuer at a time when an affiliate or its employees have material non-information about such securities or their issuers if the affiliates have not otherwise notified WCA of their possession of such information. WCA's affiliates and their respective employees have no duty to make any such information available to us, and WCA has no duty to obtain such information.

Item 12 – Brokerage Practices

Broker Analysis and Selection

WCA generally has discretion over investment selection involving Wrap Program and Dual Contract platform trades. This includes the determination of which positions are to be established, the total amount to be purchased or sold, and which broker will effect the transactions. WCA will generally direct all Wrap Program and Dual Contract platform trades to the respective Sponsor's trading desk.

In its capacity as a Model provider to a Model Firm, WCA does not directly engage in any trading activities.

WCA maintains a list of "Approved Brokers" to use in effecting client transactions, unless the client has specifically directed trades to a particular broker-dealer. When selecting brokers for discretionary accounts, WCA's primary objective is to obtain the best combination of price and execution in the market(s) involved. In selecting brokers for inclusion in the Approved Broker List, WCA evaluates the abilities of the broker-dealer to obtain "best execution" of portfolio transactions, which may include (but is not limited to):

- its execution capabilities the transactions require, as well as clearance and settlement capabilities;
- its financial stability, back-office efficiency and ability to handle difficult trades;
- its apparent familiarity with sources from or to whom particular securities might be purchased or sold;
- the reputation and perceived soundness of the broker-dealer or bank;
- the importance to the account of speed, efficiency, and confidentiality.

Accordingly, transactions will not always be executed at the lowest available commission but are generally within a competitive range.

When selecting a particular Approved Broker(s) for a specific transaction, WCA considers numerous factors, including (but not limited to) any applicable legal restrictions (such as those imposed under the securities laws and ERISA), as well as any client-imposed restrictions.

Within these constraints, WCA generally selects the "best executing" broker (i.e., one that can provide prompt and reliable execution at the most favorable price obtainable under the prevailing market conditions). WCA has appointed an Account Review and Brokerage Practices Committee (the "Committee") to oversee and monitor its trading activities including best execution, brokerage placement and allocation of investments. The Committee also reviews broker quality, including execution services, as well as commission rates.

Research and Other Soft Dollar Benefits

WCA does not receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"). WCA does not

participate in new issue equity offerings.

Brokerage for Client Referrals

When selecting a broker/dealer, WCA does not consider nor receive client referrals.

Directed Brokerage

WCA will generally direct Wrap Program and Dual Contract program trading activity to the designated Sponsor's trading desk. By directing brokerage:

- We may be unable to achieve most favorable execution of client transactions depending on the directed broker the client has instructed us to use, the proportion of brokerage the client has instructed us to direct, the securities that we are buying or selling for the client account, and/or the fees that client has agreed to pay to the Directed Broker and this may cost clients more money.
- We generally do not negotiate commission rates with the client's directed broker.

Directed brokerage accounts may not generate the same returns as similar, non-directed brokerage accounts in the same strategy.

WCA will direct its Model changes to Model Firms which will then trade to the model, at their own discretion. WCA will not be in a position to confirm that any brokerage transactions made by a particular Model Firm will achieve the most favorable execution of client transactions.

Order Aggregation/Allocation

WCA groups accounts into trading categories ("Trade Categories") by Sponsor, one of which is a WCA affiliate. Accounts in each Trade Category will trade together and the Trade Categories are rotated on a regular basis. Specifically, the Trading Category that is first in the rotation during one cycle shall move to the bottom of the list for the next cycle and so on. This will result in some Trade Categories trading later than others and thereby potentially receiving different prices for the same securities. The intention of the rotation is to ensure that all clients, regardless of Trade Category, are treated equitably over time.

From time to time, trade aggregation may not be possible because a security is thinly traded or otherwise not able to be aggregated and allocated among all accounts seeking the investment opportunity or a client may be limited in, or precluded from, participating in an aggregated trade as a result of an investment restriction, specific brokerage instructions, or other factors. In such cases, clients may not receive as favorable executions as they might otherwise receive from aggregated orders.

In order to seek best execution, to the extent multiple client accounts participate in the trade, WCA may aggregate client transactions for the same security into a single "bunched" order, and then allocate the securities purchased to each participating client account on an average price basis. There may be instances where WCA may not be able to purchase or sell all of the desired securities, in which case, accounts will participate in a pro-rata allocation.

Item 13 – Review of Accounts

At least monthly, the co-Portfolio Managers conduct a review each model's portfolio holdings, position sizes, and industry and sector exposure of the investment strategies to ensure that they are in accordance with the specific investment objectives and restrictions of the related strategy.

Item 14 – Client Referrals and Other Compensation

WCA has entered into an agreement to compensate an unaffiliated third party firm (a registered broker

dealer, member FINRA and SIPC, and SEC registered investment adviser) to refer prospective clients to WCA. Such arrangements create a conflict of interest for the firm making the referral because of the fee the firm will receive for making the referral. Typically, payments for referrals are a percentage of the customary advisory fee received by WCA from the referred client. Thus, the client pays no additional fee to WCA. At the time of solicitation, each referred client is provided with details regarding the referral arrangement before the client signs an advisory agreement with us.

Item 15 – Custody

WCA has the ability to deduct advisory fees for certain dual contract client accounts that have written documentation from the client authorizing such deductions. All clients receive account statements directly from their Wrap Sponsor, Dual Contract platform, or Model Firm and should carefully review those statements for accuracy.

Our affiliate, Stifel serves as custodian with respect to certain Wrap Program accounts managed by WCA. As Wrap Sponsor and custodian, Stifel undergoes an annual surprise examination of its accounts that it holds, and also obtains an internal control report from an independent public accounting firm that is registered and subject to regular inspection by the Public Company Accounting Oversight Board. WCA receives a copy of the internal control report issued by such independent public accounting firm.

Item 16 – Investment Discretion

For Wrap Program and Dual Contract accounts, WCA is granted discretionary authority within the Investment Advisory Contract to buy and sell securities in the quantities and at the times it deems appropriate without obtaining prior consent from the client before each transaction.

With regard to Model portfolios, WCA does not exercise discretion over the trading for such portfolios. Investment discretion is exercised by the Model Firm.

Item 17 – Voting Client Securities

For those clients who delegate their proxy voting authority to WCA, unless specific voting guidelines or directives are provided by a client, we will typically vote proxies in accordance with guidelines provided by Egan-Jones Ratings Company (“Egan-Jones”), an independent provider of proxy research and voting recommendations. In addition to maintaining voting records internally, we have also engaged Broadridge Financial Solutions, Inc. (“Broadridge”), through the use of its electronic system ProxyEdge, to manage and maintain voting records.

Egan-Jones recommendation guidelines are not exhaustive, do not address all potential voting issues, and do not necessarily correspond with the opinions of WCA. Therefore, there may be instances where WCA may not vote the client’s shares in accordance with the Egan-Jones guidelines. In the event that WCA believes the Egan-Jones recommendation is not in the best interest of shareholders and on those matters for which Egan-Jones does not provide specific voting recommendations, WCA will determine how to vote the proxies. There may be instances when Egan-Jones does not send proxy vote recommendations in a timely manner or recommendations are not available. All proxies by an issuer will typically be voted similarly, unless there is a specific conflict of interest or client guidelines dictate otherwise.

In the event that shares are unavailable due to a securities loan agreement entered into by a client or for any other reason initiated by a client, WCA will not be responsible for voting proxies on the loaned or unavailable shares. Further, WCA is not responsible for voting proxies we do not receive in a timely

manner.

WCA maintains records of proxy voting in accordance with the Advisers Act, and will furnish proxy voting records regarding a client's securities if so requested by the client. Additionally, a copy of our current proxy voting policies and procedures will be provided upon request.

WCA will neither advise nor act on behalf of a client in legal proceedings involving companies whose securities are held in client accounts including, but not limited to, the filings of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

Item 18 – Financial Information

WCA does not have any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients.

408(b)(2) Disclosure Notice

With respect to retirement plan clients subject to ERISA, WCA serves as a fiduciary to such clients pursuant to Section 3(21) of ERISA and by virtue of being a registered investment adviser providing fee-based advisory services. WCA may provide discretionary investment management services to the portion of plan assets assigned to WCA's management, which services include determining the specific securities in which to invest such plan assets, as well as the specific brokers through which to trade such securities.

Direct Compensation. As set forth in the "Fees and Compensation" above, for its services, WCA accepts compensation in the form of fees. Each client's applicable fees are negotiated and set forth in the applicable investment management agreement pursuant to which WCA manages the plan's account.

Indirect Compensation. WCA does not receive indirect compensation from any of the issuers of securities held in client accounts (such as 12b-1 or similar fees). In selecting brokers to execute client transactions, WCA, consistent with its fiduciary obligations, selects brokers on the basis of "best execution" considering all relevant circumstances. For more detailed discussion of the factors considered in selecting brokers, see "Brokerage Practices" in this Brochure.