

FORM ADV PART 2A:  
INFORMATIONAL BROCHURE



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March 21, 2024

This brochure provides information about the qualifications and business practices of Quaker Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at 856-222-0110 or via email at [jake@quakerwm.com](mailto:jake@quakerwm.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. Our registration does not imply a certain level of skill or training.

Additional information about Quaker Wealth Management, LLC is also 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 284546.

## **Item 2: Statement of Material Changes**

The material changes in this brochure from the last annual updating amendment of Quaker Wealth Management LLC on March 21, 2023, are described below. Material changes relate to Quaker Wealth Management LLC's policies, practices or conflicts of interests.

- Item 4 has been updated to reflect our services to include Family CFO Service.
- Item 4 has been updated with our use of a third-party platform, Pontera.
- Item 5 has been updated to reflect fees charged by Pontera.
- Item 5 has been updated to reflect fees associated with our Family CFO Service.
- Item 5 has been updated to reflect our stand-alone Financial Planning fees have been updated to a one-time fee, depending on the scope of work. The one-time fee range is \$1200- \$10000. The fee is negotiable.

### **Item 3: Table of Contents**

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INFORMATIONAL BROCHURE  
QUAKER WEALTH MANAGEMENT, LLC

**Item 4:        Advisory Business**

Quaker Wealth Management, LLC (“QWM”) has been in business since January 2006. Peter News and John Heisler are the firm’s principal owners. John Heisler is the CCO.

QWM provides personalized asset management and financial planning. We strive to build long term relationships and create an exceptional experience that provides clients with individualized attention and a wealth management plan tailored to their needs. Our belief is that making clients feel like they are part of the QWM family fosters a strong working relationship, with an added personal touch. Our firm is built upon three bedrock principles: Performance, Integrity, and Independence. We prioritize the client’s interest in every decision we make.

Asset Management

When a client has at least \$250,000 (subject to our discretion to waive this minimum) we may invest their assets in a manner consistent with their investment objectives. The client experience begins with a thorough orientation process and continues as we learn more about you and your family over the years.

QWM uses a collaborative approach to help clients build, maintain and transition wealth through investment strategies based on individual needs. Our asset management process is both disciplined and active. Our process includes managing assets on a discretionary basis. This means we make decisions and implement them without specific consultation with each client for each change. This does not mean communication is limited. Building client relationships is at the centre of QWM’s approach, and our regular communications are designed to keep you connected and educated. In order for us to provide asset management services in accordance with your financial goals, consistent, meaningful, and frequent communication with you is required. This includes access to staff for requests and inquiries, regular meetings to review your portfolio, and other ongoing communication including update calls, emails, newsletters, and communicating on an as needed basis with the client’s other professionals, such as attorneys and accountants.

Clients may place reasonable restrictions such as the types of investments we may use, or on the allocations to each security type. All client assets will be maintained with an independent, unaffiliated custodian. You will receive written or electronic confirmations directly from your account custodian after any changes are made to your account. You will also receive statements at least quarterly directly from your account custodian. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Advisory Agreement that outlines the responsibilities of both the client and QWM.

## Financial Planning

Most QWM clients are provided with both financial planning and asset management services, so that the investment decisions made in the asset management process can closely track the goals of the client's financial plan. However, for clients wishing to have planning services without asset management, a separate engagement may be arranged.

If you request, QWM may recommend the services of other professionals for implementation purposes. You are under no obligation to engage the services of any such recommended professional. You retain absolute discretion over all such implementation decisions and are free to accept or reject any recommendation from QWM. If you engage any professional recommended by QWM, and a dispute arises thereafter relative to such engagement, you agree to seek recourse exclusively from and against the engaged professional.

## Retirement Plan Consulting Services

The fiduciaries of self-directed retirement plans (which can include 401(k) plans) are required to, among other things, determine a selection of investments from which the plan's participants choose for their personal allocation in their individual participant account. QWM may provide assistance to plan sponsors in meeting this obligation through a consultative relationship including the selection of the plan investment options in accordance with the plan's objectives, as well as the ongoing monitoring of those options to assist the plan sponsor in determining when changes to these options are needed. This advice is rendered on a non-discretionary basis, meaning the plan sponsor is free to accept or reject QWM's recommendations. In addition, if requested by the plan sponsor, QWM may assist with the review of plan service providers.

## Family CFO

QWM takes a proactive approach to wealth management, which is why we've created our Family CFO Service. With Family CFO, we collaborate with your tax and estate professionals to simplify your financial life, providing peace of mind. Family CFO is investment-focused offering Personalized Indexing (for Tax Efficiency), Options-Based Strategies, Access to Structured Note Marketplace, Performance and Reporting Aggregation of Outside Accounts, Annual Health Insurance Analysis, and an Annual Charitable Gifting Gameplan. Family CFO requires at least \$5 million of investable assets (subject to our discretion to waive this minimum).

## Pontera

QWM uses a third-party platform to facilitate management of held away assets such as defined contribution plan participant accounts, with discretion. The platform allows QWM to avoid being considered to have custody of Client funds since QWM does not have direct access to Client log-in credentials to affect trades. QWM is not affiliated with the platform in any way and receive no compensation from them for using their platform. A link will be provided to the Client allowing them to connect an account(s) to the platform. Once Client account(s) is connected to the platform, QWM will review the current account allocations. When deemed necessary, QWM will rebalance the account considering client investment goals and risk tolerance, and any change in allocations will consider current economic and market trends. The goal is to improve account performance over time, minimize loss during difficult markets, and manage internal fees that harm account performance. Client account(s) will be reviewed at least quarterly, and allocation changes will be made as deemed necessary.

## Assets Under Management

As of December 31, 2023, QWM has \$326,300,000 assets under management, \$324,000,000 in discretionary and \$2,300,000 in non-discretionary.

### **Item 5: Fees and Compensation**

#### **A. Fees Charged**

All investment management clients will be required to execute an Investment Advisory Agreement that will describe the type of management services to be provided and the fees, among other items.

Occasionally, various related client accounts may be grouped together to qualify for reduced advisory fees. This format is called "householding". It is the responsibility of the client to verify accuracy of fee calculation.

#### Financial Planning

Typically, financial planning is provided to clients as part of asset management services. In the event a client requests a stand-alone financial plan, financial planning fees are assessed on a fixed fee basis. Fixed fee rates vary from \$1,200 to \$10,000. The fee range stated is a guide. Fees are negotiable, based on the nature of the engagement. Some clients may also engage QWM on a project basis to provide advice on isolated matters, such as an evaluation of a client's employer-sponsored retirement plan.

For some clients who are also engaging QWM to provide asset management or other services, fees for financial planning may be waived.

#### Asset Management

Generally, fees vary from 0.00% (for *pro bono* clients) to 1.00% per annum of the market value of a client's assets managed by QWM. Fees are negotiable. Factors affecting fee percentages include asset value, complexity, number of accounts, etc. All clients, but especially those with smaller accounts, should be advised they may receive similar services from other professionals for higher or lower overall costs. QWM's tiered fee schedule is as follows:

<i>Assets Under Management</i>	<i>Annual Rate</i>
0 - \$499,999	1.00%
\$500,000-\$999,999	0.85%
\$1,000,000 and above	0.65%
Certificates of Deposit	0.25%

#### Family CFO

Family CFO fees are negotiable. Factors affecting fee percentages include asset value, complexity, number of accounts, etc. QWM's tiered Family CFO fee schedule is as follows:

<i>Assets Under Management</i>	<i>Annual Rate</i>
Up to \$500,000	0.95%
\$500,001- \$1,000,000	0.85%
\$1,000,001- \$3,000,000	0.80%
\$3,000,001- \$5,000,000	0.65%
\$5,000,001- \$10,000,000	0.45%
\$10,000,001 +	0.30%
Certificates of Deposit	0.25%

QWM will cover Tax Professional Fees up to \$1500 per year (Letter of Authorization Required). QWM will cover Estate Attorney Fees up to \$2000 of initial document preparation, and up to \$1000 per year thereafter (Letter of Authorization Required).

#### Pontera

When advising individuals on employee benefit plans pursuant to ERISA, QWM will utilize a platform called Pontera. Pontera will directly charge QWM .30% AUM quarterly in advance. QWM will pay this charge out of Client's pre-existing advisory fee. For example, If Client's negotiated advisory fee is 1.30% annually, Client will be charged 1.30% AUM by QWM, and QWM will submit .30% AUM to Pontera, retaining 1% for QWM.

The asset-based advisory fee payable for any qualified account (as defined below in Item 15, Custody) will be deducted directly from one of your other custodian/broker-dealer accounts. If there are insufficient funds available in another account or if QWM believes that deducting the fee from another account would be prohibited by applicable law, QWM will invoice you. Invoices must be paid within thirty (30) days of receipt and will bear interest after it becomes due and payable and shall continue to accrue interest until payment is made at a rate equal to the lesser of either (a) two percent (2%) above the prime rate as reported by Federal Reserve Bank of New York, located in New York, New York, as of the date such payment was due and payable, or (b) the maximum rate permitted by applicable law. In the event you terminate QWM's advisory agreement, all prepaid advisory fees will be returned to you on a pro rata basis determined by the number of days remaining in the quarter of termination.

#### Retirement Plan Consulting Services

Generally, fees are 0.25% to 1.00% per annum of the market value of the plan's assets under the direction of QWM. These are the only fees, either direct or indirect, that QWM reasonably expects to receive from the plan. Fees are negotiable, in the sole discretion of QWM.

#### B. Fee Payment

#### Financial Planning

Generally, fifty percent (50%) of the anticipated financial planning fee will be payable upon signing the Financial Planning Agreement, with the remaining due upon delivery of the financial plan.

#### Asset Management

Investment advisory fees will be debited directly from each client's account. The advisory fee is paid quarterly, in advance, and the value used for the fee calculation is the gross value as of the last market day of the previous quarter, including cash allocations. This means that if your annual fee is 1.00%, then each quarter we will multiply the value of your account by 1.00% then divide by 4 to calculate our

fee. Once the calculation is made, we will instruct your account custodian to deduct the fee from your account and remit it to QWM. Clients will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. At least quarterly, clients will receive a statement from their account custodian showing all transactions in their account, including the fee.

#### Retirement Plan Consulting Services

For plans whose assets are under the direction of QWM, fees will be debited directly from the plan or participant accounts. The fee is paid quarterly, in advance, and the value used for the fee calculation is the market value of the plan's assets on the last day of the previous billing quarter. Once the calculation is made, we will instruct the custodian to deduct the fee from your account and remit it to QWM.

#### C. Other Fees

There are a number of other fees that may be associated with holding and investing in securities. You will be responsible for fees including transaction fees for the purchase or sale of mutual funds, Exchange Traded Funds, the purchase or sale of a stock, etc. Expenses of a fund will not be included in management fees, as they are deducted from the value of the shares by the mutual fund manager. For complete discussion of expenses related to each mutual fund, you should read a copy of the prospectus issued by that fund. QWM can provide or direct you to a copy of the prospectus for any fund that we recommend to you.

Please make sure to read Item 12 of this informational brochure, where we discuss broker-dealer and custodial issues.

#### D. *Pro-rata* Fees

If you become a client during a quarter, you will pay a management fee for the number of days left in that quarter. If you terminate our relationship during a quarter, you will be entitled to a refund of any management fees for the remainder of the quarter. Once your notice of termination is received, we will refund the unearned fees to you by check.

QWM will cease to perform services, including processing trades and distributions, upon termination. Assets not transferred from terminated accounts within 30 (thirty) days of termination may be “de-linked”, meaning they will no longer be visible to QWM and will become a retail account with the custodian.

#### E. QWM does not accept Compensation for the Sale of Securities.

### **Item 6: Performance-Based Fees**

QWM does not charge performance-based fees.



## **Item 7:       Types of Clients**

Clients advised may include individuals, families, trusts, business entities, non-profits, pensions and corporations. QWM requires each client to place at least \$250,000 with the firm. This minimum may be waived at the discretion of QWM.

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

It is important for you to know and remember that all investments carry risks. **Investing in securities involves risk of loss that clients should be prepared to bear.**

We understand that we can't control the financial markets. What we can control is our process, which we believe is the best way to provide a consistent experience for our clients. Our process involves evaluating general economic matters ("top-down") as well as individual securities ("bottom up") and looking at both in close connection with each client's individual objectives.

We determine these objectives by interviewing the client and/or asking the client to put these objectives in writing. We view asset allocation as the foundation of every investment plan. We believe that asset allocation, more than the selection of individual securities, determines the long-term outcome of a client's portfolio. Accordingly, our client process includes significant attention to the development of asset allocation guidelines.

An asset allocation strategy is a percentage-based allocation to different investment types. For example, a client may have an asset allocation strategy that calls for 40-60% of the portfolio to be invested in equity securities, with 20% of that allocated to international equities and the remaining balance in fixed income. Another client may have an asset allocation of 50-60% in fixed income securities and the remainder equities. The percentages in each type that we recommend are based on the typical behaviour of that asset class, individual securities, current market conditions, your current financial situation, your financial goals, and your investment timeline. Your asset allocation guidelines may be similar to or different from another client's.

Once an asset allocation plan is determined, we will periodically make changes in your portfolio to meet the guidelines of the asset allocation plan. It is important to remember that because market conditions can vary greatly, your asset allocation guidelines are not necessarily strict rules. Rather, we review accounts individually, and may deviate from the guidelines as we believe necessary. When choosing securities to include within the asset allocation strategy, we primarily invest in exchange-traded funds ("ETFs") and mutual funds. When we use mutual funds, we can choose any fund from any sponsor on our custodial platform but tend to choose funds offered by Vanguard more frequently than others. When choosing a mutual fund, QWM focuses on the tenure and track record of the manager as well as the costs and stability of the fund firm.

We base our conclusions on predominantly publicly available research, such as regulatory filings, press releases, competitor analyses, and in some cases research we receive from our custodian or other market analyses. QWM utilizes a proprietary platform called Qmap, as a guide for portfolio decisions. We will also utilize technical and fundamental analysis and efficient market analysis with regard to our investment process. Technical analysis means that we will review the past behaviours of the security

and the markets in which it trades for signals as to what might happen in the future. Fundamental analysis is focused on comparing the stated value of a security versus the inherent value which is evaluated by reviewing company specific financial data, such as price-earnings ratio. Efficient market analysis is focused on the identification of individual securities that are exhibiting price differentials uncorrelated to relevant indices.

Additionally, part of the QWM process includes, where appropriate, involving multiple generations in order to facilitate family financial planning. This can increase the financial education of the later generations and manage expectations. However, potential for conflicts of interest exist with the exchange of intergenerational information. QWM attempts to minimize these conflicts by treating each household as its own fiduciary relationship. Information can only be shared across generations with each household's consent.

### Risk of Loss

There are always risks to investing. **Clients should be aware that all investments carry various types of risk including the potential loss of principal that clients should be prepared to bear.** It is impossible to name all possible types of risks. Among the risks are the following:

- **Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- **General Market Risks.** Markets can, as a whole, go up or down for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.
- **Currency Risk.** When investing in another country using another currency, the changes in the value of the currency can change the value of your security value in your portfolio.
- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
- **Strategy Risk.** When investments are made through a strategy, rather than individualized investment considerations, there is always the possibility that individualized investment choices would have produced a more positive result for a client than an approach where investments are made for a group of individuals with common characteristics.
- **Tax Risks Related to Short Term Trading:** Clients should note that QWM may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies. QWM endeavours to invest client assets in a tax efficient manner, but all clients are advised to consult with their tax professionals regarding the transactions in client accounts.
- **Purchasing Power Risk.** Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.
- **Business Risk.** This can be thought of as certainty or uncertainty of income. Cyclical companies (like automobile companies) have more business risk because of the less steady income stream. On the other hand, utilities tend to have steadier income streams and therefore, less business

risk.

- **Financial Risk.** The amount of debt or leverage determines the financial risk of a company.

- **Default Risk.** This risk pertains to the ability of a company to service their debt. Ratings provided

by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.

- **Margin Risk.** “Margin” is a tool used to maximize returns on a given investment by using securities in a client account as collateral for a loan from the custodian to the client. The proceeds of that loan may be used to buy more securities. In a positive result, the additional securities provide additional return on the same initial investment. In a negative result, the additional securities provide additional losses. Margin therefore carries a higher degree of risk than investing without margin. Any client account that will use margin will do so in accordance with Regulation T. QWM discourages margin use but may utilize margin on a limited basis for clients with higher risk tolerances.

- **Short Sales.** “Short sales” are a way to implement a trade in a security QWM feels is overvalued. In a “long” trade, the investor is hoping the security increases in price. Thus in a long trade, the amount of the investor’s loss (without margin) is the amount paid for the security. In a short sale, the investor is hoping the security decreases in price. However, unlike a long trade where the price of the security can only go from the purchase price to zero, in a short sale, the price of the security can go infinitely upwards. Thus in a short sale, the potential for loss is unlimited and unknown, where the potential for loss in a long trade is limited and knowable. QWM discourages short sales, but may utilize short sales only when the client’s risk tolerances permit.

- **Information Risk.** All investment professionals rely on research in order to make conclusions about investment options. This research is always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.

- **Options.** The use of options transactions as an investment strategy involves a high level of inherent risk. Although the intent of many of the options-related transactions implemented by QWM is to hedge against principal risk, certain of the options-related strategies (i.e., straddles, short positions, etc.), may in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct QWM, in writing, not to employ any or all such strategies. Clients participating in an options strategy should *carefully* consider all information regarding the strategy and its risks prior to participating.

- **Small Companies.** Some investment opportunities in the marketplace involve smaller issuers. These companies may be starting up, or are historically small. While these companies sometimes have potential for outsized returns, they also have the potential for losses because the reasons the company is small are also risks to the company’s future. For example, a company’s management may lack experience or the company’s capital for growth may be restricted. These small companies also tend to trade less frequently than larger companies, which can add to the risks associated with their securities because the ability to sell them at an appropriate price may be limited as compared to the markets as a whole. Not only do these companies have investment risk, if a client is invested in such small companies and requests immediate or short term liquidity, these securities may require a significant discount to value in order to be sold in a shorter time frame.

- **Concentration Risk.** While QWM selects individual securities, including mutual funds, for client portfolios based on an individualized assessment of each security, this evaluation comes without an overlay of general economic or sector specific issue analysis. This means that a client's equity portfolio may be concentrated in a specific sector, geography, or sub-sector (among other types of potential concentrations), so that if an unexpected event occurs that affects that specific sector or geography, for example, the client's equity portfolio may be affected negatively, including significant losses.
- **Transition risk.** As assets are transitioned from a client's prior advisers to QWM there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly, these investments may need to be sold. However, this transition process may take some time to accomplish. Some investments may not be unwound for a lengthy period of time for a variety of reasons that may include low share prices, restrictions on trading, contractual restrictions on liquidity, or market-related liquidity concerns. In some cases, there may be securities or investments that are never able to be sold. The inability to transition a client's holdings into recommendations of QWM may adversely affect the client's account values, as QWM's recommendations may not be able to be fully implemented.
- **Restriction Risk.** Clients may at all times place reasonable restrictions on the management of their accounts. However, placing these restrictions may make managing the accounts more difficult, thus lowering the potential for returns or increasing risk.
- **Risks Related to Investment Term & Liquidity.** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.

## **Item 9: Disciplinary Information**

There are no disciplinary items to report.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **A. Broker-dealer**

Neither the principal of QWM, nor any related persons are registered, or have an application pending to register, as a broker dealer or as an associated person of the foregoing entities.

**B. Futures Commission Merchant/Commodity Trading Advisor** Neither the principal of QWM, nor any related persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### **C. Relationship with Related Persons**

Insurance

Certain professionals of QWM are separately licensed as independent insurance agents. As such, these professionals may conduct insurance product transactions for QWM clients, in their capacity as licensed insurance agents, and will receive customary commissions for these transactions in addition to any compensation received in his capacity as employees of QWM. Commissions from the sale of insurance products will not be used to offset or as a credit against advisory fees. These professionals therefore have incentive to recommend insurance products based on the compensation to be received, rather than on a client's needs. The receipt of additional fees for insurance commissions is therefore a conflict of interest, and clients should be aware of this conflict when considering whether to engage QWM or utilize these professionals to implement any insurance recommendations. QWM attempts to mitigate this conflict of interest by disclosing the conflict to clients, and informing the clients that they are always free to purchase insurance products through other agents that are not affiliated with QWM, or to determine not to purchase the insurance product at all. QWM also attempts to mitigate the conflict of interest by requiring employees to acknowledge their individual fiduciary duty to the clients of QWM, found in the firm's Code of Ethics, which requires that employees put the interests of clients ahead of their own.

D. Recommendations of other Advisers

QWM does not utilize nor select other advisers or third-party managers at this time. All assets are managed by QWM.

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

A. A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.

B. QWM does not recommend to clients that they invest in any security in which QWM or any principal thereof has any financial interest.

C. On occasion, an employee of QWM may purchase for his or her own account securities which are also recommended for clients. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade, so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

D. On occasion, an employee of QWM may purchase for his or her own account securities which are also recommended for clients at the same time the clients purchase the securities. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time

from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

## **Item 12: Brokerage Practices**

### **A. Recommendation of Broker-Dealer**

QWM recommends that investment accounts be held in custody by Charles Schwab & Co., Inc. Advisor Services. Charles Schwab & Co., Inc. Advisor offers enhanced services to independent investment advisors. These services include custody of securities, trade execution platforms, clearance and settlement of transactions, and access to research not available to the general public. Charles Schwab & Co., Inc. Advisor Services is wholly independent from QWM. It is expected that most, if not all, transactions in a given client account will be cleared through the custodian of that account in its capacity as a broker-dealer.

QWM recommends Charles Schwab & Co., Inc. Advisor Services to its clients based on a variety of factors, including, but not limited to costs. Charles Schwab & Co., Inc. Advisor Services has what can be considered discounted commission rates. However, in choosing a broker-dealer or custodian to recommend, we are most concerned with the value the client receives for the cost paid, not just the cost. Charles Schwab & Co., Inc. Advisor Services adds value beyond commission cost. Other factors that may be considered in determining overall value include speed and accuracy of execution, financial strength, knowledge and experience of staff, research and service. Charles Schwab & Co., Inc. Advisor Services also has arrangements with many mutual funds that enable us to purchase these mutual funds for client accounts at reduced transaction charges (as opposed to other broker-dealers). QWM re-evaluates the use of Charles Schwab & Co., Inc. Advisor Services at least annually to determine if they are still the best value for our clients.

Generally, in addition to a broker's ability to provide "best execution," QWM may also consider the value of "research" or additional brokerage products and services a broker-dealer has provided or may be willing to provide. This is known as paying for those services or products with "soft dollars." Because many of the services or products could be considered to provide a benefit to QWM, and because the "soft dollars" used to acquire them are client assets, QWM could be considered to have a conflict of interest in allocating client brokerage business: QWM could receive valuable benefits by selecting a particular broker or dealer to execute client transactions and the transaction compensation charged by that broker or dealer might not be the lowest compensation QWM might otherwise be able to negotiate. In addition, QWM could have an incentive to cause clients to engage in more securities transactions than would otherwise be optimal in order to generate brokerage compensation with which to acquire products and services.

We do not consider whether Charles Schwab & Co., Inc. Advisor Services, or any other broker-dealer/custodian, refers clients to QWM as part of our evaluation of these broker-dealers.

### **B. Aggregating/Bulk Trades**

Commission costs per client may be lower on a particular trade if all clients in whose accounts the trade is to be made are executed at the same time. This is called aggregating trades. Instead of placing a number of trades for the same security for each account, we will, when appropriate, execute one trade for all accounts and then allocate the trades to each account after execution. If an aggregate trade

is not fully executed, the securities will be allocated to client accounts on a *pro rata* basis, except where doing so would create an unintended adverse consequence (For example, if a *pro rata* division would result in a client receiving a fraction of a share, or a position in the account of less than 1%.)

#### Directed Brokerage

QWM allows clients to direct brokerage. “Directing” brokerage means choosing to maintain all or some of their assets with a broker-dealer that is not recommended by QWM. QWM may be unable to achieve most favourable execution of client transactions if clients choose to direct brokerage. This may cost clients’ money because without the ability to direct brokerage, QWM may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favourable prices. Not all investment advisers allow their clients to direct brokerage.

#### C. Trade Error Policy

Quaker Wealth Management maintains a record of any trading errors that occur in connection with investment activities of its clients. Any errors that result in a gain will accrue to the benefit of the account in which the error was made. Any error that results in a direct loss will be reimbursed to the account in which the error was made.

### **Item 13: Review of Accounts**

All accounts will be reviewed by a senior professional on at least an annual basis. However, it is expected that market conditions, changes in a particular client’s account, or changes to a client’s circumstances will trigger a review of accounts.

All clients will receive statements and confirmations of trades directly from Charles Schwab & Co., Inc. Advisor Services Please refer to Item 15 regarding Custody.

### **Item 14: Client Referrals and Other Compensation**

#### A. Economic Benefit Provided by Third Parties for Advice Rendered to Client.

Charles Schwab & Co., Inc. Advisor Services provides QWM with access to Charles Schwab & Co., Inc. Advisor Services’ institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser’s clients’ assets are maintained in accounts at Charles Schwab & Co., Inc. Advisor Services. Charles Schwab & Co., Inc. Advisor Services includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For QWM client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services also makes available to QWM other products and services that benefit QWM but may not benefit its clients’ accounts. These benefits may include

national, regional or QWM specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of QWM by Charles Schwab & Co., Inc. Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist QWM in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of QWM's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of QWM's accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to QWM other services intended to help QWM manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to QWM by independent third parties. Charles Schwab & Co., Inc. Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to QWM. QWM is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

**B. Compensation to Non-Advisory Personnel for Client Referrals.**

Clients may be introduced to QWM via other third parties. In the event that QWM compensates any party for the referral of a client to QWM, any such compensation will be paid by QWM, and not the client. If the client is introduced to QWM by an unaffiliated third party, that third party will disclose to the client the referral arrangement with QWM, including the compensation for the referral, and provide the client a copy of QWM's ADV Part 2A and 2B. The referral source will also provide a written disclosure to the client regarding the relationship between QWM and the referral source, including the fact that referral fees will be paid.

**Item 15: Custody**

There are two avenues through which QWM has custody of client funds; by directly debiting its fees from client accounts pursuant to applicable agreements granting such right, and potentially by permitting clients to issue standing letters of authorization ("SLOAs"). SLOAs permit a client to issue one document that directs QWM to make distributions out of the client's account(s). These arrangements are disclosed in Item 9 of Part 1 of Form ADV. However, in accordance with the guidance provided in the SEC's February 21, 2017, Investment Adviser Association No-Action Letter, the affected accounts are not subject to an annual surprise CPA examination. The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of authorization ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with our custodians:



- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. Each quarter, clients will receive a statement from their account custodian showing all transactions in their account, including the fee.

We encourage clients to carefully review the statements and confirmations sent to them by their custodian, and to compare the information from the statement provided by the account custodian with any information given to you by QWM. Please alert us of any discrepancies.

Certain client accounts subject to QWM's services may be held at a custodian that is not directly accessible by QWM ("qualified accounts"). QWM may, but is not required to, manage these qualified accounts using the Pontera, allowing QWM to view and manage these assets. To manage qualified assets, you must agree to the Pontera End User Terms and Conditions and Privacy Policy and must further agree to keep QWM apprised of any changes to your usernames and passwords for qualified accounts so that QWM can promptly update your credentials using the Pontera system. You also must agree to promptly address any requests to update its login credentials when requested by the Pontera system. In the event of any delay by you to update your login credentials, you must acknowledge in your agreement that QWM will not have access to view or manage your qualified account, which may result in investment losses. QWM will not be responsible for any losses arising from your delays in updating its login credentials through the Pontera system. QWM will be under no obligation to credit any fees for valuations made in good faith during periods when QWM did not have access to any qualified account in calculating its fees under the investment management agreement.

## **Item 16: Investment Discretion**

When QWM is engaged to provide asset management services on a discretionary basis, we will monitor your accounts to ensure that they are reflective of our overall asset allocation strategy. Based on our review, we will make any changes we deem appropriate. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf, or on the allocations to

each security type. You will receive at your request written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive statements at least quarterly from an independent account custodian. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Advisory Agreement that outlines the responsibilities of both the client and QWM.

#### **Item 17:      Voting Client Securities**

Copies of our Proxy Voting Policies are available upon request.

From time to time, shareholders of stocks, mutual funds, exchange traded funds or other securities may be permitted to vote on various types of corporate actions. Examples of these actions include mergers, tender offers, or board elections. Clients are required to maintain proxy voting authority. QWM will not accept authority to vote client proxies. Clients will receive their proxies directly from the custodian for the client account. QWM will, upon request, give clients advice on how to vote proxies.

#### **Item 18:      Financial Information**

QWM does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.