



**ATLANTIC WEALTH**  
P A R T N E R S

## Item 1: Cover Page

Part 2A of Form ADV  
March 28, 2024

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**Firm Contact:**

STEPHEN T. OLSON  
Founder and Managing Principal

This brochure provides information regarding qualifications and business practices of Atlantic Wealth Partners, L.L.C. ("Atlantic Wealth Partners"). If you have questions about the contents of this brochure, please call us at (561) 632-0566. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about our firm is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm by name or by its unique CRD number (CRD No. 289440).

Please note that the use of the term "registered investment adviser" and description of our firm and/or our associates as "registered" does not imply a certain level of skill or training. Clients are encouraged to review this firm brochure and any brochure supplements for more information on the qualifications of our firm and our associates.

## Item 2: Material Changes

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Open communication and transparency form the foundation of our client relationships. Atlantic Wealth Partners will provide you with complete and accurate information in a timely manner. We encourage all current and prospective clients to read this brochure carefully and encourage you to discuss any questions you may have with us by contacting us at the telephone number on the cover page. Your feedback ensures that we continually improve.

We are required to notify you of all material changes to our brochure on at least an annual basis. This brochure reflects the following material changes since the filing of our last annual update to this document dated March 29, 2023:

- Item 1 has been updated to disclose the address of our branch office.
- Item 4 has been updated to reflect that we no longer offer Financial Planning and Consulting as a stand-alone service. These services may now only be accessed as part of a Private Wealth Management engagement that includes ongoing portfolio management services. Item 5 has been updated to remove references to the fees associated with stand-alone Financial Planning and Consulting engagements.
- Item 4 has been updated to reflect that we no longer offer Family Office services. Item 5 has been updated to remove references to the fees associated with Family Office services engagements.
- Item 5 has been updated to reflect that we now bill fees for our Private Wealth Management services quarterly in advance based on the end of period market value of the client's account as of the close of the prior billing period. These fees are adjusted on a pro-rata basis for partial billing periods (based on the number of days in the period) and for mid-period deposits and withdrawals of capital to or from your accounts (based on the underlying transaction date).
- Item 10 has been amended to remove reference to our prior affiliation with AWP Tax & Trust Solutions, LLC ("AWP Tax"). AWP Tax was voluntarily dissolved and is no longer an affiliate.
- Item 12 has been amended to reflect that we now recommend Charles Schwab & Co., Inc. ("Schwab") to serve as the custodian and executing broker for client accounts. Prior versions of this brochure stated that we had recommended both Schwab and TD Ameritrade, Inc. ("TDA") for these services. Schwab acquired TDA in 2019 and the two firms combined operations in 2023.

We will update this brochure and summarize in this Item 2 the occurrence of any material changes with respect to our business in accordance with applicable law. All current clients will receive a Summary of Material Changes to this and subsequent brochures within 120 days of the close of our fiscal year and certain additional updates regarding changes with respect to our firm and our business practices as they may occur. Updated information concerning these changes will be provided to you free of charge. A Summary of Material Changes is also included within our brochure found on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can obtain additional information about our firm by searching for us on the foregoing website by our firm name or by our unique CRD number (289440).

A copy of this brochure will be provided to you free of charge by contacting us at the telephone number reflected on the cover page.

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## Item 4: Advisory Business

### Our Firm and Our Services

Atlantic Wealth Partners is an SEC registered investment advisor established in 2017 as a limited liability company formed under the laws of the State of Florida. Stephen T. Olson is the founder and sole Managing Principal of our firm. Our principal office is located in Jupiter, Florida.

The information contained below describes our investment advisory services, practices, and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our services to the needs of our clients. As used throughout this firm brochure, the words “we,” “our,” “firm,” “AWP” and “us” refer to Atlantic Wealth Partners, and the words “you,” “your,” and “client” refer to you as either a client or prospective client of our firm.

We provide individuals and families with customized, comprehensive wealth management, financial planning, and investment advisory services to meet their goals while remaining sensitive to their emotional and financial tolerance to risk and the time horizon for their investments and financial objectives.

As your fiduciary, it is our legal and moral duty to always act in your best interests. This is accomplished by understanding the details and challenges of our clients’ financial lives. Together, we:

1. Identify areas of financial, legal, and tax exposure in order to establish and set clear financial objectives; and
2. Collaborate and coordinate with your tax and legal advisors to establish clear, written, and unbiased recommendations.

Prior to forming an investment advisor-client relationship with you, we may offer a complimentary general consultation to discuss the nature of our service offerings and to determine how we may best assist you to achieve your financial goals and objectives. Investment advisory services begin only after the client and AWP execute a written investment advisory agreement. There is no obligation to engage our firm for further services.

We offer the following investment advisory services to our clients:

#### Private Wealth Management (“PWM”) Services

Our PWM Services combine ongoing portfolio management and organic financial planning services designed to assist our clients in the overall management of their financial affairs. Our long-term relationship with you under this program is strengthened by regular consultations focused on goal-driven strategy and execution.

As a PWM Services client, you will typically be required to grant AWP *discretionary authority* to manage your designated account(s). This means AWP will be authorized to implement its investment recommendations directly within your designated account(s) held at the custodian without obtaining your prior approval for each specific transaction. We will only exercise this authority in accordance with our understanding of your unique investment objectives, needs, and suitability. In rare instances, we may agree to manage your account on a non-discretionary basis. In these circumstances, we will be required to obtain your approval prior to implementing any transactions within your account.

During the initial and early stage information share meetings we seek to review, evaluate, and understand the entirety of your financial situation, existing resources, goals, and your tolerances for risk. We will then develop, document, and share our immediate considerations to further your stated goals.

Based on our dialogue and the supporting information, we will then develop and present you with a detailed, individualized investment portfolio typically comprised of mutual funds and exchange traded funds (“ETFs”), fixed income instruments (e.g., treasuries, money market funds, corporate bonds, asset-backed securities, municipal bonds and international bonds)

individual equity securities (i.e., stocks), and/or other public and private securities or investments. At your request, we may also provide you with recommendations for the disposition of any legacy assets contained in your account at the onset of our relationship.

Depending on your investment objectives and needs, we may utilize an “Overlay Management Feature” that creates a custom asset allocation model for your account incorporating the use of certain independent third-party asset managers, sub-advisors, and/or private investment managers (collectively, “TPAMs”) that we may recommend to manage all or a portion of your account. We will only recommend TPAMs when we believe the same to be in your best interests, acting in our capacity as your fiduciary. Through our overlay feature, we will recommend allocations of your assets to the recommended TPAMs who will in-turn conduct investment research, implement trade orders, invest and reinvest your assets in the strategy designated or selected by our firm on a discretionary basis, and perform any necessary periodic rebalancing of your account. You will be provided with a copy of each recommended TPAM’s Form ADV Part 2 (or equivalent disclosure information) prior to entering into any TPAM engagements.

Following implementation of your initial investment portfolio, we will monitor the performance of your account on an ongoing basis, including any assets managed by TPAMs, and implement changes as needed or appropriate, in consideration of current economic conditions, our market opinions and assumptions, and your individual financial circumstances, all in pursuit of your ultimate investment goals. It is your ongoing responsibility to advise us in writing of any material changes to your financial circumstances during our relationship.

In addition to ongoing management of your investment portfolio, we will also provide you with financial planning services that may encompass a variety of topics such as retirement and estate planning, investment planning, education planning, tax planning, debt/credit analysis, charitable giving, and other areas, as may be relevant to you. These planning services will include delivery of an informal written summary or checklist of action items and recommendations addressing the selected financial topics (“Summary Recommendations”). Our Summary Recommendations will be updated annually, or otherwise, at your reasonable request. Frequent requests for updates of our Summary Recommendations may require payment of additional fees at our then applicable rates.

Implementation decisions regarding any of our Summary Recommendations for assets held away from the accounts we manage directly on your behalf are at the exclusive discretion of the client and may be completed by our firm, at your option, subject to the payment of applicable advisory fees. You are under no obligation to use our firm to implement any of our Summary Recommendations for assets held away from the account placed under our direct management.

#### Pension Consulting Services

We offer ongoing Pension Consulting Services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, and/or education services to plan participants regarding risk tolerance and investment choices.

**NOTE:** Certain plans we may provide services to are regulated under the Employee Retirement Income Securities Act of 1974 (“ERISA”). We will provide Pension Consulting Services to the plan sponsor and/or fiduciaries as described above for the fees set forth in Item 5 of this brochure. The consulting services we provide are advisory in nature. In providing services to any plan and its underlying participants, our status is that of an investment adviser registered with the SEC. We are not subject to any disqualifications under Section 411 of ERISA. In performing fiduciary services, we are acting as a fiduciary of the Plan as defined in Section 3(21) under ERISA, only. In all cases, our status as a fiduciary under ERISA is clearly disclosed in a written advisory agreement. If there is any discrepancy between the disclosures in this paragraph and the agreement, the agreement shall govern.

## Types of Investments Recommended

We typically recommend the following types of investments: stocks, bonds, mutual funds, ETFs, limited partnerships (such as hedge funds or private equity), TPAM managed accounts, variable annuities, life insurance (including private placement life insurance), direct investments in real estate, oil, gas, or other privately held businesses. Clients are advised that all (or substantially all) of the investment products and TPAMs we recommend can be invested in or otherwise be accessed by the client directly, without the services of our firm; however, the client would not receive our assistance in determining which products and services are most appropriate to the client's financial condition and objectives.

## Investment Restrictions

Our firm does not usually allow clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account. This is especially difficult when TPAMs are engaged to manage client assets, since our firm does not directly trade the account. We will work with clients to make exceptions to this policy on a case-by-case basis, where we determine such exceptions and restrictions to be reasonable, in our sole discretion.

## Participation in Wrap Fee Programs

We do not offer or sponsor any wrap fee programs.

## Regulatory Assets Under Management

As of December 31, 2023, we managed approximately \$227,741,225 of client assets on a discretionary basis and \$0 of client assets on a non-discretionary basis.

## Item 5: Fees & Compensation

### Compensation for Our Advisory Services

We receive the following advisory fees in connection with our advisory services. All client fee arrangements are set forth in a written advisory agreement.

### Private Wealth Management (PWM) Services

PWM Services clients pay an annual asset-based advisory fee calculated and charged based on a percentage of the market value of the client's assets under management in accordance with the below fee schedule:

Assets Under Management	Annual % of Assets Charge
\$0 - \$5,000,000	1.50%
\$5,000,000 - \$25,000,000	1.25%
\$25,000,000 - \$100,000,000	1.00%
Over \$100,000,000	0.75%

Annualized fees for our Private Wealth Management services are billed quarterly in advance based on the end of period market value of the client's accounts as of the close of the prior billing period. These fees are adjusted on a pro-rata basis for partial billing periods (based on the number of days in the period) and for mid-period deposits and withdrawals of capital to or from your accounts (based on the underlying transaction date).. The fee for the initial period of services shall be pro-rated based upon the opening date of the client's accounts, the number of days in the initial billing period and the market value of the assets held in the client's account on such date. Unless otherwise agreed, AWP will rely on the custodian's valuation of the client's account for purposes of calculating its fees.

## Pension Consulting Services

We charge asset-based fees for these services in accordance with a customized tiered fee schedule determined based upon our understanding of the complexity of the engagement and our expectation of the time and resources necessary to provide the requested services to the client. The fee schedule for each engagement is individually negotiated with fees typically ranging from 0.50% - 1.50% per year of the market value of the Plan's account. Fees are billed in line with the policies set forth above for PWM Services.

## Direct Fee Deduction

Unless otherwise agreed in writing, pursuant to your consent contained in our written advisory agreement and/or the account opening agreement of the custodian of your account, our advisory fees will be paid and deducted directly from your account(s) held at the custodian. We will send the custodian notice of the amount of the advisory fee to be deducted from your account each time a fee becomes due. If there is insufficient cash in your account to pay our advisory fees, we will first liquidate money market shares to generate the cash necessary to pay such fees. However, if money market shares or cash value are not available, other investments will be liquidated instead. Please note that unexpected or premature liquidation of investments to pay our advisory fees may impair the performance of your account.

The custodian of your account will independently send you an account statement at least quarterly, reflecting all holdings in your account, their value, and a record of all transactions in your account over the period, including any payment of advisory fees to our firm. The custodian is not responsible to and will not review the accuracy of our advisory fee calculations. We encourage you to promptly and carefully review the custodian's account statements upon receipt and to contact us at the telephone number on the cover page of this brochure with any questions or concerns.

## Termination & Refunds

In the event we fail to provide you with a copy of this brochure at least forty-eight (48) hours in advance of the full execution of a written advisory agreement with our firm, you may terminate our advisory services within five business (5) days of the engagement, without incurring any fees to AWP.

AWP or the client may terminate our PWM Services or Pension Consulting Services at any time, upon thirty (30) days' advance written notice to the non-terminating party. We will close your account and process a pro-rata refund of any unearned advisory fees paid in advance. Any earned but unpaid fees due to us at the time of termination shall then become immediately due and payable to AWP on a pro-rata basis.

## Other Fees and Expenses

Separate and in addition to the advisory fees payable to AWP, clients are also responsible for payment of (i) any transaction fees, commissions, custodial fees and service charges, stock transfer fees, taxes, and other similar charges and expenses incurred in connection with AWP's and/or any TPAM's management of the client's account; (ii) all internal management fees, surrender charges, and other expenses and costs associated with your ownership, purchase, and sale of any mutual funds, ETFs, and/or other pooled investment vehicles; and (iii) advisory fees charged by any TPAMs. The foregoing additional fees and expenses will typically be paid directly out of the assets in the client's account at the custodian or will be billed separately to the client by the requisite third party. AWP does not share in any of these additional fees and charges.

TPAM advisory fees shall be paid by the client in accordance with the TPAM's account opening documentation. The TPAM's separate advisory fees shall be charged at rates determined by the TPAM and paid in accordance with the payment procedures set forth in the underlying advisory agreement and/or custodial account opening documents governing the client's TPAM

relationship(s). In most cases, the TPAM will directly deduct its advisory fees from the client's account in same manner AWP does on either a monthly or quarterly basis. However, the specific billing procedures for TPAMs may vary.

Clients are also separately responsible for any fees payable to other third-party professionals (e.g., accountants, CPAs, tax advisors, attorneys) they choose to independently retain, as well as AWP's out-of-pocket expenses, such as account set up fees charged by third-party vendors, etc. (at cost).

### Compensation for Sale of Insurance Products

Certain investment advisor representatives of AWP are also licensed to sell insurance in one or more states and may be affiliated with a licensed general insurance agency (including our affiliate, Prudent Insurance, LLC) or act as a direct agent representative of a specific insurance company or companies. Insurance related business is transacted with advisory clients and licensed individuals may receive commissions from insurance products sold to clients. Clients are advised that the fees paid to us for investment advisory services are separate and distinct from the commissions earned by any individual or insurance agency (including Prudent Insurance, LLC) for selling insurance products to clients. If requested by a client, we will disclose the amount of commission expected to be paid.

The receipt of insurance related commissions by an individual associated with the firm presents a conflict of interest. As fiduciaries we must act primarily for the benefit of our investment advisory clients. As such, we will only transact insurance related business with clients when fully disclosed, suitable, and appropriate. Further, we must determine in good faith that any commissions paid to our representatives and affiliates are appropriate. Clients are informed that they are under no obligation to use any individual associated with our firm for insurance products or services. Clients may use any insurance firm or agent of their desire.

### Compensation Related to Real Estate Brokerage Services

Clients are advised that certain representatives of our firm are licensed real estate brokers. As a result, they can receive customary fees and commissions associated with investment real estate transactions conducted on the behalf of advisory clients. These services are independent of our advisory services and are governed under a separate engagement agreement. Clients are under no obligation to utilize this service and will not be actively solicited.

### Compensation for Sale of Securities

Neither AWP nor any of its related persons receive direct compensation for the sale of any securities. However, certain of AWP's personnel will benefit and receive certain additional compensation indirectly as a result of the sale of certain securities to advisory clients. Specifically, where appropriate, AWP may recommend to clients the purchase of interests of certain privately offered pooled investment vehicles ("Affiliated Funds") that are sponsored, managed, and advised by AWP and/or its affiliates, some or all of whom may share personnel (such entities, "Fund Management Affiliates"). AWP's Fund Management Affiliates include AWP RE, LLC and AWP Acquisitions, LLC. We may form additional Fund Management Entities in the future. The Affiliated Funds are expected to focus on the acquisition, financing, and operation of real properties identified by AWP and/or its Fund Management Affiliates. Generally, client investment in the Affiliated Funds will increase the amount of compensation due AWP's personnel, creating a conflict of interest. These conflicts of interest and how we mitigate them are addressed in further detail in Items 10 and 11 of this brochure.

Neither AWP nor its related persons receive any sales-based commissions, mark-ups, spreads, premiums, or other similar remuneration as a result of investment by any AWP client in the Affiliated Funds or the sale of any other securities.

### IRA Rollover Conflicts Disclosure

As part of our investment advisory services to you, we may recommend that you roll assets from your employer's retirement plan, such as a 401(k), 457, or ERISA 403(b) account (collectively, a "Plan Account"), to an individual retirement account, such as a SIMPLE IRA, SEP IRA, Traditional IRA, or Roth IRA (collectively, and "IRA Account") that we will manage on your behalf. We may also recommend rollovers from IRA Accounts to Plan Accounts, from Plan Accounts to Plan Accounts, and from IRA Accounts to IRA Accounts. When we provide any of the foregoing rollover recommendations we are acting as fiduciaries within the meaning of Title I of the ERISA and/or the Internal Revenue Code ("IRC"), as applicable, which are laws governing retirement accounts.

If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the advisory agreement you executed with our firm. This creates a conflict of interest because it creates a financial incentive for our firm to recommend the rollover to you (i.e., receipt of additional fee-based compensation). You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm. Due to the foregoing conflict of interest, when we make rollover recommendations, we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

Under this special rule's provisions, we must:

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

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of a rollover.

Note that an employee will typically have four options in this situation:

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

Each of these options has positives and negatives. Because of that, along with the importance of understanding the differences between these types of accounts, we will provide you with a written explanation of the advantages and disadvantages of both account types and the basis for our belief that the rollover transaction we recommend is in your best interests.

### Item 6: Performance-Based Fees & Side-By-Side Management

Performance-based fees are fees that are based on a share of capital gains or capital appreciation experienced in a client's account. We do not charge performance-based fees.



Side-by-side management refers to the practice of managing client accounts that are charged performance-based fees while at the same time managing accounts (perhaps with similar objectives) that are not charged performance-based fees ("side-by-side management"). We do not engage in side-by-side management of accounts.

AWP and individuals associated with our firm may manage accounts which belong either to themselves, individually, or to their family or their affiliates (collectively, "Proprietary Accounts") while simultaneously managing client accounts. It is possible that orders for Proprietary Accounts may be entered in advance of or opposite to orders for client accounts, pursuant to, for instance, a neutral allocation system, a different trading strategy, or trading at a different risk level. Proprietary Accounts may also invest in the same securities as client accounts. The management of any Proprietary Account is subject to our Code of Ethics and the duty of our firm and its personnel to exercise good faith and fairness in all matters affecting client accounts.

## Item 7: Types of Clients & Account Requirements

Our firm concentrates its services on providing comprehensive advice to the following types of clients:

- individuals and high net worth individuals;
- trusts, estates, or charitable organizations;
- pension and profit-sharing plans; and
- corporations, limited liability companies and other businesses.

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

### Methods of Analysis

We may use some or all of the following methods of analysis in formulating our investment advice and/or managing client assets:

**Fundamental Analysis:** Fundamental analysis is the analysis of a business's financial statements (usually to analyze the business's assets, liabilities, and earnings), health, and its competitors and markets. Fundamental analysis is performed on historical and present data, but with the goal of making financial forecasts. Fundamental analysis maintains that markets may misprice a security in the short run but that the "correct" price will eventually be reached. Profits can be made by purchasing the mispriced security and then waiting for the market to recognize its "mistake" and reprice the security. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.

**Technical Analysis:** Technical analysis is a security analysis methodology for forecasting the direction of prices through the study of past market data, primarily price and volume. A fundamental principle of technical analysis is that a market's price reflects all relevant information, so their analysis looks at the history of a security's trading pattern rather than external drivers such as economic, fundamental and news events. Therefore, price action tends to repeat itself due to investors collectively tending toward patterned behavior – hence technical analysis focuses on identifiable trends and conditions. Technical analysis does not consider the underlying financial condition of a company or security. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of overall market movement.

**Modern Portfolio Theory ("MPT"):** A mathematical framework for assembling a portfolio of assets such that the expected return is maximized for a given level of risk, defined as variance. Its key insight is that an asset's risk and return should not be assessed by itself, but by how it contributes to a portfolio's overall risk and return. MPT assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns.

Conversely, an investor who wants higher expected returns must accept more risk.

**Mutual Fund and/or ETF Analysis:** We conduct analysis of the experience and track record of the managers of mutual funds and ETFs in an attempt to determine if those managers have demonstrated an ability to invest over a period of time and in different economic conditions. The underlying assets in a mutual fund or ETF are also reviewed in an attempt to determine if there is significant overlap with other investments held in the client's portfolio. Mutual funds and ETFs recommended to clients are monitored in an attempt to determine if they are continuing to follow their stated investment strategy. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager may not be able to replicate past success. In addition, as our firm does not control the underlying investments in a mutual fund or ETF, managers of different mutual funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There exists risk that a manager may deviate from the stated investment mandate or strategy of the mutual fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

**Sector Analysis:** Sector analysis involves identification and analysis of various industries or economic sectors that are likely to exhibit superior performance. Academic studies indicate that the health of a stock's sector is as important as the performance of the individual stock itself. In other words, even the best stock located in a weak sector will often perform poorly because that sector is out of favor.

**Cyclical Analysis:** Cyclical analysis is the statistical analysis of specific events occurring at a sufficient number of relatively predictable intervals that they can be forecasted into the future. Cyclical analysis asserts that cyclical forces drive price movements in the financial markets. Risks include cycle inversion or disappearance. There is no expectation that this type of analysis will pinpoint turning points, instead it may be used in conjunction with other methods of analysis.

**TPAM Analysis:** This is the analysis of the experience, investment philosophies, and past performance of TPAMs in an attempt to determine if the manager has demonstrated an ability to invest over a period of time and in different economic conditions. Key factors we may consider when evaluating TPAMs are investment process, investment philosophy, risk management, historical performance, investment strategy and style, fees and operating expenses, fund size, and tax-efficiencies. Our evaluation may also incorporate both qualitative and quantitative fundamental analysis to validate and confirm a manager's investment style and skill, as well as compare them to other managers of similar style. We may utilize various research databases, proprietary models, financial periodicals, prospectuses and filings with the SEC, industry contacts and manager data, among other items, as part of the research process. Monitoring the TPAM's underlying holdings, strategies, concentrations, and leverage as part of our overall periodic risk assessment completes analysis. As part of the due-diligence process, the TPAM's compliance and business enterprise risks are surveyed and reviewed.

### Investment Strategies We Use

The investment advice our firm provides is guided by each client's personal investment profile. The investment strategies we use are based on our belief that:

- 1) "Value-driven" investment decisions may provide for a margin of safety that results in a lower probability of losing permanent capital, which may ultimately lead to long term wealth accumulation;
- 2) Investment discipline structured around (a) strategic asset allocation focused on clients' long-term objectives and (b) tactical asset allocation that, from time to time, requires us to reduce overpriced assets and purchase underpriced assets, will naturally create a "buy low, sell high" framework to protect capital in down markets and reduce volatility;

- 3) Allocating meaningful capital to highly qualified managers and ideas is better than over diversifying a portfolio; and
- 4) It is unlikely that a single investment firm can internally employ the “best” talent to trade all types of securities and strategies; therefore, we seek out highly qualified independent third-party managers within each asset class to manage our clients’ capital, where appropriate.

In line with the foregoing, we use some or all of the following strategies in managing client accounts:

**Asset Allocation:** Rather than focusing primarily on asset selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client’s investment goals and risk tolerance.

There are several types of asset allocation strategies based on investment goals, risk tolerance, time frames, and diversification. The most common forms of asset allocation are strategic, dynamic, tactical, and core-satellite.

- **Strategic Asset Allocation:** The primary goal of a strategic asset allocation is to create an asset mix that seeks to provide the optimal balance between expected risk and return for a long-term investment horizon. Generally speaking, strategic asset allocation strategies are agnostic to economic environments, *i.e.*, they do not change their allocation postures relative to changing market or economic conditions.
- **Dynamic Asset Allocation:** Dynamic asset allocation is similar to strategic asset allocation in that portfolios are built by allocating to an asset mix that seeks to provide the optimal balance between expected risk and return for a long-term investment horizon. Like strategic allocation strategies, dynamic strategies largely retain exposure to their original asset classes; however, unlike strategic strategies, dynamic asset allocation portfolios will adjust their postures over time relative to changes in the economic environment.
- **Tactical Asset Allocation:** Tactical asset allocation is a strategy in which an investor takes a more active approach that tries to position a portfolio into those assets, sectors, or individual stocks that show the most potential for perceived gains. While an original asset mix is formulated much like strategic and dynamic portfolio, tactical strategies are often traded more actively and are free to move entirely in and out of their core asset classes
- **Core-Satellite Asset Allocation:** Core-Satellite allocation strategies generally contain a ‘core’ strategic element making up the most significant portion of the portfolio, while applying a dynamic or tactical ‘satellite’ strategy that makes up a smaller part of the portfolio. In this way, core-satellite allocation strategies are a hybrid of the strategic and dynamic/tactical allocation strategies mentioned above.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry, or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client’s goals.

**Long-Term Purchases:** Our firm may buy securities for your account and hold them for a relatively long time (more than a year) in anticipation that the security’s value will appreciate over the long term. The risk of this strategy is that our firm could miss out on potential short-term gains that could have been profitable to your account or it’s possible that the security’s value may decline sharply before our firm decides to sell the position.

**ETFs:** An ETF is a type of investment company (usually, an open-end fund or unit investment trust) whose primary objective is to achieve the same return as a particular market index. The vast majority of ETFs are designed to track an index, so their performance is close to that of an index mutual fund, but they are not exact duplicates. A tracking error, or the difference between the returns of a fund and the returns of the index, can arise due to differences in composition, management fees, expenses, and handling of dividends. ETFs benefit from continuous pricing; they can be bought and

sold on a stock exchange throughout the trading day. Because ETFs trade like stocks, you can place orders just like with individual stocks - such as limit orders, good-until-canceled orders, stop loss orders etc. They can also be sold short. Traditional mutual funds are bought and redeemed based on their net asset values (“NAV”) at the end of the day. ETFs are bought and sold at the market prices on the exchanges, which resemble the underlying NAV but are independent of it. However, arbitrageurs will ensure that ETF prices are kept very close to the NAV of the underlying securities.

**Mutual Funds:** A mutual fund is an investment company that pools money from many investors and invests the money in a variety of differing security types based the objectives of the fund. The portfolio of the fund consists of the combined holdings it owns. Each share represents an investor’s proportionate ownership of the fund’s holdings and the income those holdings generate.

The benefits of investing through mutual funds may include professional management of the fund’s underlying holdings; diversification achieved through the basket of securities held by the fund; access to investments through relatively low investment minimums; and liquidity of mutual fund shares. Mutual funds also have features that some investors might view as disadvantages, such as payment of related sales charges, management fees, and capital gains taxes (depending on the timing of investment), lack of transparency and ability to control mutual fund holdings; inability to obtain real-time (or close to real-time) pricing information (mutual fund’s NAVs may not be calculated until many hours after an order is placed).

It is important to note that when an investor buys and holds mutual fund shares, the investor will owe income tax on any ordinary dividends in the year the investor receives or reinvests them. Moreover, in addition to owing taxes on any personal capital gains when the investor sells shares, the investor may have to pay taxes each year on the fund’s capital gains. That is because the law requires mutual funds to distribute capital gains to shareholders if they sell securities for a profit and prohibits them from using losses to offset these gains.

**Individual Stocks:** A common stock is a security that represents ownership in a corporation. Holders of common stock exercise control by electing a board of directors and voting on corporate policy. Investing in individual common stocks provides us with more control of the composition of your portfolio and when those investments are made. Having the ability to decide when to buy or sell helps us time the taking of gains or losses. Common stocks, however, bear a greater amount of risk when compared to certificates of deposit, preferred stocks, and bonds. It is typically more difficult to achieve diversification when investing in individual common stocks. Additionally, common stockholders are on the bottom of the priority ladder for ownership structure; if a company goes bankrupt, the common stockholders do not receive their money until the creditors and preferred shareholders have received their respective share of the leftover assets.

**Fixed Income:** Fixed income (including treasuries, money market instruments, corporate bonds, asset-backed securities, municipal bonds and international bonds) is a type of investment or budgeting style for which real return rates or periodic income is received by the investor at regular intervals and at reasonably predictable levels. The interest payment on fixed-income securities is considered regular income and is determined based on the creditworthiness of the borrower and current market rates. In general, bonds and fixed-income securities with longer-dated maturities pay a higher rate, also referred to as the coupon rate, because they are considered riskier. The longer the security is on the market, the more time it has to lose its value and/or default. At the end of the bond term, or at bond maturity, the borrower returns the amount borrowed, also referred to as the principal or par value.

**Variable Annuities (“VA”):** A VA is a type of annuity contract that allows for the accumulation of capital on a tax-deferred basis. As opposed to a fixed annuity that offers a guaranteed interest rate and a minimum payment at annuitization, VAs offer investors the opportunity to generate higher rates of return by investing in equity and bond sub-accounts. If a VA is annuitized



for income, the income payments can vary based on the performance of the subaccounts. Risks associated with VAs may include:

- taxes and federal penalties for early withdrawal;
- enduring surrender charges for early withdrawal;
- earnings taxed at ordinary income tax rates;
- mortality expense to compensate the insurance company for insurance risks;
- fees and expenses imposed for the subaccounts;
- other features with additional fees and charges; and
- investment losses.

**Private Placement Life Insurance:** Private placement life insurance ("PPLI") products are long-term investments similar to variable life insurance products, except that purchasers are able to invest policy premiums into various alternative investments. In addition to the risks associated with VAs set forth above, PPLI products also present the risk that, as unregistered securities products, they are not subject to the same regulatory requirements and oversight as their registered counterparts. PPLI products are not suitable for all investors. An investment in PPLI products is subject to fluctuating values of the underlying investment options and it entails risk, including the possible loss of principal. You should consider the investment objectives, risks, charges, and expenses of any PPLI product carefully before investing. Additional risk disclosures and other important information about PPLI products are contained in their offering memorandums, which clients are urged to carefully review with their tax and legal advisors before investing.

**Cash and Cash Equivalents:** Our firm generally invests client cash balances in money market funds, FDIC insured certificates of deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, our firm tries to achieve the highest return on client cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so as to allow us to avail the client of investment opportunities and/or to pay advisory fees without having to liquidate other holdings unexpectedly or prematurely.

## Risks

**General:** Investing in securities involves a risk of loss, (including the risk of total loss) that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and the account(s) could suffer a loss. It is important that clients understand the risks associated with investing in the stock market, are appropriately diversified in investments, and ask any questions. Past performance is not a guarantee of future returns.

**Incomplete or Inaccurate Client Information:** The investments recommended by our firm are based solely upon the information you and/or your trusted advisors provide to us. We rely on this information without verification and you are responsible to advise us promptly of any material changes in such information. While we strive to consult with you on a regular basis, the lack of constant and continuous communication presents a risk insofar as your liquidity, net worth, risk tolerance and/or investment goals could change abruptly, with no advance notice to our firm, resulting in a mis-aligned investment portfolio and the potential for losses or other negative financial consequences.

**Financial Risk:** Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron or many of the dot com companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

**Economic Risk:** The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a

large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

**Strategy Risk:** There is no guarantee that the investment strategies discussed herein will work under all market conditions and each investor should evaluate his/her ability to maintain any investment he/she is considering in light of his/her own investment time horizon. Investments are subject to risk, including possible loss of principal.

**Market Risk and Company Specific Risk:** Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. The value of your portfolio may decrease if the value of an individual company or multiple companies in the portfolio decreases or if our belief about a company's intrinsic worth is incorrect. Further, regardless of how well individual companies perform, the value of your portfolio could also decrease if there are deteriorating economic or market conditions. It is important to understand that the value of your investments may fall, sometimes sharply, in response to changes in the market, and you could lose money. Investment risks include price risk as may be observed by a drop in a security's price due to company specific events (e.g., earnings disappointment or downgrade in the rating of a bond) or general market risk (e.g., such as a "bear" market when stock values fall in general). For fixed-income securities, a period of rising interest rates could erode the value of a bond since bond values generally fall as bond yields go up. When investing in particular stocks, there is the risk that the underlying company will perform poorly or have its value reduced based on factors specific to the company or its industry.

**ETF & Mutual Fund Risk:** The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds.

**Fixed Income Securities Risk:** Typically, the values of fixed-income securities change inversely with prevailing interest rates. Therefore, a fundamental risk of fixed-income securities is interest rate risk, which is the risk that their value will generally decline as prevailing interest rates rise, which may cause your account value to likewise decrease, and vice versa. How specific fixed income securities may react to changes in interest rates will depend on the specific characteristics of each security. Fixed-income securities are also subject to credit risk, prepayment risk, valuation risk, and liquidity risk. Credit risk is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of a bond to decline.

**Interest Rate Risk:** Certain investments involve the payment of a fixed or variable rate of interest to the investment holder. Once an investor has acquired or has acquired the rights to an investment that pays a particular rate (fixed or variable) of interest, changes in overall interest rates in the market will affect the value of the interest-paying investment(s) they hold. In general, changes in prevailing interest rates in the market will have an inverse relationship to the value of existing, interest paying investments. In other words, as interest rates move up, the value of an instrument paying a particular rate (fixed or variable) of interest will go down. The reverse is generally true as well.

**Liquidity Risk:** Certain assets may not be readily converted into cash or may have a very limited market in which they trade. Thus, you may experience the risk that your investment or assets within your investment may not be able to be liquidated quickly, thus, extending the period of time by which you may receive the proceeds from your investment. Liquidity risk can also result in unfavorable pricing when exiting (i.e., not being able to quickly get out of an investment before the price drops significantly) a particular investment and therefore, can have a negative impact on investment returns.

**TPAM Risk:** The risk of investing with a TPAM who has been successful in the past is that they may not be able to replicate that success in the future. In addition, as our firm does not control the underlying investments in a TPAM's portfolio, there is also a risk that a TPAM may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as our firm does not control the TPAM's daily business and compliance operations, our firm may be unaware of the lack of internal controls necessary to prevent business, regulatory, or reputational deficiencies.

## Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management.

## Item 10: Other Financial Industry Activities & Affiliations

As of the date of this firm brochure, neither AWP nor any of its related persons are or intend to become registered as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or registered representative of associated person of any of the foregoing.

As described at Item 5 of this brochure, (i) representatives of our firm are individually licensed as life insurance agents/brokers and/or as real estate brokers and (ii) we are affiliated with AWP Insurance, LLC, a general insurance agency. The foregoing relationships create conflicts of interest between our firm and the client. Please see Item 5 for further information on how we address the conflicts of interest presented by these arrangements.

As further described in Item 5 of this brochure, certain of AWP's related persons may also be affiliated with AWP's Fund Management Affiliates, which in-turn sponsor, manage, and advise our Affiliated Funds. Conflicts of interest exist with respect to such persons' allocation of their time and effort to AWP's advisory clients and the Fund Management Entities. For example, because the compensation these individuals may receive as a result of their efforts on behalf of AWP and the Fund Management Entities varies in character (*i.e.*, asset-based, performance-based, a combination of the two, etc.) and amount, these individuals may be incentivized to allocate more of their time and effort to one or more entities over one or more others.

As another example, the common personnel shared by AWP and its Fund Management Entities may privately offer the securities of the Affiliated Funds to AWP's advisory clients, where appropriate. Should any advisory client invest in any of our Affiliated Fund(s), such shared personnel will indirectly receive compensation as a result. Specifically, such clients will be subject to certain reallocations of profits and payments of management and acquisition fees payable and reallocable to the Fund Management Entities. AWP's shared personnel will receive a portion of these fees and profit reallocations. Therefore, these individuals may be incentivized to recommend investment in our Affiliated Funds to advisory clients.

We mitigate the foregoing conflicts of interest by requiring that AWP and its related persons always act in accordance with AWP's code of ethics (discussed in Item 11 of this brochure) and from principles of fair and equitable dealing and good faith with respect to all of our advisory clients. Our personnel will only recommend investment in the Affiliated Funds to advisory clients when they believe such recommendation is in-line with their fiduciary duty owed to the client and the client's investment objectives, needs, and tolerance for risk. Prior to making an investment in any Affiliated Fund, clients are urged to obtain a comprehensive understanding of the terms and conditions of the investment by reviewing the applicable private offering memorandum, fund operating agreement, subscription documents, organizational documents, and/or other important information regarding the investment objectives, underlying investments, investment time-horizon, costs, fees, tax implications, and the risks associated with participation in the Affiliated Fund. We always encourage clients to review these documents with their independent legal and tax counsel prior to investing.

AWP is affiliated with Stephen T. Olson, Inc., as a result of common ownership and shared management personnel. Stephen T. Olson, Inc. is a licensed real estate brokerage firm and advisory clients of AWP may be referred to Stephen T. Olson, Inc. for commercial or multifamily investment real estate brokerage services. Referrals to of our advisory clients to Stephen T. Olson, Inc. may create a conflict of interest, which the firm attempts to mitigate by acting in the best interest of our clients. We will only refer you to Stephen T. Olson, Inc. when we believe it to be in your best interests. Clients are under no obligation to utilize the services of Stephen T. Olson, Inc.

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

As a fiduciary, it is AWP's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is the guiding principle underlying our Code of Ethics, which includes procedures for personal securities transactions and insider trading. Our firm requires all representatives to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment with our firm, and at least annually thereafter, all representatives of our firm must acknowledge receipt, understanding and compliance with our firm's Code of Ethics. Our firm and its representatives must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively impact or appear to impact our duty of complete loyalty to all clients.

Our firm recognizes that the personal investment transactions of our representatives demands the application of a Code of Ethics with high standards and requires that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, our firm also believes that if investment goals are similar for clients and for our representatives, it is logical, and even desirable, that there be common ownership of some securities.

In order to prevent conflicts of interest, our firm has established procedures for transactions effected by our representatives for their Proprietary Accounts. In order to monitor compliance with our personal trading policy, our firm has pre-clearance requirements and a quarterly securities transaction reporting system for all of our representatives.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. Likewise, related persons of our firm buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize these conflicts of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available to clients, free of charge, upon request. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day, unless included in a block trade.

Except as described above, neither our firm nor our related persons recommend, buy, or sell for client accounts securities in which our firm or any related person has a material financial interest without prior disclosure to the client.

## Item 12: Brokerage Practices

### Selecting a Brokerage Firm

Client assets must be maintained by a qualified custodian, typically a broker-dealer and/or banking institution. Our firm seeks to recommend a custodian who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services (*i.e.*, best execution). The factors considered, among others, may include:

- timeliness of execution;
- timeliness and accuracy of trade confirmations;
- research services provided;

- ability to provide investment ideas;
- execution facilitation services provided;
- record keeping services provided;
- custody services provided;
- frequency and correction of trading errors;
- ability to access a variety of market venues;
- expertise as it relates to specific securities;
- financial condition;
- business reputation; and
- quality of services

In seeking best execution for clients, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Although our firm will seek competitive rates, to the benefit of all clients, our firm may not necessarily obtain the lowest possible commission rates for specific client account transactions.

In view of these considerations, our firm typically recommends that clients engage the custodial and trade execution services of Charles Schwab & Co., Inc. ("Schwab"). Schwab is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). Our firm is independently owned and operated, and not affiliated with or supervised by Schwab.

Schwab will hold client assets in a brokerage account and buy and sell securities when instructed to do so by AWP. While our firm recommends that clients use Schwab as their custodian/broker, clients will decide whether to do so and open an account with Schwab by entering into an account agreement directly with either firm. AWP does not open the account. The client authorizes our firm to direct the execution of transactions for the client's account through the client's chosen custodian.

### Schwab Disclosures

Where your account is maintained at Schwab, AWP will use Schwab as the broker to execute trades. Schwab generally does not charge a separate fee for custody services but is compensated by charging commissions or other fees to clients on trades that are executed or that settle into the Schwab account. For some accounts, Schwab may charge your account a percentage of the dollar amount of assets in the account in lieu of commissions. Schwab's commission rates and/or asset-based fees applicable to client accounts were negotiated based on our firm's commitment to maintain a minimum threshold of assets in accounts at Schwab. This commitment benefits clients because the overall commission rates and/or asset-based fees paid are lower than they would be if our firm had not made the commitment. In addition to commissions or asset-based fees, Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that our firm has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a Schwab account. Since trades for accounts custodied at Schwab are expected to be executed exclusively utilizing Schwab's execution services, we generally do not expect to incur any "trade away fees" in client accounts, although they may occur on occasion. These fees are in addition to the commissions or other compensation paid to the executing broker-dealer. Because of this, in order to minimize client trading costs, our firm has Schwab execute most trades for the accounts.

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like AWP. They provide our firm and clients with access to Schwab's institutional brokerage – trading, custody, reporting, and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help manage or administer our client accounts while others help manage and grow our business. Schwab's support services are generally available on an unsolicited basis (our firm does not have to request them) and at no charge as long as our firm keeps a total of at least \$10 million of client assets in accounts at Schwab. If our firm has less than \$10 million in client assets at Schwab, our

firm may be charged quarterly service fees. Here is a more detailed description of Schwab's support services:

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which our firm might not otherwise have access or that would require a significantly higher minimum initial investment by firm clients. Schwab's services described in this paragraph generally benefit clients and their accounts.

Schwab also makes available other products and services that benefit our firm but may not directly benefit clients or their accounts. These products and services assist in managing and administering our client accounts. They include investment research, both Schwab's and that of third parties. This research may be used to service all or some substantial number of client accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

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

Schwab also offers other services intended to help manage and further develop our business enterprise. These services include:

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

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

Irrespective of direct or indirect benefits to our client through Schwab, our firm strives to enhance the client experience, help clients reach their goals and put client interests before that of our firm or associated persons.

### Soft Dollars

Our firm does not receive soft dollars in excess of what is allowed by Section 28(e) of the Securities Exchange Act of 1934. The safe harbor research products and services obtained by our firm will generally be used to service all of our clients but not necessarily all at any one particular time.

### Client Brokerage Commissions

Schwab does not make client brokerage commissions generated by client transactions available for our use.

### Brokerage for Client Referrals

Our firm does not receive brokerage for client referrals.

### Directed Brokerage

Neither our firm nor any of our firm's representatives have discretionary authority in making the determination of the brokers-dealers and/or custodians with whom orders for the purchase or sale of securities are

placed for execution or the commission rates at which such securities transactions are effected.

If the client directs AWP to direct execution of transactions through a custodian other than our recommended custodians (*i.e.*, directed brokerage), you are advised that we may be unable to seek best execution of your transactions and your commission costs may be higher than those of our recommended custodians. For example, in a directed brokerage account, you may pay higher brokerage commissions and/or receive less favorable prices on the underlying securities purchased or sold for your account because we may not be able to aggregate your order with the orders of other clients. In addition, where you direct brokerage, we may place orders for your transactions after we place transactions for clients using our recommended custodian. We reserve the right to reject your request to use a particular custodian if such selection would frustrate our management of your account, or for any other reason.

**Special Considerations for ERISA Clients.** A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted, provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, our firm will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

### Aggregation of Orders

AWP provides investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when our firm believes that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner that is deemed equitable to the accounts involved. In any given situation, our firm attempts to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration, and consistently non-arbitrary methods of allocation.

### Item 13: Review of Accounts

Accounts are monitored on a regular and continuous basis by the firm's Managing Principal, Stephen T. Olson, and/or the primary financial advisor assigned to service the client's account. Formal client reviews are conducted at least bi-annually or more frequently at the client's request.

The nature of these reviews is to learn whether client accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable.

The client will receive brokerage statements no less than quarterly from the trustee or custodian of their assets. In addition to these statements, our firm will provide quarterly performance reports to PWM Services clients. The client may also establish electronic access to the custodian's website so that the Client may view these reports and their account activity.

Our firm may review client accounts more frequently than described above. Among the factors that may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

## Item 14: Client Referrals & Other Compensation

### Benefits Received from Schwab

Our firm receives economic benefits from Schwab in the form of the support products and services made available to our firm and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit our firm, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability of Schwab's products and services is not based on our firm giving particular investment advice, such as buying particular securities for our clients.

### Referral Fees

Our firm does not engage paid solicitors for client referrals, nor do we receive any referral fees in connection of referrals of our clients to third party service providers. We may recommend the use of certain third-party professionals to assist you in implementing our recommendations. We will only do so when we believe the same to be in your best interests. The third-parties we may refer you to may include, without limitation, attorneys, certified public accountants, insurance agents, and others. AWP is not a law firm, accounting firm, or insurance agency, nor are we acting as accountants or tax advisors when providing you with investment advice. Clients are advised to consult with the independent legal and tax advisors regarding these matters. Accordingly, no portion of our recommendations should be construed as legal, tax, or accounting advice. Clients may elect to engage any recommended third-party professionals at their own discretion and risk.

### Item 15: Custody

Client accounts are typically held by a qualified custodian such as Schwab. Except for our ability to directly deduct our advisory fees from client accounts and as otherwise explained below in this Item 15, AWP shall not have custody of client assets and shall have no liability to the client for any loss or other harm to any property in the account as the result of nondirected activities. This includes harm to any property in the account resulting from the insolvency of the custodian or any unauthorized acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the SIPC or any other insurance which may be carried by the custodian. Clients are advised that the SIPC provides only limited protection for the loss of property held by a broker-dealer.

Account statements sent to the client by the custodian will reflect any advisory fees directly deducted by our firm. We strongly urge you to review and compare the investment advisory fees contained in the custodial account statements and any invoices, statements, or reports received from us for accuracy. You should contact us immediately if there is any discrepancy or if you have any questions about your account.

As an administrative convenience, we may offer clients the option to execute a Standing Letter of Authorization ("SLOAs") granting our firm the ability to disburse or transfer client funds to specific payees or accounts identified by the client. A client's decision to execute a SLOA authorizing payments to a third party payee will result in our firm being deemed to have custody over the client's funds. Where a client has executed a SLOA, AWP follows the additional safeguarding procedures set forth in the SEC's no-action letter to the Investment Adviser Association dated February 21, 2017.

As discussed above in Items 5, 10 and 11, certain related persons of AWP are also affiliated with the Fund Management Affiliates which sponsor, manage, and advise the Affiliated Funds. This dual affiliation results in our firm being imputed with custody over client funds that are invested in our Affiliated Funds. Because AWP is deemed to have custody of the assets invested in the Affiliated Funds by its advisory clients, the firm is subject to certain annual independent audit requirements relating to its Affiliated Funds. Each participant in the Affiliated Funds will receive periodic progress reports regarding their investment in the fund. In addition, in accordance with Rule 206(4)-2(b)(4) under the Investment Advisers Act of 1940, each

Affiliated Fund will engage an independent public accountant who is subject to examination by the Public Company Accounting Oversight Board to verify the fund's assets and prepare audited financial statements at the end of each fiscal year of operations. The Affiliated Funds will distribute such audited financial statements to each participant within 120 days of the end of each fiscal year.

#### **Item 16: Investment Discretion**

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We generally require clients to provide our firm with investment discretion on their behalf, pursuant to a written advisory agreement. By granting investment discretion, our firm is authorized to execute securities transactions, determine which securities are bought and sold, the total amount to be bought and sold, and the timing of such transactions. Should clients grant our firm non-discretionary authority, our firm is required to obtain the client's permission prior to effecting securities transactions. Limitations may be imposed by the client in the form of specific constraints on any of these areas of discretion with our firm's written acknowledgement.

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

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Our firm does not accept authority to vote client securities, nor do we offer to provide clients advice regarding how to vote proxies. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. Any proxies received by us will be promptly forwarded to you. Clients are solely responsible for exercising their rights to vote as a shareholder.

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

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While we do require prepayment of more than \$1,200 in fees for certain of our services, all services to be rendered on account of these prepayments are completed within six months. Our firm does not have any financial condition or commitment that impairs our ability to meet our contractual and fiduciary obligations to clients, nor have we ever been the subject of a bankruptcy proceeding.