

# TruClarity Wealth Advisors

*a Registered Investment Adviser*

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**March 22, 2024**

## **FORM ADV PART 2A BROCHURE**

This brochure provides information about the qualifications and business practices of TCWP LLC dba TruClarity Wealth Advisors (hereinafter "TCWP" or the "Firm"). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about TCWP LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

TCWP LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## **Item 2 Summary of Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment in March of 2023, we have no material changes to report.

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## Item 4 Advisory Business

TCWP offers a variety of advisory services, which include financial planning, consulting, and investment management services. Prior to TCWP rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with TCWP setting forth the relevant terms and conditions of the advisory relationship (the "Advisory Agreement").

TCWP allows its investment adviser representatives ("IARs") autonomy in managing client assets. Each IAR will determine the recommended investments in client accounts and will have his or her own methods of analysis and investment strategies.

TCWP offers services through its network of IARs. IARs may use D/B/A names ("doing business as" names) and such names and logos are used for marketing purposes and may appear on marketing materials or client statements. The IARs are under the supervision of TCWP, and the advisory services of the IAR are provided through TCWP. For a complete list of D/B/A names please refer to the Firm's ADV Part 1, accessible through the SEC's website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), or in certain instances the D/B/A name is listed on the IAR's ADV Part 2B Brochure.

TCWP filed for registration as an investment adviser in July 2019. The Firm is owned by MGO/OS Holdings, LLC.

As of December 31, 2023, TCWP had \$100,511,738 in total assets under regular and continuous management, of which \$99,034,093 was managed on a discretionary basis and \$1,477,645 was managed on a non-discretionary basis.

While this brochure generally describes the business of TCWP, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or other persons who provide investment advice on TCWP's behalf and are subject to the Firm's supervision or control.

### Financial Planning and Consulting Services

TCWP offers clients a broad range of financial planning and consulting services. These services can include asset allocation recommendations of assets not managed by the Firm (including alternative investments) and preliminary financial planning advice. These services are included with the Firm's investment management services as described below. The Firm may also be engaged to provide more substantial financial planning and consulting services as part of a separate agreement.

In performing these services, TCWP is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information provided by the client or client's other professionals. TCWP expects to recommend certain clients engage the Firm for additional related services, its Supervised Persons in their anticipated individual capacities as insurance agents or registered representatives of a broker-dealer and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage TCWP or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by TCWP under financial planning or consulting advice. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising TCWP's recommendations and/or services.

## **Investment and Wealth Management Services**

TCWP manages client investment portfolios on a discretionary or non-discretionary basis. TCWP primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities, options and independent investment managers ("Independent Managers") in accordance with the client's stated investment objectives.

Clients can engage TCWP to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts, and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, TCWP directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

TCWP tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. TCWP consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify TCWP if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if TCWP determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

## **Use of Independent Managers**

As mentioned above, TCWP selects certain Independent Managers to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an Independent Manager may be set forth in a separate written agreement with the designated Independent Manager. In addition to this brochure, clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

TCWP evaluates a variety of information about Independent Managers, which includes the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. TCWP also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

TCWP continues to provide services relative to the discretionary or non-discretionary selection of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. TCWP seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

## **Rollover Recommendations**

For purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the

Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so 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 is reasonable for our services; and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

## **Item 5 Fees and Compensation**

TCWP offers services for fixed fees as well as fees based upon assets under management. Additionally, the Firm anticipates that certain of the Firm's Supervised Persons, in their individual capacities, will offer securities brokerage services and/or insurance products under a separate commission-based arrangement separate and apart from the advisory services offered by TCWP.

### **Investment Management Fees**

TCWP offers investment management services for an annual fee based on the amount of assets under the Firm's management. This management fee varies between 25 and 150 basis points (0.25% – 1.50%), depending upon the size and composition of a client's portfolio, the type of services rendered, and the IAR providing the services.

The annual fee is prorated and charged monthly, in advance (although the Firm may charge its fee in arrears in limited circumstances and as agreed upon with the client), based upon the market value of the assets being managed by TCWP on the last day of the previous month. Valuation is provided by an independent third party which includes the custodian of the assets, a third-party reporting provider, and the issuer of private securities that are audited annually.

If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is not adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a pro rata basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments where liquidity is limited, etc.), TCWP may negotiate a fee rate that differs from the range set forth above. The reduced fee is for considering these investments as part of the client's overall asset allocation, reporting, supporting capital calls, tax harvesting, etc.

Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage TCWP for additional services for compensation, including rolling over retirement accounts or moving other assets to the Firm's management. Clients retain absolute discretion over all decisions regarding engaging the Firm and are under no obligation to act upon any of the recommendations.

### **Financial Planning and Consulting Services Fees**

For financial planning and consulting services that are not included in the investment management services, TCWP will charge a fixed fee that is calculated by multiplying a negotiable hourly rate by the estimated amount of time needed to complete the financial planning or consulting project. Prior to engaging TCWP to provide financial planning or consulting services, client will be required to enter into a written agreement. The agreement will set forth the terms and conditions of the engagement and will describe the scope of the services to be provided. Generally, fees are due upon execution of the agreement. TCWP does not require the prepayment of over \$1,200, six or more months in advance. Either party may terminate the financial planning or consulting agreement by written notice to the other. Any pre-paid, unearned fees will be promptly refunded to the client.

### **Fee Discretion**

TCWP may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as assets under management, range of investments, complexity of financial circumstances, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

### **Additional Fees and Expenses**

In addition to the advisory fees paid to TCWP, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "qualified custodians"). These additional charges include securities brokerage commissions, transaction fees, custodial fees, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12, below.

Advisory fees charged by Independent Managers are separate and apart from the Firm's fees. Advisory fees paid to the Independent Managers are established and payable in accordance with the disclosure brochure and/or client agreement provided by each Independent Manager to whom the client is recommended. These fees may or may not be negotiable. TCWP anticipates that in some cases, the Firm will share in the fee charged by the Independent Manager. Depending on the Independent Manager, clients may or may not be able to negotiate the portion of the fee payable to TCWP. The client will generally be required to sign an agreement directly with the Independent Managers.

Since TCWP's compensation may differ depending upon the use of a particular Independent Manager (where the Independent Manager shares its fee with the Firm), the Firm has an incentive to recommend one Independent Manager over another. At all times TCWP and its Supervised Persons will uphold their fiduciary duty to clients.

Independent Managers may offer wrapped or non-wrapped pricing options. Wrap pricing structures allow the client to pay an all-inclusive fee for management, brokerage, clearance, custody, and administrative services.

A complete description of the programs and services provided, the amount of total fees, the payment structure, termination provisions and other aspects of each Independent Manager are detailed and disclosed in the Independent Manager's disclosure brochure and other documents and agreements. A copy of all relevant documents of the Independent Manager will be provided to clients that are recommended to such Independent Managers.

### **Direct Fee Debit**

Clients provide TCWP and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The qualified custodians that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to TCWP. Alternatively, clients may elect to have TCWP send a separate invoice for direct payment.

### **Use of Margin**

TCWP may be authorized to use margin in the management of the client's investment portfolio. In these cases the fee payable will be assessed gross of margin such that the market value of the client's account and corresponding fee payable by the client to TCWP will be increased. Where investment management fees are assessed gross of margin, a conflict of interest exists as the Firm has an incentive to use margin to increase its fees.

### **Account Additions and Withdrawals**

Clients can make additions to and withdrawals from their account at any time, subject to TCWP's right to terminate an account. Additions can be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client's account. Clients can withdraw account assets upon notice to TCWP, subject to the usual and customary securities settlement procedures. However, the Firm designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. TCWP may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

TCWP does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

## **Item 7 Types of Clients**

TCWP offers services to individuals, trusts, estates, corporations and business entities.

TCWP has not established a minimum account size or a minimum advisory fee for services to be rendered to a client.

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

### **Methods of Analysis and Investment Strategies**

As described above TCWP allows its IARs autonomy in managing client assets. Each IAR will determine the recommended investments in client account and will have his or her own methods of analysis and investment strategies. TCWP will supervise IAR recommendations under the Firm's fiduciary duty to its clients. TCWP anticipates that IARs will utilize one or more of the following methods of security analysis:

Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For TCWP, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security. Technical analysis involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients.

Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that TCWP will be able to accurately predict such a reoccurrence.

Cyclical analysis is similar to technical analysis in that it involves the assessment of market conditions at a macro (entire market or economy) or micro (company specific) level, rather than focusing on the overall fundamental analysis of the health of the particular company that TCWP is recommending. The risks with cyclical analysis are similar to those of technical analysis.

Behavioral finance analysis involves an examination of conventional economics as well as behavioral and cognitive psychological factors. Behavioral finance methodology seeks to combine a qualitative and quantitative approach to provide explanations for why individuals may, at times, make irrational financial decisions. Where conventional financial theories have failed to explain certain patterns, the behavioral finance methodology investigates the underlying reasons and biases that cause some people to behave against their best interests. The risks relating to behavior finance analysis are that it relies on spotting trends in human behavior that may not predict future trends.

Modern Portfolio Theory ("MPT") is a mathematical based investment discipline that seeks to quantify expected portfolio returns in relation to corresponding portfolio risk. The basic premise of MPT is that the risk of a particular holding is to be assessed by comparing its price variations against those of the market portfolio. However, MPT disregards certain investment considerations and is based on a series of assumptions that may not necessarily reflect actual market conditions. As such, the factors for which MPT does not account (e.g., tax implications, regulatory constraints and brokerage costs) may negate the upside or add to the actual risk of a particular allocation. Nevertheless, TCWP's investment process is structured in such a way to integrate those assumptions and real life considerations for which MPT analytics do not account.

## **Risk of Loss**

The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with respect to the Firm's investment management activities. Clients should consult with their legal, tax, and other advisors before engaging the Firm to provide investment management services on their behalf.

### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of TCWP's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. In addition, investments may be adversely affected by financial markets and economic conditions throughout the world. There can be no assurance that TCWP will be able to predict these price movements accurately or capitalize on any such assumptions.

### *Volatility Risks*

The prices and values of investments can be highly volatile, and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.

### *Geopolitical Risks*

Geopolitical and other events (e.g., war or terrorism) may disrupt securities markets and adversely affect global economies and markets, thereby decreasing the value of an account's investments. Sudden or significant changes in the supply or prices of commodities or other economic inputs such as oil may have material and unexpected effects on both global securities markets and individual countries, regions, sectors, companies, or industries, which could significantly reduce the value of an account's investments. War, terrorism and related geopolitical events have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets generally.

### *Cash Management Risks*

The Firm may invest some of a client's assets temporarily in money market funds or other similar types of investments, during which time an advisory account may be prevented from achieving its investment objective.

### *Equity-Related Securities and Instruments*

The Firm may recommend long positions in common stocks of U.S. and non-U.S. issuers traded on national securities exchanges and over-the-counter markets. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and factors specific to the industry in which the issuer participates. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments, and the stock prices of such companies may suffer a decline in response. In addition, equity securities are subject to stock risk, which is the risk that stock prices historically rise and fall in periodic cycles. U.S. and non-U.S. stock markets have experienced periods of substantial price volatility in the past and may do so

again in the future. In addition, investments in small-capitalization, mid-capitalization and financially distressed companies may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity, and these issuers often face greater business risks.

#### *Fixed Income Securities*

Fixed income securities are subject to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations and to price volatility.

#### *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

#### *Use of Independent Managers*

As stated above, TCWP selects certain Independent Managers to manage a portion of its clients' assets. In these situations, TCWP continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, TCWP does not have the ability to supervise the Independent Managers on a day-to-day basis.

#### *Reliance on Investment Adviser Representatives*

A client's IAR is primarily responsible for investments. While the Firm does supervise the IAR and oversee accounts based on general parameters, a client's performance will be highly reliant on that client's IAR to successfully implement their investment strategy. Some IARs may achieve better performance than others.

### *Use of Private Collective Investment Vehicles*

TCWP recommends that certain clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

### *Options*

Options allow investors to buy or sell a security at a contracted "strike" price at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (i.e., limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

### *Real Estate Investment Trusts (REITs)*

TCWP recommends an investment in, or allocate assets among, various real estate investment trusts ("REITs"), the shares of which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle's shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.

### *Structured Products*

A structured product, also known as a market-linked product, is generally a pre-packaged investment strategy based on derivatives, such as a single security, a basket of securities, options, indices, commodities, debt issuances, and/or foreign currencies, and to a lesser extent, swaps. Structured products are usually issued by investment banks or affiliates thereof. They have a fixed maturity, and have two components: a note and a derivative. The derivative component is often an option. The note provides for periodic interest payments to the investor at a predetermined rate, and the derivative component provides for the payment at maturity. Some products use the derivative component as a put option written by the investor that gives the buyer of the put option the right to sell to the investor the security or securities at a predetermined price. Other products use the derivative component to provide for a call option written by the investor that gives the buyer of the call option the right to buy the security or securities from the investor at a predetermined price. A feature of some structured products is a "principal guarantee" function, which offers protection of principal if held to maturity. However, these products are not always Federal Deposit Insurance Corporation insured; they may only be insured by the issuer, and thus have the potential for loss of principal in the case of a liquidity crisis, or other solvency problems with the issuing company. Investing in structured products involves a number

of risks including but not limited to: fluctuations in the price, level or yield of underlying instruments, interest rates, currency values and credit quality; substantial loss of principal; limits on participation in any appreciation of the underlying instrument; limited liquidity; credit risk of the issuer; conflicts of interest; and, other events that are difficult to predict.

#### *Use of Margin*

While the use of margin borrowing for investments can substantially improve returns, it may also increase overall portfolio risk. Margin transactions are generally effected using capital borrowed from a qualified custodian, which is secured by a client's holdings. Under certain circumstances, a lending qualified custodian may demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the qualified custodian may liquidate account assets to satisfy the client's outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of a client's borrowings and the corresponding interest rates may have a significant effect on the profitability and stability of a client's portfolio.

#### *Currency Risks*

An advisory account that holds investments denominated in currencies other than the currency in which the advisory account is denominated may be adversely affected by the volatility of currency exchange rates.

#### *Interest Rate Risks*

Interest rates may fluctuate significantly, causing price volatility with respect to securities or instruments held by clients.

### **Item 9 Disciplinary Information**

TCWP has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

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

This item requires investment advisers to disclose certain financial industry activities and affiliations.

#### **Registered Representatives of a Broker-Dealer**

None of the Firm's Supervised Persons are registered representatives of a broker-dealer.

#### **Licensed Insurance Agents**

Certain of the Firm's Supervised Persons are licensed insurance agents and offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that TCWP recommends the purchase of insurance products where its Supervised Persons are entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

## **Affiliated Entities**

MGO/OS Holdings, LLC owns TCWP LLC. The majority owner of MGO/OS Holdings, LLC is We Are One Seven LLC, and the primary owner of We Are One Seven LLC is Ron Gross. We Are One Seven LLC owns a registered investment adviser operating under the name MGO One Seven, LLC d/b/a OneSeven. MGO One Seven, LLC and TCWP LLC share common ownership and management.

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

TCWP has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. TCWP's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of TCWP's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments; (iii) shares issued by money market funds; and iv) shares issued by other unaffiliated open-end mutual funds.

Clients and prospective clients may contact TCWP to request a copy of its Code of Ethics.

## **Item 12 Brokerage Practices**

### **Recommendation of Broker-Dealers for Client Transactions**

TCWP recommends that clients utilize the custody, brokerage and clearing services of a qualified custodian for investment management accounts. TCWP will participate in the institutional program offered by the qualified custodians that it recommends. Like managing client assets, TCWP allows its IARs autonomy in choosing which qualified custodian to recommend to clients. TCWP will receive benefits from the qualified custodians for participation in their programs. The final decision to custody

assets with a recommended qualified custodian is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. TCWP is independently owned and operated and not affiliated with any of the qualified custodians. The qualified custodians provide with access to its institutional trading and custody services, which are typically not available to retail investors.

Factors which TCWP considers in recommending a qualified custodian include their respective financial strength, reputation, execution, pricing, research and service. The qualified custodians enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The qualified custodians have also agreed to reimburse clients for exit fees associated with moving accounts to their institution. The reimbursement is only available up to a certain amount for all of the Firm's clients over a period of time. Fees are reimbursed on a first-come-first-served basis so that no clients are favored. The commissions and/or transaction fees charged by a qualified custodian may be higher or lower than those charged by other qualified custodians.

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

Transactions may be cleared through other broker-dealers with whom the Firm and its custodians have entered into agreements for prime brokerage clearing services. Should an account make use of prime brokerage, the Client may be required to sign an additional agreement, and additional fees are likely to be charged.

Consistent with obtaining best execution, brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist TCWP in its investment decision-making process. Such research will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used for calculation by the qualified custodian to compensate the Firm for services that are not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because TCWP does not have to produce or pay for the products or services. The Firm may be required by a qualified custodian to maintain a specified dollar amount of assets with that qualified custodian to receive benefits which also results in a conflict of interest.

Some of the products, services, and other benefits provided by the Firm benefit the Firm and not the Firm's clients. Qualified custodians receive compensation from sources including but not limited to mutual funds and annuities, banks, insurance companies, and investment banking relationships, which are not shared with the Firm. The Firm's recommendation that a client place assets with a specific qualified custodian may be based in part on benefits to the Firm, and not solely on the nature, cost, or quality of custody and execution services provided by that qualified custodian.

The qualified custodians do not generally charge the Firm's clients separately for custody but they are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through that qualified custodian or that settle into that qualified custodian's accounts.

TCWP periodically and systematically reviews its policies and procedures regarding its recommendation of qualified custodians in light of its duty to obtain best execution.

### **Software and Support Provided by Qualified Custodians**

TCWP receives without cost from qualified custodians administrative support, computer software, related systems support, as well as other third party support as further described below (together "Support") which allow TCWP to better monitor client accounts maintained at the qualified custodians and otherwise conduct its business. TCWP receives the Support without cost because the Firm renders investment management services to clients that maintain assets at qualified custodians. The Support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The Support benefits TCWP, but not its clients directly. Clients should be aware that TCWP's receipt of economic benefits such as the Support from a broker-dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker-dealer over another that does not furnish similar software, systems support or services, especially because the support is contingent upon clients placing and maintaining a certain level(s) of assets at that qualified custodian. In fulfilling its duties to its clients, TCWP endeavors at all times to put the interests of its clients first and has determined that the recommendation of a particular qualified custodian is in the best interest of clients and satisfies the Firm's duty to seek best execution.

Specifically, TCWP receives the following benefits from the qualified custodians: i) receipt of duplicate client confirmations and bundled duplicate statements; ii) access to a trading desk that exclusively services its institutional traders; iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; iv) access to an electronic communication network for client order entry and account information; and v) 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.

Depending upon the qualified custodian recommended, that institution also makes the following available to the Firm, at no additional charge:

- Certain research and brokerage services, including research services obtained by the qualified custodian directly from independent research companies, as selected by TCWP (within specified parameters).
- National, regional or Firm specific educational events organized and/or sponsored by the qualified custodian.
- Business entertainment of personnel of TCWP by personnel of the qualified custodian, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities.
- 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), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting.
- Professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing.
- The qualified custodians may discount or waive fees they would otherwise charge for some of the services mentioned herein or pay all or a part of the fees of a third-party providing these

services to the Firm.

The qualified custodians will offer transition assistance or other financial incentives to the Firm ("Transition Assistance"). In general, the Transition Assistance will be determined based upon negotiations between the qualified custodians and the Firm. For example, both Fidelity Brokerage Services LLC and Charles Schwab & Co. have agreed to provide such Transition Assistance in the form of cash payments to TCWP. The Firm will then share this Transition Assistance with some IARs as they join the Firm. Generally, in order to receive or keep the Transition Assistance, the Firm is required to meet or maintain certain asset under management levels and other benchmarks with the qualified custodian. As such, Transition Assistance payments create a conflict of interest between the Firm, the IARs and the clients, since the firm has a financial incentive to recommend those qualified custodians that offer such transition assistance payments over other custodians. Additionally, this also creates an incentive to keep your assets with a qualified custodian that makes such payments to TCWP. Because of this you may pay higher transaction fees or incur other charges (or receive lower interest rates on cash sweep or money market accounts) than might be available elsewhere. While we have an obligation to seek best execution for our clients, in selecting broker-dealers, we will generally seek the best combination of net price and execution for client accounts and may consider other factors, including the broker's trading expertise, stature in the industry, execution ability, facilities, clearing capabilities and financial services offered, reliability and financial responsibility, timing and size of order and execution, difficulty of execution, current market conditions and market liquidity. Best execution is not measured solely by reference to commission rates. Paying a broker a higher commission rate than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered. We do not obligate ourselves to seek the lowest transaction charges in all cases except to the extent that it contributes to the overall goal of obtaining the best results for your account.

While, as a fiduciary, TCWP endeavors to act in its clients' best interests, the Firm's recommendation that clients maintain their assets in accounts at a particular qualified custodian may be based in part on the benefits received and not solely on the nature, cost or quality of custody and brokerage services provided by that qualified custodian, which creates a conflict of interest.

These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as the Firm maintains a certain level of client assets at the qualified custodian. Many of these services generally may be used to service all or some substantial number of the Firm's accounts, including accounts not maintained at that particular qualified custodian. Without these relationships, the Firm would be required to pay for these benefits on its own.

### **Brokerage for Client Referrals**

TCWP does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from the qualified custodians or other third party.

### **Directed Brokerage**

The client may direct TCWP in writing to use a particular qualified custodian to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that qualified custodian and the Firm will not seek better execution services or prices from other qualified custodians or be able to "batch" client transactions for execution through other qualified custodians with orders for other accounts managed by TCWP (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its

duty of best execution, TCWP may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

### **Mutual Fund Share Classes**

Mutual funds are sold with different share classes, which carry different cost structures. Each available share class is described in the mutual fund's prospectus. When we purchase, or recommend the purchase of, mutual funds for a client, we select the share class that is deemed to be in the client's best interest, taking into consideration cost, tax implications, and other factors. When the fund is available for purchase at net asset value, we will purchase, or recommend the purchase of, the fund at net asset value. We also review the mutual funds held in accounts that come under our management to determine whether a more beneficial share class is available, considering cost, tax implications, and the impact of contingent deferred sales charges.

### **Trade Aggregation**

Transactions for each client will be effected independently, unless TCWP decides to purchase or sell the same securities for several clients at approximately the same time. TCWP may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among TCWP's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which TCWP's Supervised Persons may invest, the Firm does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. TCWP does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

## **Item 13 Review of Accounts**

### **Account Reviews**

TCWP monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a semi-annual basis. Such reviews are conducted by the Firm's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with TCWP and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### **Account Statements and Reports**

Clients are provided with transaction confirmation notices and regular summary account statements directly from the qualified custodians where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from TCWP and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from TCWP or an outside service provider.

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

The Firm does not currently provide compensation to any third-party solicitors for client referrals. In the event a client is introduced to TCWP by either an unaffiliated or an affiliated solicitor, the Firm would pay that solicitor a referral fee in accordance with applicable state and federal securities laws. Unless otherwise disclosed, any such referral fee is paid solely from TCWP's investment management fee and does not result in any additional charge to the client. Any affiliated solicitor of TCWP is required to disclose the nature of his or her relationship to prospective clients at the time of the solicitation.

### **Other Compensation**

The Firm receives economic benefits from qualified custodians. The benefits, conflicts of interest and how they are addressed are discussed above in response to Item 12.

## **Item 15 Custody**

TCWP is deemed to have custody of client funds and securities because the Firm is given the ability to debit client accounts for payment of the Firm's fees. As such, client funds and securities are maintained at one or more qualified custodians that serve as the qualified custodian with respect to such assets. Such qualified custodians will send account statements to clients at least once per calendar quarter that typically detail any transactions in such account for the relevant period.

In addition, TCWP is deemed to have limited custody due to clients giving the Firm limited power in a standing letter of authorization to disburse funds to one or more third parties as specifically designated by the client. In such circumstances, the Firm has implemented the steps in the SEC's February 21, 2017 no-action letter which includes (in summary): i) instruction from the client to the custodian; ii) client authorization to the Firm to direct transfers to the third party; iii) the custodian performs appropriate verification of the instruction and provides a transfer of funds notice to the client promptly.

after each transfer; iv) the client has the ability to terminate or change the instruction; v) the Firm has no authority or ability to designate or change the identity or any information about the third party; vi) the Firm will keep records showing that the third party is not a related party of the Firm or located at the same address as the Firm; and vii) the custodian sends the client an initial and annual notice confirming the instruction.

In addition, as discussed in Item 13, TCWP will also send, or otherwise make available, periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the qualified custodians and compare them to those received from TCWP.

## **Item 16 Investment Discretion**

TCWP is given the authority to exercise discretion on behalf of certain clients. TCWP is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. TCWP is given this authority through a power-of-attorney included in the agreement between TCWP and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). TCWP takes discretion from certain clients over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made;
- The broker-dealer that executes trades (in the case of a prime brokerage relationship); and
- The Independent Managers to be hired or fired.

## **Item 17 Voting Client Securities**

### **Acceptance of Proxy Voting Authority and Engagement of Independent Third Party**

TCWP accepts the authority to vote a client's securities (i.e., proxies) on their behalf. When TCWP accepts such responsibility, it will cast proxy votes only in a manner it believes consistent with the best interest of its clients. At any time clients may contact the Firm to request information about how TCWP voted proxies for that client's securities.

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Investment Advisers Act, TCWP has adopted and implemented written policies and procedures governing the voting of client securities. All proxies that TCWP receives will be treated in accordance with these policies and procedures.

TCWP has engaged the services of Broadridge's ProxyEdge platform to vote and maintain records of all proxies. TCWP's complete proxy voting policy, procedures, and those of its proxy voting service providers, are available for client review. In addition, our complete proxy voting record is available to our clients, and only to our clients.

In addition, TCWP has also contracted with Broadridge as provider to file Class Actions "Proof of Claim" forms. Occasionally, securities held in the accounts of clients will be the subject of class action lawsuits. TCWP has retained the services of Broadridge to provide a comprehensive review of our clients' possible claims to a settlement throughout the class action lawsuit process. Broadridge actively

seeks out any open and eligible class action lawsuits. Additionally, Broadridge files, monitors and expedites the distribution of settlement proceeds in compliance with SEC guidelines on behalf of our clients.

Clients may contact TCWP at the phone number on the front of this document if they have any questions or if they would like to review any of these documents.

## **Item 18 Financial Information**

TCWP is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.