



# True Wealth Advisory Group

**“We help lead your financial life, so you can lead your ideal life.”**

## **FORM ADV Part 2A Disclosure Brochure**

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**This brochure provides information about the qualifications and business practices of True Wealth Advisory Group, LLC (“TWAG”). If you have any questions about the contents of this brochure, please contact us at 786-358-0050. 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 True Wealth Advisory Group, LLC (CRD # 306523) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). TWAG 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 Material Changes

In Item 2, registered investment advisers are required to communicate material changes to its business since the last annual updating amendment. Since its latest Annual Amendment was filed on March 31, 2023, TWAG (or the “Firm”) has experienced the following material changes:

- Item 4: TWAG has changed the address of one of its places of business.
- Item 4: TWAG has expanded its advisory offerings to offer investors non-discretionary investment management services.
- Item 4: TWAG has amended its regulatory assets under management.
- Item 4: TWAG has amended its assets under advisement.
- Item 5: TWAG’s non-discretionary investment management services will be furnished to clients at the same fees and attendant charges described for our Firm’s discretionary investment services.
- Item 16: TWAG has amended its practices concerning when our Firm maintains investment discretionary authority.

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## Item 4 Advisory Business

### Description of True Wealth Advisory Group, LLC

True Wealth Advisory Group, LLC ("TWAG" or the "Firm"), formed in October 17, 2017, is organized as a limited liability company ("LLC") under the laws of the State of Delaware. TWAG is wholly owned by TWAG Holdings, Inc. which in turn is wholly owned by Marc Shachtman, our founder and Chief Executive Officer ("CEO"). Mr. Shachtman also serves as TWAG's Chief Investment Officer ("CIO"). Since February 2, 2022, TWAG has been registered as an investment adviser with the U.S. Securities and Exchange Commission ("SEC"). Prior to the effective date of our registration, TWAG's primary location and places of business are based in Florida.

As used in this Form Part 2A Disclosure Brochure (or "Disclosure Brochure"), True Wealth Advisory Group, LLC is also referred to as "TWAG," "we," "our," and "us," and, as used in this Disclosure Brochure, "client" is also referred to as "you," "your," and any prospective client.

Prior to TWAG rendering any advisory services, clients are required to enter into one or more written agreements with TWAG setting forth the relevant terms and conditions of the advisory relationship (the "Advisory Agreement").

### Services Offered

Clients can retain TWAG to provide discretionary investment management services, non-discretionary investment management services, and consulting services to them. For discretionary investment management services, TWAG's clients are provided these services through the True Wealth Advisory Group Wrap Fee Program (the "Program"), which is described in more detail in the True Wealth Advisory Group Wrap Fee Program Brochure (the "Wrap Brochure"). Discretionary investment services permit TWAG to implement suitable investment recommendations on your behalf pursuant to the terms of the advisory agreement thereby allowing our Firm to execute transactions in your advisory account without prior notification and approval for each recommended transaction. Non-discretionary investment services are offered through an investment management agreement also and permit the client the ability to approve or decline each investment recommendation from TWAG prior to our Firm effectuating the transaction. Clients retaining TWAG for consulting services may do so through a consulting agreement that is provided to them. For assets in the Program, TWAG is responsible for implementing any of its recommendations and managing the client's assets on an ongoing basis. TWAG's clients are offered custodial services for the securities and monies applicable to their advisory accounts through qualified independent custodians ("custodian(s)") for which TWAG has relationships including, Charles Schwab & Co. ("Schwab"). Schwab is an SEC-registered broker-dealer and FINRA/SIPC member. TWAG also maintains a custodian relationship agreement with Interactive Brokers, LLC, a SEC-registered broker-dealer and FINRA/SIPC member. Additionally, TWAG has an arrangement with the following organizations to provide custody services for investors that invest in virtual currencies: Gemini Trust Company ("Gemini"), Alto Solutions, Inc. d/b/a AltoIRA and NuView Trust Company.

TWAG receives fees for its services as described in Item 5: Fees and Compensation. TWAG's Investment Consulting Agreement allows TWAG to amend the agreement without the requirement to obtain a signature from the client provided our Firm provides advance notification, in writing, within thirty (30) of executing such changes. In addition, the agreement was modified in regard to the liability incurred by TWAG to the extent permitted under applicable laws.

TWAG provides investment consulting services to its clients through which TWAG may, as negotiated with a client, review a client's investment portfolio or certain investments contained within the portfolio. Through the investment consulting arrangement, TWAG may make recommendations with respect to existing or new investments for the portfolio. Nonetheless, under the consulting agreement, TWAG may choose to collaborate in the implementation of its recommendations or managing the client's assets, and clients are free to accept or reject TWAG's recommendations. Clients are generally responsible for implementing TWAG's recommendations and

have the freedom to select their own investment adviser, broker-dealer or other financial institution to implement any recommendations. TWAG uses custodian partners to support the advisory services offered. TWAG receives fees for its services as described in Item 5: Fees and Compensation.

As of February 29, 2024, TWAG managed approximately \$197,255,963 in regulatory assets under management (“RAUM”), including \$182,076,350 on a discretionary basis and \$15,179,613 on a non-discretionary basis. TWAG’s Wrap Program, as of February 29, 2024, consisted of approximately \$111,872,331 in managed assets. Our Firm, as of February 29, 2024, also had approximately \$8,758,699 in additional assets under advisement.

### **Types of Investments**

Our investment recommendations are not limited to any specific product or service offered by a broker dealer, or insurance company, and will generally include advice regarding the advisability of owning equity securities, corporate debt securities, certificates of deposit, municipal securities, annuities, mutual fund shares, exchange-traded products (e.g. ETFs, ETNs), United States government or government agency securities, money market funds, cash and cash equivalents, REITs, MLPs, interests in partnerships investing in real estate, interests in partnerships investing in oil and gas interests, interests in partnerships investing in private equity investments, listed options, private placement investments, and virtual currencies (e.g. cryptocurrencies). Some, but not all, of these types of investments can be managed by TWAG through a discretionary investment management services agreement (or “Advisory Agreement”) or under the Program, while others can only be advised on via TWAG’s consulting agreement.

Subject to our discretion, we may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

### **Use of Independent Managers**

TWAG can select, or recommend, certain third-party independent managers (“Independent Managers”) to actively manage a portion of client assets. When selecting or recommending certain Independent Managers, TWAG delegates its authority to the Independent Manager and no separate client agreement is necessary. TWAG may provide the client with the Independent Manager’s disclosure brochure.

Certain Independent Managers will set forth the specific terms and conditions under which a client engages an Independent Manager in a separate written agreement with the designated Independent Manager. In those cases, clients will also receive the written disclosure documents of the respective Independent Managers engaged in managing their assets.

TWAG evaluates a variety of information about Independent Managers, which may include 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, TWAG seeks to assess the Independent Managers’ investment strategies, past-performance, and risk results in relation to its clients’ individual portfolio allocations and risk exposure. TWAG may also take into consideration each Independent Manager’s management style, returns, reputation, financial strength, reporting, pricing, and research capabilities, among other factors.

TWAG continues to provide services relative to the discretionary recommendation of one or more of the Independent Managers selected for the client. On an ongoing basis, TWAG monitors the performance of those accounts being managed by Independent Managers and seeks to ensure their strategies and target allocations remain aligned with its clients’ investment objectives and overall best interests.

Since our investment strategies and advice are based on each client’s specific financial situation, the investment

advice we provide to you may be different or conflict with the advice we give to other clients regarding the same security or investment. Our investment advice and advisory services are tailored to meet the individual needs of clients. TWAG chooses investments and/or investment strategies it deems appropriate given each of our client's investment objectives and risk tolerance. The selection of an Independent Manager subjects TWAG to a conflict of interest exists as this arrangement requires a portion of the Management Fee to be compensated to the Independent Manager(s) thereby resulting in lower remuneration to TWAG, in general, than occurs when TWAG provides advisory services without the use of an Independent Manager(s).

### **Reasonable Restrictions**

TWAG, and/or the Independent Managers used, allows clients to place reasonable restrictions on investments in certain securities, types of securities, or industries. To implement a restriction, the client (or authorized individual) may request, in writing, a limitation or restriction on our discretionary authority with respect to certain securities, types of securities, or industries, to not be bought or sold. All changes to existing restricted security elections must be submitted to us by the client, in writing, with instructions to TWAG or the Independent Manager to make changes. Clients are reminded that these changes will not be considered in effect until the client receives such confirmation from TWAG.

TWAG may elect to not accept a client's account(s) for management if significant restrictions apply. Once received in writing, TWAG will review the requested restrictions for "reasonableness" which will be determined in TWAG's sole discretion. If TWAG determines that the requested restriction is unreasonable, TWAG will notify the client that TWAG cannot manage the account with the requested restriction. The client may, thereafter, request that the restriction not be implemented in order to engage TWAG or the Independent Manager to manage or continue to manage the account.

Clients should be aware that requested restrictions cannot and will not be implemented on underlying holdings used within the client portfolio of a mutual fund, ETF or other pooled vehicle, and therefore the client's accounts may gain exposure to a restricted security, type of security, or industry, through the use of these vehicles. Furthermore, TWAG does not and will not monitor the underlying holdings of pooled vehicles for restriction purposes. Clients expressly acknowledge this limitation when engaging TWAG or an Independent Manager to continue managing accounts with restrictions. If restrictions create significant limitation on TWAG or an Independent Manager's ability to efficiently and/or effectively manage a client's portfolio, TWAG may elect to not accept the client's account(s) for management.

Finally, TWAG will not act with discretion with respect to restricted securities. Therefore, trades for these restricted securities always require prior approval from the client.

### **True Wealth Advisory Group Wrap Fee Program**

Program assets that are directly managed and traded by TWAG, or an Independent Manager, using institutional access granted by Schwab, and generally consist of different investments and objectives than as compared to Consulting assets, which we cannot directly manage, and which are generally limited in scope to certain alternative investments and targeted objectives. Clients in the Program pay a single "Wrap Fee", from which TWAG receives Advisory Fees, but which also covers other costs such as transaction fees, wire fees, maintenance fees, custodial fees, and other administrative costs. Please refer to Item 5: Fees and Compensation for more information on fees and how we are compensated.

### **Private Placement Insurance Products - Only Available to Accredited Investors, Qualified Clients and Qualified Purchasers**

TWAG can act as an adviser to the Investment Manager ("Manager") of Insurance Dedicated Funds (IDF) held in a Private Placement Insurance Products (Life Insurance – "PPLI" or Variable Annuities – "PPVI"). The objective of utilizing these structures is to seek investment returns that accumulate on a tax-deferred basis (through variable

annuities) or are fully exempt from income tax (via life insurance). These PPLI/PPVI offerings are available to Accredited Investors, Qualified Clients and Qualified Purchasers.

TWAG is responsible for providing investment advice to the Manager of the IDFs under an executed Investment Consulting Agreement with the PPLI/PPVI Manager, on behalf of the client. However, TWAG is not responsible for managing such assets, and the Manager is responsible for the implementation of such advice. Therefore, the Manager is always free to accept or reject TWAG's recommendations. The Manager is selected by the Insurance Company to manage client assets.

TWAG is not affiliated with the selected Manager or Insurance Company and does not receive any commission or compensation of any kind from the insurance company.

TWAG collects a fee on the assets under advisement as described under the Investment Consulting Fee description as shown in Item 5: Fees and Compensation.

## **Rollovers**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. Such recommendations shall be undertaken in accordance with our fiduciary obligations and applicable Employee Retirement Income Security Act of 1974 ("ERISA") rules. 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 practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. 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 or consulted by our Firm.

## **Item 5 Fees and Compensation**

In consideration for providing investment consulting services and/or discretionary or non-discretionary investment management services to its clients (provided through TWAG's Wrap Program), TWAG charges an investment consulting fee ("Investment Consulting Fee") and/or True Wealth Advisory Group Wrap Program Fee ("Wrap Fee") which will be based on a percentage of the assets under advisement and/or assets under management. TWAG does not charge a minimum advisory fee or impose a minimum dollar amount in advisory fees for investors. Certain investment opportunities may be subject to initial account opening or investment minimum and/or additional capital commitments or ongoing maintenance minimums. Our Investment Consulting Fee and Wrap Fee are identical, and follow the annual fee schedule as set forth below:

<b>Assets Under Management or Advisement</b>	<b>Annual Fee Percentage</b>
\$0 – 1,999,999	1.15%
\$2,000,000 - 4,999,999	1.05%
\$5,000,000 – 9,999,999	0.85%
\$10,000,000 – 14,999,999	0.75%
\$15,000,000 – 24,999,999	0.70%
\$25,000,000 – 49,999,999	0.50%
\$50,000,000 – 99,999,999	0.40%
\$100,000,000 – 249,999,999	0.35%
\$250,000,000+	0.30%

## **Negotiable Fees**

Investment Consulting Fees and Wrap Fees are negotiable, depending on individual client circumstances. TWAG, in its sole discretion, may negotiate to charge a lesser Investment Consulting Fee and/or Wrap Fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of total assets to be managed or consulted on, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

### **Fee Billing**

TWAG calculates fees for advisory services rendered during a given calendar quarter in advance based on the market value of the investor's assets as of the last day of the previous quarter. Investment Consulting Fees and Wrap Fees are billed and payable, quarterly in advance, based on the market value of the investor's assets as of the last day of the previous quarter. If any assets are added or withdrawn during a billing quarter, TWAG will make appropriate adjustments to our billing in the next quarter based on the number of days for which we rendered advisory services with respect to added or withdrawn assets during such quarter.

TWAG will invoice clients for Investment Consulting Fees, and clients will be responsible for paying such invoices immediately upon receipt. Wrap Fees are deducted directly from clients' brokerage account assets. If the Advisory Agreement is executed at any time other than the first day of a calendar quarter in which the client begins receiving advisory services, the Investment Consulting Fee and/or Wrap Fee will be charged in arrears for that first quarter and will be prorated for the number of days in which advisory services were rendered during the quarter. Thereafter, the Investment Consulting Fee and/or Wrap Fee will be billed and payable, quarterly in advance, as described in the preceding paragraphs.

### **Account Terminations/Refunds**

If an Advisory Agreement is terminated on a day other than the last day of a calendar quarter, TWAG will prorate its fees for the final calendar quarter of services and charge, or refund, amounts as appropriate.

### **Combining Related Accounts for Billing Purposes (or "Householding")**

At our discretion, we may combine the asset values of family members related by blood, marriage or civil union in calculating the fees to be charged. Combining asset values may increase the asset total on which fees are charged, which may result in your paying a reduced advisory fee rate based on the breakpoints described in the above fee schedule. However, removal of certain family-related assets could result in the elimination of discounts in accordance with the fee schedule.

### **Investment Consulting Fees**

TWAG's Investment Consulting Fees are charged for advisory services rendered to accounts receiving advisory services from TWAG outside of the Program, as shown in the table above. TWAG may agree to monitor a consulting client's account and also provide financial plans to prospective consulting clients at no charge. Separate and apart from the Investment Consulting Fee to be paid to TWAG, clients will be responsible for expenses associated with the implementation of TWAG's recommendations which could include fees and expenses charged by broker-dealers, custodians, investment advisers, and other financial institutions and Private Fund Managers. Such costs could include, without limitation, brokerage commissions mark-ups and mark-downs on fixed-income transactions, other transaction costs, fees and expenses charged by third-party managers, fees and expenses attributable to alternative investments, margin and financing costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees. Certain client accounts, for which TWAG provides investment consulting services, may be held at Interactive Brokers, Gemini Trust Company, AltoIRA and/or NuView IRA, whereby TWAG has been granted view only access to your accounts. Accounts held at these financial institutions shall have certain fees, such as annual account fees, asset holding fees, partner investment



fees, and transaction/trade fees (purchase, sales, re-registration) either absorbed by, or reimbursed by, TWAG, in our sole discretion. This fee absorption and/or reimbursement is not dependent on, or related to, client referrals or solicitation in anyway, and TWAG seeks to apply this process fairly and consistently across client accounts at AltoIRA and/or NuView IRA under the consulting services of TWAG.

## **Wrap Fees**

Wrap Programs, such as the True Wealth Advisory Group's Wrap Program, generally charge a single bundled fee (e.g., Wrap Fee), for providing a bundle of services, such as investment advice, investment research, and brokerage and custodial services. TWAG's Wrap Fee is shown in the table above. From the Wrap Fee, TWAG receives a portion of these fees as the Advisory Fee. The other portion of the Wrap Fees are used to cover securities brokerage commissions and administrative costs imposed by the account's custodian. An inherent conflict of interest exists in connection with charging Wrap Fees because TWAG has an incentive to reduce the number of transactions executed in the account or otherwise take action not to place assets in the Program. TWAG mitigates this risk through continuous monitoring of account activities.

## **Other Fees**

In addition to the Wrap Fee, clients are still responsible for fees charged by third-party investment managers (e.g., operating expenses, management fees) or sub-advisers (collectively, "Independent Managers"), margin and financing costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other costs described in more detail within the True Wealth Advisory Group Wrap Fee Program Brochure. TWAG, in selecting mutual funds will select share classes that do not impose a distribution fee (or "12b-1" fee) unless there is no other viable option. TWAG does not receive any compensation from the fund sponsor including 12b-1 fees. The True Wealth Advisory Group Wrap Fee Program Brochure is presented to a client prior to, or at the time, of becoming a Wrap Fee Program client, and at least annually thereafter.

Investment Consulting Fees and Wrap Fees charged to TWAG clients may be higher or lower than fees charged by other Advisors offering comparable investment advisory services and/or programs.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

## **Item 7 Types of Clients**

TWAG provides advisory services to the following types of clients:

- High-net-worth individuals
- Trusts
- Individuals (other than high-net-worth individuals)
- Corporations or other business not listed above.
- Managers of Insurance Dedicated Funds ("IDFs")

In general, we seek client relationships with a minimum of ten million dollars (\$10,000,000) in assets to provide investment consulting and investment management services. At our sole discretion, we provide advisory services to clients below this minimum account target amount for assets. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our advisement. We may also combine account

values for your family members to meet the stated minimum.

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

### Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- **Cyclical Analysis:** A type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions.
  - **Risk:** The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.
- **Modern Portfolio Theory:** A theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.
  - **Risk:** Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.
- **Long-Term Purchases:** securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
  - **Risk:** Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the advice we render on your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

### Risk Factors

#### *General Risks*

Investing in securities involves risk of loss, including the potential loss of principal, that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. The following discussion of risk factors does not describe all of the risks that are associated with our services, our investment methodologies or strategies, or the investments which we recommend and represents only a summary of any risk factors described herein.

We cannot offer any guarantees or promises that your financial goals and objectives will be achieved. Past performance is in no way an indication of future performance.

In addition to the risks listed below, clients should review the respective offering or similar documents of each mutual fund, ETF, private placement investment, other security or instrument in its portfolio or recommended for

purchase by us for a detailed description of risk factors associated with a particular investment or portfolio. We encourage all of our clients to meet with us on a regular basis to review the assets in the account and the specific risk parameters for the account.

TWAG may invest some of a client's assets temporarily in money market funds or other similar types of "cash" or "cash equivalent" investments, during which time an advisory account may be prevented from, or limited in, achieving its investment objective. TWAG does not charge on cash or money market investments.

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

TWAG may utilize a range of different investment strategies depending upon the investment objectives of the client. The associated risks will vary depending upon which investment products and strategies are recommended. Risks associated with TWAG investment strategies as applicable, include, but are not limited to the following:

TWAG is not required to diversify our strategies. We may utilize a limited number of strategies. In addition, funds that we recommend may invest in underlying funds in the same or similar securities, further limiting the diversification of managed accounts.

We may recommend strategies or markets that underperform as compared to other strategies or securities markets generally. This strategy may cause client accounts to underperform as compared to other investment vehicles that invest in different asset classes. Different types of securities (for example, large-, mid- and small- capitalization stocks or growth or value stocks) tend to go through cycles of performing better—or worse— than the securities markets generally.

We may recommend the use of investment techniques such as leverage, margin transactions, and option transactions. These practices can, in certain circumstances, increase adverse impact to client accounts. We cannot guarantee or represent that our investment strategy will be successful, and investment results may vary substantially over time.

We may recommend that clients invest their assets in various underlying funds, including mutual funds, ETFs, and private funds, which may, in turn, invest in or be comprised of a variety of securities and other instruments. Certain types of securities, such as non-investment grade debt securities, and small capitalization stocks are subject to the risk that the securities may not be sold at the quoted market price within a reasonable period of time. A client holding these securities may experience substantial losses if required to liquidate these holdings.

The price of any security or the value of an entire asset class can decline for a variety of reasons outside of TWAG's control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, demographic, or social events. If a client has a high allocation in a particular asset class, it may negatively affect overall performance to the extent that the asset class underperforms relative to other market assets. Conversely, a low allocation to a particular asset class that outperforms other asset classes in a particular period will cause a client's account to underperform relative to the overall market.

Investment values fluctuate, especially over shorter periods of time. The possibility of capital loss does exist. However, historical data suggests that the risk of principal loss can be minimized if a long-term investment mix, chosen in accordance with your risk tolerances and objectives, is maintained over the long-term. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains are realized on successful investments. Clients may not get a return of capital or realize any gains on their investments. If they do, those returns, or gains may not occur for a substantial period of time after an investment is made.

Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can affect a security's or instrument's value. The value of securities or instruments of smaller, less well-known issuers can be more volatile than that of larger issuers. Issuer-specific events can have a negative impact on the value of client accounts.

TWAG cannot control and clients are exposed to the risk that financial intermediaries or security issuers experience adverse economic consequences that may include impaired credit ratings, default, bankruptcy or insolvency, any of which may affect portfolio values or management. This risk applies to assets on deposit with any broker utilized by a client, notwithstanding asset segregation and insurance requirements that are beneficial to clients generally. In addition, exchange trading venues or trade settlement and clearing intermediaries could experience adverse events that may temporarily or permanently limit trading or adversely affect the value of securities held by clients. Finally, any issuer of securities may experience a credit event that could impair or erase the value of the issuer's securities held by a client.

The value of assets or income from investments may be less in the future as inflation decreases the value of money. As inflation increases, the value of fixed assets can decline. This risk is greater for fixed income securities with longer maturities.

### ***Equity Securities***

The trading prices of equity securities fluctuate in response to a variety of factors. These factors include events impacting a single issuer, as well as political, market and economic developments that affect specific market segments and the stock market as a whole. The value of client accounts, like stock prices generally, will fluctuate within a wide range in response to these factors. As a result, client accounts could lose value over short or even long periods.

Stocks of mid-cap companies tend to be more volatile than those of large-cap companies because mid-cap companies tend to be more susceptible to adverse business or economic events than larger, more established companies. During a period when large- and mid-cap U.S. stocks fall behind other types of investments, bonds or small-cap stocks, for instance, the performance of investment strategies focused on large- and/or mid-cap stocks will lag the performance of these other investments. Historically, small-cap and international stocks have been riskier than large- and mid-cap U.S. stocks. During a period when small-cap and/or international stocks fall behind other types of investments, U.S. large- and mid-cap stocks, for instance, the performance of investment strategies focused on small-cap or international stocks may lag the performance of these other investments. In the past, these periods have lasted in excess of several years.

### ***Fixed-Income Investments***

Changes in interest rates will affect the value of fixed income investments. In general, as interest rates rise, bond prices fall, and conversely, as interest rates fall, bond prices rise. Interest rate risk is generally greater for high yield securities; however, higher-rated fixed income securities are also subject to this risk. Increased interest rate risk is also a factor when investing in fixed income securities paying no current interest (such as zero-coupon securities and principal-only securities), interest-only securities and fixed income securities paying non-cash interest in the form of other securities.

The issuer or guarantor of a fixed income security may be unable or unwilling to make timely payments of interest or principal. This risk is magnified for lower-rated debt securities, such as high yield securities. High yield securities are considered predominantly speculative with respect to the ability of the issuer to make timely payments of interest or principal. In addition, funds that invest in fixed income securities issued in connection with corporate restructurings by highly leveraged issuers or in fixed income securities that are in default may be subject to greater credit risk because of those investments.

## ***Mutual Funds and Exchange-Traded Funds (“ETFs”)***

Mutual fund and/or ETF performance may not exactly match the performance of the index or market benchmark that the mutual fund and/or ETF is designed to track because 1) the mutual fund and/or ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the mutual fund and/or ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the mutual fund and/or ETF and/or for the securities held by the mutual fund and/or ETF may cause the mutual fund and/or ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the mutual fund and/or ETF.

Mutual funds and ETFs typically include embedded expenses that may reduce the fund’s net asset value, and therefore directly affect the fund’s performance and indirectly affect a client’s portfolio performance or an index benchmark comparison. Expenses of the fund may include investment adviser management fees, custodian fees, brokerage commissions, and legal and accounting fees. Mutual fund and/or ETF expenses change from time to time at the sole discretion of the mutual fund and/or ETF issuer. Mutual fund and/or ETF tracking error and expenses vary. Mutual fund and ETF investments rely on third-party management and advisers; TWAG will not have an active role in the day-to-day management of such mutual fund or ETF investments.

Clients should be aware that to the extent TWAG advises on client investments in mutual fund and/or ETFs, clients will pay two levels of compensation - fees charged by TWAG as well as any management fees charged by the issuer of the mutual fund and/or ETF. This scenario may cause a higher cost (and potentially lower investment returns) than if a client purchased the mutual fund and/or ETF directly. Clients are also strongly urged to carefully read the prospectuses and other documents related to investments in mutual funds and ETFs.

## ***Exchange-Traded Notes (“ETNs”)***

An ETN, or an exchange-traded note, is a debt security that acts much like a loan or a bond. Issuers like banks or other financial institutions sell the “note,” which tracks the performance of an underlying commodity or index benchmark. ETNs do not yield dividends or interest in the way that ETFs do. ETNs, in general, are subject to the following risks: (i) Risk of default. An ETN is tied to a financial institution such as a bank. It’s possible for that bank to issue an ETN but fail to pay back the principal after the holding period. If so, they’ll go into default, leaving you with a loss. There’s no absolute protection for owners in this case since ETNs are unsecured. External and social factors can lead to a default, too, not just economic influences; (ii) Redemption risk. Investors can also take a loss if the institution calls its issued ETNs before maturity. This is called call or redemption risk. In this case, the early redemption may result in a lower sale price than the purchase price, leading to a loss; and (iii) Credit risk. The institution that issues the ETN impacts the credit rating of the security. If a bank experiences a drop in its credit rating, so will the ETN. That leads to a loss of value, regardless of the market index it tracks.

## ***Private Placement Investments***

Private placement investments (including, but not limited to, Private Funds and Special Purpose Vehicles) are speculative, not suitable for all investors, and intended for experienced and sophisticated investors who are willing to bear the significant risks of an investment in a private placement investment, which can include: loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices; lack of liquidity in that there may be no secondary market for the investment; volatility of returns; restrictions on the ability to transfer any investment; potential lack of diversification and the resulting concentration risk; absence of information regarding valuations and pricing; complex tax structures and delays in tax reporting; less regulation and higher fees than other investments; and risks associated with operations, personnel, and processes of the manager, fund advisor, and/or sponsor. The performance of a private fund will be dependent in part upon the integrity, skill, and judgment of its portfolio managers.

We conduct the amount and depth of due diligence that we believe is adequate to recommend private placement investments to our clients. However, due diligence is not a guarantee and may not reveal problems associated with

a particular private placement investment. We rely upon representations made by the sponsors, managers, accountants, attorneys, prime brokers and other investment professionals associated with the private placement investment. If any representation is misleading, incomplete, or false, it may result in the selection of private placement investments that might otherwise have been eliminated from consideration had complete and accurate information been made available.

The fee charged by TWAG will result in a layering of fees (e.g., Investment Consulting Fees are in addition to any fees charged by the Private Investment) which will reduce the rate of return that the investor will derive from the underlying private placement investment. Clients are strongly urged to read the offering documents for each private placement investment which detail the services, fees, risk factors, and conflicts of interest associated with the private placement investment.

### ***REITs***

REITs may be subject to associated risks including lack of liquidity, limited cash flow that causes a the value of the shares to diminish and certain offerings not traded on an exchange thereby decreasing overall transparency in the marketplace.

### ***Virtual Currencies***

Virtual currencies are subject to associated risks including the anonymity provided by the trade in virtual currencies on the internet the limited identification and verification of participants, the lack of clarity regarding the responsibility for AML/CFTC compliance, supervision and enforcement for these transactions that are segmented across several countries; and the lack of a central oversight body.

### ***Key Person Risk***

TWAG is a small Firm led by Marc Shachtman, who as CEO and CIO, is responsible for performing and overseeing several key functions including: (i) development of investment strategies; (ii) business development and client engagement; (iii) supervision of personnel; (iv) trading and research; and (v) financial management. This fact of course leads to “key person risk,” or the risk that something could happen to Mr. Shachtman that negatively affects your portfolio and, in more severe situations, disrupt the continuation of firm services. To address key person risk, our Firm has undertaken succession planning yet investors should also consider that the composition of personnel within an organization may change over time or an organization may cease operations due to loss of key personnel (or “Key Person Event”). When a Key Person Event occurs, there is a risk that new personnel or a successor organization may achieve less success than their predecessors.

### ***Pandemics***

As of the date of this filing, a highly contagious form of coronavirus (“COVID-19”), which the World Health Organization declared a pandemic, and potential future outbreaks of this kinds, remain risks to the financial market. The outbreak of COVID-19 caused a worldwide public health emergency with a substantial number of hospitalizations and deaths, and has significantly adversely impacted global commercial activity and contributed to both volatility and material declines in equity and debt markets. The global impact of the outbreak is rapidly evolving, and many country, state and local governments have reacted by instituting mandatory or voluntary quarantines, travel prohibitions and restrictions, closure or reduction of offices, businesses, schools, retail stores and other public venues and/or cancellation, suspension or postponement of certain events and activities, including certain non-essential government and regulatory activity. Businesses continue implementation of their own precautionary measures, such as voluntary closures, temporary or permanent reductions in work force, remote working arrangements and emergency contingency plans. Such measures, as well as the general uncertainty surrounding the dangers, duration and impact of COVID-19, are creating significant disruption in supply chains and economic activity, impacting consumer confidence and contributing to significant market losses, including having particularly adverse impacts on transportation, hospitality, tourism, sports, entertainment and other

industries dependent upon physical presence.

The extent of the impact of COVID-19 or future related outbreaks on clients' investments will depend on many factors, including the duration and scope of the resulting public health emergency, the extent of any related restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted.

### ***Government Regulations***

Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment adviser or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities and changes in the tax code that could affect interest income, income characterization, and/or tax reporting obligations.

Geo-political conflicts. International conflicts have led to, and is currently expected to continue to cause, disruption, instability and volatility in global markets and industries that could negatively impact the portfolio investment objectives. For example, the United States government and other governments have imposed severe sanctions and export controls against Russia and Russian interests and threatened additional sanctions and controls.

## **Item 9 Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

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

Mr. Shachtman serves a member of the Limited Partner Advisory Committee ("LPAC") formed for the purpose of advising the General Partner of a Private Fund Issuer ("Issuer") on specific issues during the lifetime of a fund, including conflicts of interest and material changes to the governing documents of the fund where Limited Partners' consents or approvals are required. Mr. Shachtman receives no direct or indirect compensation for providing these services. The position with the LPAC, however, poses a potential conflict of interest insofar as Mr. Shachtman time devoted to his duties on behalf of the Issuer cannot be otherwise allocated to other activities involving TWAG and its clients.

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

### **Description of Our Code of Ethics**

TWAG has adopted a Code of Ethics, pursuant to Rule 204A-1 of the Investment Advisors Act of 1940, which sets forth high-ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

TWAG and our personnel owe a duty of loyalty, fairness and good faith toward our clients. We have an obligation to adhere not only to the specific provisions of the Code of Ethics, but to the general principles that guide the Code of Ethics. Supervised persons associated with our Firm are also required to report any violations of our Code of Ethics.

Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or

dissemination of material, non-public information about you or your account holdings by persons associated with our Firm. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest:**

TWAG does not engage in principal trading (i.e., the practice of selling stock to advisory clients from an organization's inventory or buying stocks from advisory clients into an organization's inventory) or agency cross transactions (which occurs when an investment adviser, acting as broker for a person other than the advisory client, knowingly makes a sale or purchase of any security for the account of that client). In addition, TWAG does not recommend any securities to advisory clients in which it has some proprietary or ownership interest.

### **Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

TWAG, its affiliates, employees and their families, and trusts, estates, charitable organizations and retirement plans established by, and under the control of, TWAG or its personnel ("Affiliated Persons") may purchase or sell the same securities as are purchased or sold for clients in accordance with its Code of Ethics policies and procedures. The personal securities transactions by advisory representatives and employees raise potential conflicts of interest when they trade in a security that is:

- owned by the client, or
- considered for purchase or sale for the client.

Such conflict generally refers to the practice of front-running (trading ahead of the client), which TWAG specifically prohibits. TWAG has adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in the client's best interest
- prohibit fraudulent conduct in connection with the trading of securities in a client account
- prohibit employees from personally benefitting by causing a client to act, or fail to act in making investment decisions
- prohibit TWAG or its employees from profiting or causing others to profit on knowledge of completed or contemplated client transactions
- allocate investment opportunities in a fair and equitable manner
- provide for the review of transactions to discover and correct any trades that result in an advisory representative or employee benefitting at the expense of a client.

Advisory representatives and employees must follow TWAG's procedures when purchasing or selling the same securities purchased or sold for the client.

### **Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

TWAG and its Affiliated Persons may affect securities transactions for their own accounts that differ from those recommended or effected for other TWAG clients. TWAG will make a reasonable attempt to trade securities in client accounts at or prior to trading the securities in its affiliate, corporate, employee or employee-related accounts. Trades executed the same day will likely be subject to an average pricing calculation. It is the policy of TWAG to place the clients' interests above those of TWAG and its employees.

### **Personal Trading Practices**

TWAG or its supervised persons may buy or sell the same securities in personal securities accounts covered under



our Firm's Code of Ethics that we recommend to you or in securities in which are investors are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our Firm nor persons associated with our Firm shall have priority over your account in the purchase or sale of securities.

Additionally, as these situations represent actual, or potential, conflicts of interest to our clients, we have established the following policies and procedures for implementing TWAG's Code of Ethics, to ensure TWAG complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of TWAG may put his or her own interest above the interest of an advisory client. At this time, TWAG maintains only a proprietary account at Schwab for the purposes of receiving advisory fees owed to our Firm and the account itself is not actively traded to pose conflicts of interest with accounts we manage on behalf of advisory clients.
2. TWAG requires prior approval for any IPO and limited offerings (including private funds or private placement investments) by related persons of TWAG.
3. We maintain a listing of those securities reportable for TWAG and anyone associated with this advisory practice that has access to advisory recommendations ("access person") under our firm's Code of Ethics. These holdings are reviewed on at least an annual basis by TWAG's Chief Compliance Officer ("CCO") or the CCO's designee.
4. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports, as well as initial and annual securities holdings reports, that must be submitted by TWAG's access persons.
5. We require delivery and acknowledgement of the Code of Ethics by each supervised person of TWAG.
6. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
7. Any individual who violates any of the above restrictions may be subject to termination.

## Item 12 Brokerage Practices

### Investment Consulting Services

TWAG does not implement client recommendations when providing investment consulting services to such clients and therefore does not recommend or select broker-dealers, or accept client directed brokerage instructions, in connection with transactions for its investment consulting services. Clients are solely responsible for implementing their own transactions where TWAG is providing investment consulting services. However, as described in Item 5: Fees and Compensation, TWAG may recommend clients place investment consulting assets with NuView IRA or Alto IRA, whereby TWAG can obtain institutional access to view these accounts. TWAG receives no soft dollar benefits or other compensation for recommending these providers.

### The True Wealth Advisory Group Wrap Fee Program

TWAG does not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15—Custody). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We require that our clients use Charles Schwab & Co., Inc. (Schwab), a broker-dealer registered with the SEC, member FINRA and member SIPC, as the qualified custodian for assets managed in the True Wealth Advisory Group's Wrap Program. (Note: Certain investments including private fund offerings, commodities, fixed annuities, among others, are not covered by SIPC. For more information, visit SIPC's website at [SIPC.org](http://SIPC.org).)

We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we require that you use Schwab as custodian/broker for assets in the Program, you will decide whether to do so and will open your account with

Schwab by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described below as well as in Item 14 (Client referrals and other compensation). You should consider these conflicts of interest when selecting your custodian.

We do not open the account for you, although we may assist you in doing so. If you do not wish to place your assets with Schwab, then we cannot directly manage your account. Even though your account is maintained at Schwab, and we anticipate that most trades will be executed through Schwab, we can still use other brokers to execute trades for your account as described below (see “Your brokerage and custody costs”).

#### *How we select brokers/custodians*

We use Schwab, a custodian/broker, to hold your assets and execute transactions. When considering whether the terms that Schwab provides are, overall, most advantageous to you when compared with other available providers and their services, we take into account a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Services delivered or paid for by Schwab
- Availability of other products and services that benefit us, as discussed below (see “Products and services available to us from Schwab”)
- [Insert any other factors your firm considers.]

#### *Your brokerage and custody costs*

For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, mutual funds and ETFs) do not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab’s Cash Features Program. In addition to commissions, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trades through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select brokers/custodians”).

By using another broker or dealer you may pay lower transaction costs.

#### *Products and services available to us from Schwab*

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. They provide our clients and us with access to their institutional brokerage services (trading, custody, reporting and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

***Services that benefit you.*** 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 we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

***Services that do not directly benefit you.*** Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our Firm. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

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

***Services that generally benefit only us.*** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology and business needs
- Consulting on legal and compliance related needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel. If you did not maintain your account with Schwab, we would be required to pay for those services from our own resources.

### ***Our interest in Schwab's services***

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. The fact that we receive these benefits from Schwab is an incentive for us to require the use of Schwab for Program assets, rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/custodians") and not Schwab's services that benefit only. Our

firm does not currently receive referrals from Charles Schwab.

TWAG can aggregate the purchase or sale of securities for various client accounts, which can typically occur when conducting tactical trading, processing global rebalances, or when effecting trades for illiquid securities over a large number of client accounts. Generally, however, TWAG does not aggregate trades for day-to-day trading items, such as raising cash for withdrawals or fees, investing new contributions, etc. In these instances, transactions for a particular client may, and often do, differ from those of other clients. As a result, security prices clients receive for traded securities may be greater than or less than prices received by other clients for similar transactions, even if executed on the same day. Additionally, not aggregating orders where possible can result in higher transaction costs than might be obtained by aggregating client orders, and therefore create higher transactions costs for clients than otherwise achievable.

Not all advisers require their clients to direct brokerage or place assets with a specific custodian. By requiring clients to utilize Schwab, TWAG may be unable to achieve most favorable execution of client transactions, and this practice may cost clients more money.

### **Item 13 Reviews of Accounts**

Mr. Shachtman, in his capacity as a CEO/CIO, reviews accounts for clients for which TWAG provides investment consulting and investment management services on a periodic basis. TWAG does not provide reports to clients receiving investment consulting services unless agreed upon between TWAG and the client. Mr. Shachtman can also review accounts on demand when requested by client, or in connection with significant market or economic events.

TWAG does not provide clients with regular reports. Clients in our Program will receive statements on behalf of their advisory accounts from their custodians and are encouraged to review those statements.

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

TWAG, from time to time, can pay third party solicitors for client referrals. TWAG maintains a written solicitation agreement with each solicitor. Unless otherwise disclosed, any such referral fee is paid solely from TWAG's investment management fee and does not result in any additional charge to the client. TWAG is not compensated by other parties for client referrals. If the client is introduced to TWAG by a solicitor, the client will receive in advance and in writing, from the solicitor, the solicitor's disclosure statement containing the terms and conditions of the solicitation agreement as well as a copy of this Brochure. The terms of our arrangement, including the compensation the solicitor will receive from TWAG for referrals, are shared with the prospective client who, in turn, provides written acknowledgment of his or her understanding.

No third party that is not a client provides an economic benefit to TWAG for providing investment consulting or investment management services to our clients. We do receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. You do not pay more for assets maintained at Schwab as a result of these arrangements. However, we benefit from the arrangement because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. The products and services provided by Schwab, how they benefit us, and the related conflicts of interest are described herein.

During the course of TWAG's research and performance of independent due diligence of managers recommended for investment to TWAG clients, there are limited occasions when benefits are provided to TWAG or its employees, by the Independent Manager. These benefits can entail direct travel expenses (airfare, hotel and meals) related to attending a manager due diligence conference or meeting. A conflict of interest exists as a result of such arrangements, as it provides an incentive for TWAG to recommend such managers that provide

such benefits. TWAG mitigates this risk through reporting requirements attendant to applicable firm policies and procedures regarding gifts and entertainment including non-cash compensation.

## **Item 15 Custody**

In the circumstances described in this item, TWAG is deemed to maintain custody of client assets or securities in connection with certain investment management services furnished to our clients. In other circumstances, however, TWAG is not deemed to maintain custody of client assets or securities.

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct your custodian to deduct our advisory or wrap fees directly from your account. In these circumstances, additional reporting through our firm's form ADV is not required by the SEC.

TWAG is also deemed to have custody of your account when TWAG personnel act as a Trustee, Conservator, Executor/Executrix, Power of Attorney, or in a similar capacity for a client account or estate account. In this regard, TWAG receives an annual surprise examination from an independent auditing firm to comply with Rule 204-2 of the Investment Advisors Act of 1940 (or "Custody Rule"). Subsequent to the audit, TWAG and the auditing firm will file an ADV-E with the SEC on an annual basis. The filed ADV-E is available to investors and prospective investors online through the SEC's Investment Adviser Public Disclosure ("IAPD") website by searching for our Firm's name.

Certain clients within TWAG's Program have established standing asset transfer authorizations exercised with a qualified independent custodian through a standing letter of authorization ("SLOA"). The SLOA, upon acceptance by the custodian, permits the custodian to rely upon instructions from TWAG/TWAG Clients to transfer client funds or securities from their custodial account to third-party payees. These arrangements are disclosed in ADV Part 1, Item 9, and are enacted in accordance with the guidance provided in the SEC's Investment Adviser Association No-Action Letter, dated February 21, 2017, the majority of these affected accounts are not subject to an annual surprise certified public accountant ("CPA") examination.

Clients with funds or securities held at a qualified independent custodian will receive quarterly, or more frequent, account statements directly from the custodian. TWAG urges you to carefully review those statements. Where TWAG also provides its clients with reports or statements, TWAG urges you to compare the reports and/or accounts statements you received from us with the account statements you receive from your qualified custodian.

## **Item 16 Investment Discretion**

### **Investment Consulting Services**

TWAG does not exercise investment discretion in connection with investment consulting services provided to our Firm's clients.

### **Non-Discretionary Investment Management Services**

TWAG does not exercise investment discretion in connection with non-discretionary investment management services provided to our Firm's clients.

### **TWAG's Wrap Program**

TWAG provides discretionary investment management services on behalf of its Investment Management Account Clients including Wrap Program investors. Under the terms of advisory agreement, clients whereby we are granted limited power of attorney and discretionary trading authority over the assets to buy, sell, and otherwise effect investment transactions related to the assets to be managed by TWAG. Participation in the

Program requires you to grant us discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without obtaining your approval prior to each transaction. We will also have discretion over the broker or dealer to be used for securities transactions and over the commission rates to be paid.

We will also have the discretion of selecting Independent Managers who will also have discretionary authority to manage certain assets on a discretionary basis on your behalf. Independent Managers are typically selected by the client through the applicable Schwab Account Agreement, and/or at times through a separate client agreement between the client and the Independent Manager.

Discretionary authority is typically granted through the Investment Advisory Agreement you sign with our Firm, or through trading authorization forms you execute with your account's custodian. Discretionary authority granted to TWAG must, in all cases, be provided in writing to us and accepted by both parties before we can make investment decisions for any client account. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our Firm with your restrictions and guidelines in writing. TWAG will not accept proxy voting on behalf of its clients for the Program or other advisory services, however.

### **Independent Managers**

Within TWAG's Wrap Program, TWAG has the authority to hire and fire Independent Managers and may delegate a portion of your assets to be managed on a discretionary basis by an Independent Manager. For client working with Nuveen, additional manager agreements may be required.

Additionally, where applicable, TWAG will assist clients with building a customized portfolio using model portfolios provided by select sub-advisers. With respect to sub-advised services, clients select a category of risk based on an assessment of their individual risk tolerance and investment objectives, to which one or more model portfolios are then correlated. We will recommend to clients what portion of their assets may be invested in the portfolios and discuss the allocation of their assets among the portfolios, but they will determine what assets will be invested in which portfolios. Clients may, other than for model portfolios constructed by a sub-adviser, impose reasonable restrictions on the management of their accounts—for example, restricting the type or amount of security to be purchased in the portfolio. In the case of model portfolios, TWAG conducts trading on a discretionary basis, using guidance from the applicable sub-advisor.

### **Private Investment Opportunities**

For eligible investors, including high net worth clients, we may recommend that you invest in alternative investments, including unregistered pooled investment vehicles exempted from registration under the Investment Company Act of 1940 (each a "private fund" and together "private funds"). Investors that seek to invest in such alternative investments typically must be accredited investors under Regulation D of the Securities Act of 1933 and meet other eligibility requirements including Qualified Client status as described under the Investment Advisors Act of 1940 (which, too, includes Qualified Purchasers as defined under the Investment Company Act of 1940). Alternative investments, including private funds, are subject to a variety of risks which are typically described in the offering documents for such alternative investments which must be carefully reviewed and understood by investors prior to investing in such alternative investments. TWAG, unless otherwise indicated, will maintain discretionary authority over our client's investments in private funds, including, offering custodied at Schwab or acquisitions made through direct purchases through the private fund sponsor. Under TWAG's Consulting Agreement, our Firm may furnish investment advice to alternative investments but may not otherwise maintain discretionary authority of these offerings.

## **Item 17 Voting Client Securities (Proxy Voting)**

TWAG nor its financial professionals accept obligations to exercise the voting of proxies on behalf of its clients' assets. Except as required by applicable law, TWAG will not be obligated to render advice or take any action on behalf of clients with respect to assets presently or formerly held in their accounts that become the subject of any legal proceedings, including bankruptcies. Within TWAG's Wrap Program, our Firm may allocate assets to one or more Independent Managers. In some instances, the Independent Manager may vote proxies per their proxy voting policies which will be disclosed to you and agreed upon when engaging such Independent Manager.

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. TWAG has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. TWAG also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, TWAG has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where TWAG receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials to the client. Electronic mail is acceptable where appropriate and where the client has authorized contact in this manner.

## **Item 18 Financial Information**

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

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