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**March 30, 2012**

**FORM ADV PART 2A.  
BROCHURE**

**This brochure provides information about the qualifications and business practices of Destination Wealth Management. If you have any questions about the contents of this brochure, please contact us at 925-935-2900. 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 Destination Wealth Management is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Destination Wealth Management is 110365.**

**Destination Wealth Management 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.**

**Material Changes:** Destination Wealth Management changed its name on March 1, 2012. Prior to March 1, 2012 Destination Wealth Management was known as YCMNET Advisors. Destination Wealth Management's most recent update to Part 2 of Form ADV was made in November of 2010. Destination's business activities have not significantly changed since the last update, however, it has been added that Mr. Yoshikami is a paid contributor to CNBC as well as a paid part time professor at the National University of Singapore. AUM was also updated in addition to the titles of Mr. Michael Yoshikami (Founder and CEO) and Mr. George Chin (President). In 2010 the SEC required significant changes to the content and format of Part 2 of Form ADV. This brochure reflects those changes, and is materially different from brochures used by Destination Wealth Management (YCMNET Advisors) in prior years.

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## **Advisory Business**

Form ADV Part 2A, Item 4

Destination Wealth Management's registration was granted by the U.S. Securities and Exchange Commission on October 11, 1996. Michael Allen Yoshikami (CRD Number 1929209) is the CEO and Founder of the Firm. Mr. Yoshikami owns between 75% and 100% of the equity of the Firm. George Kung Wai Chin (CRD Number 1113592) is the President of the Firm and owns between 5% and 10% of the equity of the Firm. Alexis Stice (CRD Number 2859882) is the Chief Compliance Officer of the Firm. The Firm is not publicly owned or traded. There are no indirect owners of the Firm or intermediaries, which have any ownership interest in the Firm. Client assets are managed on an individualized basis. Clients may impose restrictions on their accounts. The Firm does not sponsor any wrap programs. As of December 31, 2012, the Firm managed on a discretionary basis \$1,049,444,917 of client assets which represented 3287 accounts and managed on a nondiscretionary basis \$9,857,158 which represented 79 accounts.

### **INVESTMENT MANAGEMENT**

Destination provides discretionary investment management for clients. Portfolios are designed based on client's desire for growth, income and capital preservation preferences. Primary investment management functions include, but are not limited to:

- Asset Allocation Design
- Investment Research and Asset Selection
- Portfolio Monitoring and Rebalancing

Portfolios are designed to meet individual client objectives using a variety of investments. Fundamental analysis utilized by Destination to make an informed decision may include earnings growth, sales growth, price earnings ratio, book value, dividend record etc. Consideration is given to the economic outlook for a particular industry as well as overall economic conditions.

#### **Client Review Process:**

A review of a client's circumstances will occur as needed to assess the appropriateness of the strategy for each client. Arrangements for meeting time and location will be arranged by Destination and the client. Clients are required to inform Destination of any change in their financial condition, risk tolerance, needs, goals, time horizon or other objective in a timely manner.

#### **Asset Management and Portfolio Review:**

Assets are allocated/reallocated on an ongoing basis. Accounts are reviewed as needed in order to assure that any portfolio matches the client's risk tolerance and investment objectives.

### **FINANCIAL PLANNING**

Financial planning services are offered to clients. Written request and engagement by Destination and client is required. Topics may cover:

- Net Worth and Financial Profile Analysis
- Cash Flow Projections
- Income Tax Review

- Education Financing
- Life Insurance Analysis
- Estate Planning Review
- Retirement Planning
- Risk Management Planning

## ***Fees and Compensation***

Form ADV Part 2A, Item 5

### **FEES AND COMPENSATION:**

The fee for financial and advisory services is determined by the client's situation and is established after the first meeting (held at no cost). Fees shall be based on a percentage of assets under management on an ongoing basis. Issues examined will include investment objective, trading frequency, client special requests, number of accounts, size of portfolio and estimated research time period. A flat fee between \$1,500 and \$5,000 or an hourly (\$250 per hour with a 6 hour minimum) fee may also be charged as a substitute for the percentage of assets under management fee.

### **NEW CLIENTS - FEE SCHEDULE**

The following table outlines Destination's tiered fee structure in managing portfolios for clients that had assets under management from August 1, 2001. Portfolios that contain all fixed income investments may be charged a lower fee structure. Full disclosure will be made in the advisory agreements outlining specific fee structure for each client.

<b>TIERED FEE SCHEDULE</b>	
<b>PORTFOLIO SIZE (\$)</b>	<b>ANNUAL FEE (payable quarterly)</b>
0-499,999	1.15%*
500,000-999,999	0.98%
1,000,000-1,999,999	0.93%
2,000,000-2,999,999	0.88%
3,000,000-3,999,999	0.83%
4,000,000-4,999,999	0.78%
5,000,000+	0.73%

\* The minimum account size effective for new clients after April 1, 2002 is \$500,000 in assets under management and a minimum fee of \$1,437.50 per quarter or 2.5% annual fee of total assets, whichever is lower, shall be charged on such accounts. The minimum fee may be waived based on individual client circumstances and all fees are negotiable.

### **EXISTING CLIENTS - FEE SCHEDULE**

The following table outlines Destination's fee structure in managing portfolios for clients that had assets under management prior to August 1, 2001. Full disclosure will be made in advisory agreements outlining the specific fee structure for each client. For those clients with assets under

management between August 1, 2001 and April 1, 2002, a minimum fee of \$2,875 annually or 2.5% of total assets, whichever is lower, shall be charged on such accounts. For clients with assets under management prior to August 1, 2001, a minimum fee of \$1,000 annually applies or 2.5% of total assets, whichever is lower, shall be charged on such accounts.

#### FEE SCHEDULE PRIOR TO 08/01/2001

PORTFOLIO SIZE	ANNUAL FEE	PORTFOLIO SIZE	ANNUAL FEE
0-100,999	1.35%	2,001,000-3,000,999	0.84%
101,000-250,999	1.25%	3,001,000-4,000,999	0.80%
251,000-500,999	1.00%	4,001,000-5,000,999	0.76%
501,000-1,000,999	1.00%	5,001,000-9,000,999	0.68%
1,001,000-2,000,999	0.88%	9,001,000-10,000,000+	0.58%

#### Right of Rescission

Client has a five (5) business day right of rescission after receiving Destination's Disclosure Brochure/ADV to terminate services. Any and all unearned or unapplied fees shall be refunded. Fees are negotiable and may be adjusted according to client's specific circumstances.

#### Other Fees

Any fees for liquidating existing assets are the responsibility of the client. All assets within the account may not qualify as an actively managed asset. Advisory fees are in addition to the fees charged by mutual fund investments or other transaction fees in a client's account.

#### Fee Payment

Fees are normally paid in advance on a quarterly basis. Fees are not based on capital appreciation of assets. Destination may debit asset management fees directly from client accounts. In certain circumstances fees may be waived or reduced for the client.

#### Fee Calculation

Statements received from custodians may have a different amount than what is billed on. Destinations portfolio accounting systems may have different settlement dates, accrued interest calculations and may exclude certain assets from fee calculations.

#### Renewal and Termination

Any advisory renewal fee will be determined by mutual agreement between the client and Destination Wealth Management. Fee payment timeliness will be discussed prior to any services to be provided. There is a 30 day notification of termination of services requirement by Destination. The client may terminate the contract with the Firm at his/her discretion with 30 days written notice to Destination.

#### Layering of Fees

The advisory client will pay two layers of fees when mutual funds are present in the client portfolio. That is, an advisory fee is paid to the Destination, as disclosed herein, and a fee is paid to the fund's investment advisor as well.

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

Form ADV Part 2A, Item 6

None.

## ***Types of Clients***

Form ADV Part 2A, Item 7

Types of clients include individuals, pension plans, profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

### **CONDITIONS FOR MANAGING ACCOUNTS:**

The minimum account size effective for new clients after April 1, 2002 is \$500,000 in assets under management and a minimum fee of \$1,437.50 per quarter or 2.5% of total assets, whichever is lower, shall be charged on such accounts. For those clients with assets under management between August 1, 2001 and April 1, 2002 a minimum fee of \$2,875 annually or 2.5% of total assets, whichever is lower, shall be charged on such accounts. For clients with assets under management prior to August 1, 2001, a minimum fee of \$1,000 annually applies or 2.5% of total assets, whichever is lower, shall be charged on such accounts. The minimum fee may be waived based on individual client circumstances.

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

Form ADV Part 2A, Item 8

### **Methods of Analysis**

Our investment philosophy is one of tactical allocation. Multiple tiers of assessment are utilized as we develop portfolio investment strategy. We assess trends in the global economy, and take those findings into consideration as we invest client's portfolios. We research individual assets while taking into account the bigger picture and adjust investment strategy accordingly. Our macro perspective requires that we have an economic view of the U.S. economy as well as Europe, Asia, South America, and other global investment opportunities such as the Middle East and Africa. Political and policy decisions impact markets, and for that reason we assess developments around the world on a regular basis.

Our focus is not just on U.S. based equities or U.S. based fixed income positions alone. We invest based on a long-term perspective with the understanding that short-term anomalies may require adjustment on a shorter-term basis, utilizing fundamental analysis and an assessment of current market dynamics. 70% of our decision is based on valuation and 30% is based on broader economic themes and trends that tend to be impacted by market psychology. We are a thematic manager, and our broad

allocation strategy is a core part of our investment perspective. Our investment strategy is derived from combining individual analysis with closely monitored economic and market conditions on a macro level using a bottom-up and top down perspective.

We are a theme-based manager; a significant percentage of our allocation strategy is based on broad, thematic decisions, with a five year time horizon. Our allocations may or may not include investing in stocks, bonds, ETF's, mutual funds (load and no-load), ex-U.S. positions, commodity assets, options and other classes. We have thematic views that we adjust on a regular basis that form the overall macro adjustments made to core allocation strategies. These thematic views provide a tailwind or headwind for certain asset decisions and help us adjust our allocations according to the current conditions.

#### Investment Strategy

Fundamental research is a significant part of our investment strategy. For this reason, we conduct our own individual asset research on each of our securities. This proprietary research is combined with the perspective of other investment analysts and strategists in order to arrive at a triangulated investment outlook. Internal research focuses on the assessment of attractiveness of individual stocks in a number of ways namely by analyzing the quality of the company's management, the sustainable advantages the company enjoys, and the competitive environment of the company. We then make our own projections of the company's ability to generate free cash flow.

In addition to this type of analysis, the investment committee will also seek out the opinions of other market participants such as Wall Street analysts and buy-side investors, and evaluate the recent trading activity of a stock to understand the technical trends that may be affecting a stock price. Our investment turnover tends to be lower than those of active trader managers but slightly higher than a buy-and-hold investment philosophy. Our time horizon for assets is five years, while Fundamental assessment combined with market sentiment analysis may result in short-term investment decisions. Risk is an important part of our overall portfolio management philosophy. We monitor traditional metrics, such as beta and standard deviation, and try to avoid having too many investments in a portfolio geared to the same themes and markets. In some allocations buying more cash-flow-generating names as part of the portfolio can help to mitigate volatility. Diversification is fundamental to our overall investment strategy. We diversify not just by asset class, but by geography, capitalization size, as well as by types of positions. It's important that investors acknowledge that given the global nature of financial markets, correlations among assets, and even asset classes, have moved higher than they have been in the past.

We look at a variety of viewpoints, and we invest based on our assessment of what is appropriate at the time for our clients with consideration given to risk factors and the comfort level of each client. All investments in Destination portfolios have the potential for loss. Client assets are invested into an asset strategy best suited to their goals, objectives, risk tolerance and time horizon.

#### ***Disciplinary Information***

None.

Form ADV Part 2A, Item 9

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

Form ADV Part 2A, Item 10

Mr. Yoshikami is a servicing agent for life insurance products and receives compensation from insurance companies for existing policies.

Mr. Yoshikami is a paid contributor to CNBC.

Destination provides administrative support to accounts managed by Brandes Investments a third party money manager.

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

Form ADV Part 2A, Item 11

#### **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

Destination has adopted a written Code of Ethics in compliance with SEC rule 204A-1. The code sets forth standards of conduct and requires compliance with federal securities laws. Our code also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to the Chief Compliance Officer of the Firm. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Pursuant to SEC Release No. IA-1092, the following statements are also made by the Destination:

- 1) Clients are under no obligation to have Destination implement any suggestions made in any financial recommendations.
- 2) Client shall have total freedom to execute securities with any company of their choice.
- 3) Transactions for each client account generally will be effected independently, unless Advisor decides to purchase or sell the same securities for several clients at approximately the same time. Advisor 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 Advisor's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among Advisor's clients in proportion to the purchase and sale orders placed for each client account on any given day.

It is further noted that Destination is in and shall continue to be in total compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, Destination has adopted a Destination wide policy statement, outlining insider trading compliance by Destination and its



associated persons and other employees. This statement has been distributed to all associated persons and other employees of Destination and has been signed and dated by each such person. A copy of such original is maintained in employee files. Further, Destination has adopted a written supervisory procedures statement highlighting the steps which shall be taken to implement the firm wide policy. These materials are also distributed to all associated persons and other employees of Destination, are signed, dated and filed with the employee files. There are provisions adopted for (1) restricting access to files, (2) providing continuing education (3) restricting and/or monitoring trading on those securities of which Destination's employees may have non-public information, (4) requiring all of Destination's employees to conduct trading through a specific broker or reporting all transactions promptly to the Firm and (5) monitoring the securities trading of the Firm and its employees and associated persons.

Destination or individuals associated with Destination may buy or sell securities identical to those recommended to customers for their personal account. It is the expressed policy of Destination that no person employed by the Firm, or its associated persons, may purchase or sell any security prior to a transaction(s) in that same security being implemented on an advisory account that in any way affects the client's execution result. This policy is designed to prevent such employees from benefiting from transactions placed on behalf of advisory accounts. Destination or any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

As these situations may represent a conflict of interest, Destination has established the following restrictions in order to ensure its fiduciary responsibilities:

- 1) A director, officer or employee of Destination shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No associated person of Destination shall prefer his or her own interest to that of the advisory client.
- 2) Destination maintains a list of all securities holdings for itself, and anyone associated with this Advisory practice. These holdings are reviewed on a regular basis by the Chief Compliance Officer.
- 3) Destination requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
- 4) Any individual not in observance of the above may be subject to termination.

### ***Brokerage Practices***

Form ADV Part 2A, Item 12

#### **INVESTMENT OR BROKERAGE DISCRETION**

On a consistent basis Destination Wealth Management assesses which broker/dealer to utilize in executing securities transactions. This procedure takes into account Broker/Dealer solvency, responsiveness, price and other subjective factors. Destination Wealth Management selects the Broker/Dealer that we believe provides the best value and safety for clients of the Firm.

In that Destination manages certain client assets on a discretionary basis, Destination does have the authority to determine, without first obtaining specific client consent, the securities to be bought or

sold, the amount of the securities to be bought or sold, the broker dealer to be used and or the commission rates paid. All accounts are deemed to be discretionary. Discussions with clients regarding the buying and selling of assets are considered to be informational and Destination Wealth Management will exercise its discretion over timing, execution and action on portfolio assets.

Destination pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by Destination is a percentage of the fees the client owes to Destination or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. Destination pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to Destination quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by Destination and not by the client. Destination has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Destination charges clients with similar portfolios who were not referred through the Service.

Destination generally pays Schwab a Non-Schwab Custody Fee and custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Advisors generally would pay in a single year. Thus, Destination will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody fees will be based on assets in accounts of Destination's clients who were referred by Schwab and those referred client's family members living in the same household. Thus, Destination will have incentive to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit the Firms fees directly from the accounts.

For accounts of Destination's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from the Firm's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker/dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, Destination may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Destination nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker/dealer than trades for Destination's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker/dealers.

Destination participates in Charles Schwab & Company's Schwab Institutional (SI) service program. While there is no direct linkage between the investment advice given and participation in the SI program, economic benefits are received which would not be received if Destination did not give investment advice to clients.

These benefits include receipt of duplicate client confirmations and bundle duplicate statements, access to a trading desk serving SI participants exclusively, access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts, ability to have investment advisory fees deducted directly from client accounts, access, for a fee, to an electronic communication network for client order entry and account information, receipt of compliance publications and access to mutual funds which generally require significantly higher minimum initial investment or are generally available only to institutional investors. The benefits received through participation in the SI program do not depend upon the amount of transactions directed to Charles Schwab & Company, Inc.

Destination Wealth Management and its employees may receive some consideration from Charles Schwab & Company not limited to conference events and other miscellaneous items.

Destination Wealth Management may recommend that clients establish brokerage accounts with Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a FINRA registered broker/dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although Destination may recommend/require that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Destination Wealth Management is independently owned and operated and not affiliated with Schwab. Schwab provides Destination Wealth Management with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets is maintained in accounts at Schwab Institutional. Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require significantly higher minimum initial investment.

For Destination's clients accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for security trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to Destination other products and services that benefit the Firm but may not benefit its clients' accounts. Some of these other products and services assist Destination in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and 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 Destination Advisor fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Destination's Accounts, including accounts not maintained at Schwab Institutional.

Schwab Institutional also makes available to Destination other services intended to help the Firm manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay

for these types of services rendered to Destination Wealth Management by independent third parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or part of the fees of a third-party providing these services to Destination Wealth Management. While as a fiduciary, Destination Wealth Management endeavors to act in its clients' best interest, and Destination Wealth Management recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to Destination Wealth Management of the availability of some of the foregoing products and services and not solely on the nature cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Advisor also uses the custodial and brokerage services of Fidelity Brokerage Services, LLC. and Vanguard.

Advisor may enter into arrangements where investment of moneys in certain securities benefits the Advisor through providing certain services of information.

#### MISCELLANEOUS:

##### TRADE ERRORS

From time-to-time Destination may make an error in submitting a trade order on your behalf. When this occurs, Destination may place a correcting trade with the broker-dealer which has custody of your account. Should you sustain any economic detriment as a result of an error it is our legal obligation to make you whole.

At Schwab if an investment gain results from the correcting trade, the gain will remain in your account unless the same error involved other client account(s) that should have received the gain, it is not permissible for you to retain the gain or we confer with you and you decide to forego the gain (e.g. due to tax reasons). If the gain does not remain in your account and Charles Schwab & Co.Inc. (Schwab) is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. As stated above, if a loss occurs greater than \$100, Advisor will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally if related trade errors result in both gains and losses in your account, they may be netted.

At Fidelity Investments and Vanguard the advisor will correct the trade in its own account and keep any profits or losses in its own account. In the event there is a profit the firm will donate the proceeds to charity. However, the client will be made whole in the event of having sustained any loss(es).

#### *Review of Accounts*

Form ADV Part 2A, Item 13

The investment committee at Destination Wealth Management consists of Michael Yoshikami, CEO, Founder & Chairman of Investment Committee, Craig Gentry, Executive Vice President & Chief Investment Strategist. Mr. Yoshikami and Mr. Gentry meet at least bi-monthly to discuss the

investment strategies of the Destination and its client investments. Client accounts are reviewed by the portfolio trading team managed by Mr. Gentry and Mr. Yoshikami. All reviews of accounts are conducted by Destination on an annual basis depending on the client situation and planning needs. Reviews are internal and client may or may not be present when review is conducted. These reviews may occur more frequently triggered by changes in any number of areas such as client objectives, market conditions, income, cash flow, changes in tax law, family status, disposition of assets, inheritance and health. Reviews may include a full statement of current holdings and re-statement of objectives. Clients are offered the opportunity to meet for regular reviews in person or by phone and may choose not to meet.

Brokerage and most investment companies utilized by Destination will provide at least quarterly reports regarding client's holdings as well as any changes in portfolio. Some mutual fund companies may provide direct statements on an annual basis. Depending on the client circumstances, Destination may provide additional information on a quarterly basis.

### ***Client Referrals and Other Compensation***

Form ADV Part 2A, Item 14

As stated above, Mr. Yoshikami is a servicing agent for life insurance products and receives compensation from insurance companies for existing policies. He is also a paid contributor to CNBC and is a paid part-time professor at the National University of Singapore.

In addition, Destination provides administrative support to accounts managed by Brandes Investments a third party money manager.

From time to time, the principals and associates of the Destination may attend investment related conferences sponsored and paid for by investment companies. This incentive is in addition to fees received by the Destination.

Destination Wealth Management, Inc. ("Destination") receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through Destination's participation in the Schwab Advisor Network ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent and unaffiliated with Destination. Schwab does not supervise Destination and has no responsibility for Destination's management of client's portfolios or Advisor's other advice or services. Destination pays Schwab fees to receive client referrals through the Service. Destination's participation in the Service may raise potential conflicts as described in Item 12.

### ***Custody***

Form ADV Part 2A, Item 15

None.

### ***Investment Discretion***

Form ADV Part 2A, Item 16

Destination does exercise discretionary authority in most cases. A “Limited Power of Attorney” is signed by the client in favor of the Firm. Because Destination has discretionary authority, it may determine, without first obtaining specific client consent, the securities to be bought and/or sold and the amount of securities to be bought and/or sold.

### ***Voting Client Securities***

Form ADV Part 2A, Item 17

In certain circumstances, and in accordance with the client's specific advisory agreement, Destination shall vote proxies related to securities held by any client in a manner that is in the best interest of the client. Destination shall consider only those factors that relate to the client's investment(s) or that are established by the client's written instructions.

Proxy votes generally will be cast in favor of proposals that:

- maintain or strengthen the shared interests of shareholders and management.
- increase shareholder value;
- maintain or increase shareholder influence over the issuer's board of directors and management; and,
- maintain or increase the rights of shareholders.

Proxy votes generally will be cast against proposals having the opposite effect.

In voting on each and every issue, Destination and its employees shall vote in a prudently and timely fashion and only after careful evaluation of the issue(s) presented on the ballot.

In exercising its voting discretion, Destination and its employees shall avoid any direct or indirect conflict of interest raised by such voting decision. Destination will provide adequate disclosure to the client if any substantive aspect or foreseeable result of the subject matter to be voted upon raises an actual or potential conflict of interest to Destination.

Destination reserves the right to use a third party research service to assist us in making decisions we feel are in the best interest of our clients. Voting proxies on behalf of clients whose accounts we manage on discretion is a standard practice of Destination. Paperwork will be executed to allow this to occur including changing proxy and reorganization preferences on accounts currently held at Schwab or Fidelity Investments. Clients do have the opportunity to opt out of Destination's standard practice. Clients are responsible to inform Destination if they desire to make other arrangements outside of Destination's standard practice.

Consistent with SEC Rule 206(4)-6, Destination will keep certain records required by applicable law and regulation in connection with its proxy voting activities for clients and shall provide proxy-voting information to clients upon their written or oral request. A copy of Destination's proxy voting policies and procedures are available upon request.

### ***Financial Information***

Form ADV Part 2A, Item 18

Destination does not receive fees more than six months in advance, and has not been the subject of bankruptcy proceeding.

### ***Requirements for State-Registered Advisers***

Form ADV Part 2A, Item 19

Not applicable.

### ***Additional Information***

None.