



1770 Kirby Pkwy, Ste. 117
Memphis, TN 38138
(901) 850-5532
www.CenturyWealth.com
March 21, 2014

This Brochure provides information about the qualifications and business practices of Century Wealth Management, LLC ("CWM"). If you have any questions about the contents of this Brochure, please contact us at (901) 850-5532 or info@centurywealth.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Century Wealth Management is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Century Wealth Management is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Please note that since the filing of our Annual Update on 3/27/2013, the following changes have been made which CWM believes are material to the management of the firm and our relationship with clients.

As of 4/30/2013, John Anderson is no longer employed at CWM.

On 9/30/2013 Greg Davis was hired as Director of Portfolio Management.

Item 12 was updated to include additional disclosures about potential conflicts of interest related to services and benefits received from institutions that custody client asset.

Item 14 was updated to reflect the 11/14/2013 cancelation of the Professional Partners Program between Century Wealth Management, LLC and Metropolitan Bank, which qualified as a referral agreement.

Item 8 was updated to include disclosures about additional investment risks.

Item 7 was updated to include disclosures about potential conflicts regarding clients of CWM that are related to its owner.

Additional information about Century Wealth Management is available via the SEC's website www.adviserinfo.sec.gov. The SEC's website provides information about any persons) affiliated with CWM who is registered, or is required to be registered, as an investment adviser representative of CWM.

Item 3 -Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes.....	ii
Item 3 -Table of Contents.....	iii
Item 4 – Advisory Business.....	1
Firm Description.....	1
Services Offered.....	1
Tailored Relationships and Restrictions.....	2
Item 5 – Fees and Compensation	3
Investment Management	3
Wealth Management.....	3
Family Office	3
Other Fee Information	4
Compensation for the Sale of Securities or Other Investment Products	4
Item 6 – Performance-Based Fees and Side-By-Side Management	4
Item 7 – Types of Clients	4
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	5
Introduction.....	5
Investment Strategies	5
Methods of Analysis	6
Risk of Loss.....	10
Item 9 – Disciplinary Information.....	12
Item 10 – Other Financial Industry Activities and Affiliations	12
Item 11 – Code of Ethics	12
Code of Ethics.....	12
Participation or Interest in Client Transactions.....	13
Item 12 – Brokerage Practices	13
How We Select Brokers/Custodians	14
Our Interest in Custodians' Services	14
About Our Relationships with Investment Product Providers.....	17
Item 13 – Review of Accounts	18
Item 14 – Client Referrals and Other Compensation	18
Item 15 – Custody	19
Securities.....	19

Cash and Bank accounts	19
Item 16 – Investment Discretion	19
Item 17 – Voting Client Securities	20
Item 18 – Financial Information.....	20

Brochure Supplement(s)

Item 4 – Advisory Business

Firm Description

Century Wealth Management (“CWM”) provides comprehensive, integrated investment and planning advice to our client families and related entities. CWM was founded as Progress Capital, Inc. in 2000 to serve the investing needs of a single family after the sale of a Memphis-based business. In 2007, the firm was restructured as a Limited Liability Company and rebranded as Century Wealth Management, LLC, with the intention of growing our client base and bringing our expertise and strategies to a broader audience.

CWM provides investment management, manager selection and oversight, financial planning, family office services, and qualified retirement plan consulting. As of December 31, 2013; CWM managed \$180.3 million in assets for our clients with \$113.7 million being on a discretionary basis and \$66.6 million on a non-discretionary basis.

The primary controlling owner of CWM is Jay Healy, who owns a minority interest in the company directly, and serves as trustee of the Healy Family Business Trust, which owns the balance of the company.

Services Offered

CWM offers the following services to individuals, high net-worth individuals, trusts, charitable organizations, pension and profit sharing plans, and business entities.

Investment Management

The primary service delivered to our clients is investment management, which may consist of goal assessment, strategy development, asset allocation, discretionary portfolios management, selection and supervision of other managers, and performance reporting.

CWM conducts initial interviews and discovery with clients after which, CWM prepares an investment recommendation tailored to each client's individual needs as a basis for collaboration between CWM and the client. When mutual agreement is reached on the investment strategy, we prepare an *Investment Strategy Statement* to document shared expectations, including investment objectives and financial goals. We then implement the chosen strategy through discretionary management of client accounts or the selection and supervisor of other managers.

Included in our investment management services is ongoing monitoring of clients' portfolios, periodic rebalancing, reacting to client requests and changing needs.

Financial Planning

CWM believes that most clients are best served when financial planning is the foundation for investment management recommendations. We refer to the comprehensive coordination of investment management and financial planning as Wealth Management.

Components of financial planning include goal setting and data gathering, analysis of information and formation of recommendations, implementation and monitoring of recommended solutions. Areas that may be covered in financial planning engagements include retirement, estate, tax, education, and charitable planning.

Family Office Services

Family office client engagements are broader in scope than traditional investment management and financial planning engagements. Family office clients typically require additional services that may or may not be directly related to their investable assets. These services include, but are not limited to, investment management, financial planning, estate planning, tax planning, insurance reviews, and other services. CWM typically requires a minimum of \$10 million in investable assets or an equivalent fee for family office engagements.

Pension Consulting

In certain select circumstances, CWM may work with the plan sponsor of self-directed pension and profit sharing plans. The services offered include the recommendation of mutual funds and model portfolios for use in the plan, working with the record keeper to implement the models for the participants, periodic rebalancing, educating plan participants, and working directly with the plan sponsor to periodically review performance of the selected funds and models.

For a larger discussion of CWM's investment process see "Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss" below.

Tailored Relationships and Restrictions

CWM recognizes that each family has a unique set of circumstances, goals, and preferences. We treat every client relationship as unique and tailor our financial planning and investment advice to meet the unique needs of each client.

We recognize limits and restrictions that clients may impose on certain securities, types of securities, asset classes, and investment strategies. However, we find the most practical way to accommodate the unique needs of individual families is through the implementation of model portfolios which most closely match each client's needs as related to suitability, investor sophistication, liquidity preferences, and appetite for risk and return.

CWM's investment process is further described in "Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss" below.

Item 5 – Fees and Compensation

Our fees are based on the type of client and the level of service provided.

Investment Management

Investment management as a stand-alone service is only offered to charitable organizations, and pension and profit sharing plans which require no financial planning to develop and implement an investment strategy. The fee for investment management services is:

0.50% of assets under management

Wealth Management

The Company requires a minimum of \$1 million in investable assets or an equivalent fee. The fee for wealth management engagements is based on a percentage of assets under management as detailed below:

1.00%	of assets on the first	\$1,000,000
0.75%	of assets between	\$1,000,001 and \$5,000,000
0.50%	of assets between	\$5,000,001 and \$10,000,000
0.25%	of assets above	\$10,000,000

Fees are billed quarterly, in arrears, based on aggregated asset values on the last day of the previous quarter. Fees are prorated for services provided during any partial period. At the client's discretion, fees are either debited directly from an investment account(s) or paid directly by the client.

Family Office

Fees for family office clients may be structured as a quarterly retainer or billed as a percentage of assets under management as described above. Retainer fee arrangements are the suggested method of compensation when CWM is offering a broader range of services in addition to traditional investment management and financial planning. Fee methodology for family office clients is decided prior to engagement and reflected in our client service agreement.

Retainer fees are calculated based on the following: a base AUM charge calculated (as described above) on the starting value of assets to be managed; a multiplier based on the complexity of the relationship; the number of households being serviced; and the non-investment related services being rendered. Once a retainer fee is agreed upon it is considered a fixed fee until changed. CWM or the client can request a review of retainer fee structures should the scope of work change over time.

Either party may terminate their agreement at any time by providing written notice to the other via mail sent to the address of record. A refund of any unearned fees (if any) will be made based on the time and effort expended by CWM prior to the termination.

Other Fee Information

Fees and minimums are not negotiable, but may be altered at the sole discretion of CWM based upon certain criteria (i.e. anticipated future relationship, anticipated future assets, related accounts, complexity of relationship, additional services provided, account composition, historical relationships, etc.).

CWM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment managers, and other third parties. These charges may include fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Mutual funds, exchange traded funds, and private investment partnerships also charge internal management fees, which are disclosed in a fund's prospectus and/or offering agreement. Such charges, fees and commissions are exclusive of and in addition to CWM's fee, and CWM shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that CWM considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (e.g., commissions).

Compensation for the Sale of Securities or Other Investment Products

Neither CWM nor any of its employees receives compensation for the sale of securities or other investment products.

Item 6 – Performance-Based Fees and Side-By-Side Management

CWM does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

CWM provides financial planning and investment management services to individuals, high net-worth individuals, trusts, charitable organizations, pension and profit sharing plans, and business entities.

Some of the clients of CWM are directly related to Jay Healy, the owner and President of CWM. This creates a potential conflict of interest because those direct relations may have a different fee structures than non-related clients. In addition, situations may arise where our ability serve all client needs in a timely manner may be limited. In these situations, related clients could potentially receive prioritized service over non-related clients. This potential conflict does not relive CWM of its fiduciary duties to clients, which requires CWM to put the interests of clients first at all times.

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

Introduction

CWM recommends and implements investment strategies on behalf of our clients. Each client receives an individualized implementation of model portfolios that are developed and deployed on a firm-wide basis.

Our investment process consists of four disciplined steps:

Step 1: Determine the needs, uniqueness, and limits of each client's situation. This is paramount in developing a proper investment plan.

Step 2: Design a suitable asset allocation strategy, seeking to balance the competing needs of achieving a suitable return while minimizing volatility and risk, using a broad range of investable asset classes.

Step 3: Once the allocation is determined, select various investment vehicles as a means of gaining exposure to asset classes and investment strategies.

Step 4: Implement the plan and monitor for success by providing accurate reporting, continual oversight, and ongoing communication with clients.

Investment Committee

CWM's Investment Committee establishes the investment strategies employed by the firm. The Investment Committee relies on extensive academic research, historical market data, fundamental analysis, and third-party research in the development of these strategies. Current Investment Committee members include Jay Healy and Greg Davis.

Investment Strategies

It is well established in academic research that asset allocation is the primary determinant of the expected long-term returns of investor's portfolios. It is also well established in academic research and capital market history that variations in returns within an asset class over time are partially driven by changes in valuation.

Our investment strategy, therefore, employs asset allocation as the primary tool in building a broad selection of globally diversified model portfolios (which can then be matched to individual clients). Our approach to asset allocation relies in part on the academic findings of Modern Portfolio Theory, Efficient Market Theory, and the Fama-French Three Factor Model. CWM maintains a flexible approach to asset allocation and continually re-evaluates the attractiveness of asset classes and strategies in the context of asset class valuations, recent performance, and general market conditions. CWM may increase or decrease exposure to specific asset classes in our allocations based on our belief that the risk and return profile of an asset class or strategy has changed significantly over time and that because of this, future returns could be higher or lower than previously expected.

CWM's investment strategy is built upon the following core beliefs:

- Markets work. Risk and return are tightly integrated, particularly on an asset class basis.
- Return is the premium you may receive for taking additional risk over safer alternatives.
- The primary means of reducing risk is through portfolio construction.
- Capturing asset class returns as efficiently as possible is key to a successful investing experience.
- Fees and taxes are the biggest sources of friction in the pursuit of this goal. Reducing the friction of fees and taxes is a primary focus of CWM's investment strategy.
- Most active managers don't add any value when taxes and fees are taken into account. Employing passive investment strategies ensures efficient and true participation in asset class returns.
- Not all passive strategies are equal. We believe that alternative methods of portfolio construction can add significant value.
- Alternative asset classes, which may be uncorrelated to equities and fixed income, and have different drivers of returns, can be an important building block in portfolio design, serving to reduce volatility and add incremental return. Participating in alternative investments almost always requires the use of active managers. This is one area where employing active managers may be useful.

Methods of Analysis

CWM employs a strategic asset allocation to provide clients with globally diversified investment portfolios that are tailored to meet individual client needs and risk tolerance. This requires analysis and research in the following areas:

- Investor needs, preferences, and risk tolerance
- Capital markets and asset class characteristics
- Sectors, styles, strategies, country, region, and risk factors
- Securities, pooled funds and other investment vehicles

Investor Preferences and Risk Tolerance

As stated previously, CWM uses a broad selection of model portfolios to tailor our investment strategy to individual client needs. Selecting the most appropriate model requires that CWM gain a thorough understanding of each client's goals, objectives, knowledge of investments, suitability, and attitude toward risk and return.

CWM uses the following methods to gain this understanding:

Information provided by the client: CWM gathers information about each individual client's goals and objectives through interviews and questionnaires. In addition, the client and the client's other professional advisors may provide us with specific information regarding the client's tax planning, estate planning, and insurance planning, which may inform our recommendations.

Financial planning: CWM uses goal-based financial planning as a tool to illustrate the client's ability and probability of reaching their stated goals and objectives in the context of their current resources.

Risk tolerance questionnaires: CWM uses a risk profiling tool developed by FinaMetrica, a leading provider of such tools, to gauge each client's capacity for risk, knowledge of investments, and attitude toward risk and return.

Monte Carlo simulation: CWM uses Monte Carlo simulation to model likely outcomes of our investment strategies in the context of the actual financial needs of the client. This process is designed to give the client a sense of the "probability of success" of the investment and financial planning choices that are being considered.

Capital Markets and Asset Classes

The Investment Committee reviews capital market assumptions for a variety of asset classes. These capital market assumptions are further used in our investment strategies, financial modeling, and financial planning. The factors analyzed include asset class definitions, returns, standard deviation, correlations, risk premiums, tax efficiencies, and dividend yields on both a historical and expected basis.

The methods used to analyze these factors include academic literature, newsletters, third-party research, historical data, regression analysis, macroeconomics, and fundamental valuations.

Sectors, Styles, Strategies, Country, Region and Risk Factors

CWM identifies and analyzes other subcategories and classifications of investments that have an impact on our recommended allocations and models. In equity markets these may include market capitalization, relative valuation, dividend yields, growth and value classifications, currency denominations, and regional and country weightings. In fixed

income markets, these may include bond structure, issuer, credit ratings, country, region, currency, and tax status. In addition, CWM identifies and analyzes various strategies that may be considered alternative investments such as arbitrage strategies, market neutral strategies, or hedged equity strategies.

The methods used to analyze these subcategories and classifications include academic literature, newsletters, third-party research, historical data, regression analysis, macroeconomics, and fundamental valuations.

Securities, Pooled Funds and Other Investment Vehicles

CWM implements its investment strategies through a variety of securities, pooled funds and other investment vehicles. The methods of analysis vary according to the investment vehicle being considered.

Pooled Investment Vehicles: This category includes open-end mutual funds, closed-end mutual funds, exchange traded funds, unit investment trusts and funds-of-hedge funds registered with the Securities and Exchange Commission ("SEC") under the Securities Act of 1933. CWM makes extensive use of open-end mutual funds because they provide diversification, daily liquidity, cost effective asset class exposure, or cost effective access to specific sectors and strategies. We may use other pooled vehicles as an alternative to open-end mutual funds when there is a clear benefit to doing so.

Our methodology for analyzing open-end mutual funds includes review of the fund strategy, asset class exposure, historical track record, benchmark comparisons, regression analysis, expenses, tax efficiency, turnover, and portfolio holdings. In addition, statistical factors such as beta, alpha, correlation, standard deviation and R^2 may also be used.

Our methodology for analyzing closed-end funds and unit investment trust includes all of those used for open-end funds plus discounts or premiums to net asset value, trading volume, use of leverage, type of leverage, and the nature of the underlying assets.

Our methodology for analyzing exchange traded products includes all those used for open-end funds plus tracking error, bid to ask spread, liquidity of underlying assets, trading volume, and the financial stability of the issuer.

Our methodology for analyzing registered funds-of-hedge funds includes all those used for open-end funds plus a review of the funds legal structure and underlying strategies, track record and reputation of the general partner, liquidity provisions, investment minimums, and a review of the general partner's management philosophy, research and due diligence procedures.

Individual Company Securities: CWM may make use of individual company securities in client portfolios on a limited basis.

Our methodology for analyzing individual company securities includes fundamental analysis of financial statements, SEC filings, company reports, and third-party research.

Structured Notes: CWM may make use of structured notes in client portfolios on a limited basis. Structured notes are offered by major investment banks and cover a wide range of assets classes and strategies. They may on occasion be used as replacements for pooled investment vehicles that would otherwise be used to gain exposure to a particular asset class or strategy.

Our methodology for analyzing structured notes includes all those used for open-end funds plus the specific qualities of the note itself, trading volume, redemption process, and the financial stability of the issuer.

Separately Managed Accounts: CWM may use Separately Managed Accounts ("SMA") to invest a portion of a client's portfolio. SMAs provide the client with direct ownership of securities, as opposed to pooled investment vehicles which provide indirect ownership. The securities are held in segregated accounts at an independent custodian and managed by a sub-advisor. SMAs are generally used when the SMA sub-advisor can cost effectively implement a specific investment strategy more effectively than other options.

Our methodology for analyzing SMA sub-advisors includes review of the strategy, asset class exposure, historical track record, benchmark comparisons, regression analysis, expenses, tax efficiency, turnover, and portfolio holdings. In addition, statistical factors such as beta, alpha, correlation, standard deviation and correlation coefficients may also be used.

Other Pooled Investment Vehicles: This category includes private investment partnerships that may be described as Hedge Funds, Funds of Hedge Funds, Private Equity Funds, and Real Estate Funds which are exempt from SEC registration pursuant to Regulation D of the Securities Act of 1933.

The use of these partnerships is generally limited to Accredited Investors, Qualified Clients, or Qualified Purchasers as defined in either the Securities Act of 1933 or the Investment Advisors Act of 1940.

Our methodology for analyzing private investment partnerships includes all those used for open-end funds plus a review of the fund's legal structure and underlying strategies, track record and reputation of the general partner, liquidity provisions, investment

minimums, and a review of the general partner's management philosophy, research and due diligence procedures.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks associated with participation in capital markets:

Interest-Rate Risk: Increases or decreases in interest rates may cause investment prices to fluctuate.

Market Risk: The price of a security, bond, or mutual fund may rise or fall based on movements of the market as a whole.

Inflation Risk: Purchasing power is eroding at the rate of inflation over time.

Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return. This primarily relates to fixed income securities.

Business Risk: These risks are associated with a particular industry or a particular company within an industry.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. This risk may be driven by the structure of the security and/or the nature of the investment. Generally, assets are more liquid if they trade in high volumes on open exchanges. However, mutual funds are only redeemable at the closing price, and limited partnerships may have lock-up periods and restrictive liquidity provisions.

Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Model Risk: CWM uses model portfolios to implement our investment strategies. These models are developed using assumptions about the future expected return, volatility, and correlation of various asset classes and strategies. If these assumptions prove to be inaccurate, our models may not perform as intended, and investments could be subject to higher volatility and/or lower returns than desired.

Model Selection Risk: CWM uses model portfolios which represent a broad range of risk, return, and suitability profiles. CWM believes the use of these model portfolios allows us to meet most clients' preferences for risk and return. There is a risk that the model chosen and agreed to by CWM and the client won't match that client's preferences precisely.

Diversification Risk: CWM's investment strategy uses asset allocation as a means of diversifying the risk of owning more concentrated positions in individual assets classes and/or securities. In extreme market conditions, diversification may not work as intended and clients may experience greater volatility and loss than our models predicted. Diversification may also lead to underperformance in some market environments.

In addition to the above risks, clients who are Accredited Investors, Qualified Clients, or Qualified Purchasers who agree to an investment strategy which employs the use private investment partnerships exempt from registration with the SEC may be exposed to additional risks as detailed below:

Additional Liquidity Risk: These partnerships may not have a ready market for sale, and according to terms of the subscription agreement, may have liquidity restrictions requiring advance notice prior to liquidation, restrictions on the timing of liquidations, and/or a lock-up period upon initial investment. The General Partner may also have additional rights to limit withdrawals, side pocket assets, or deliver redemptions in kind.

Risk of Fraud: These partnerships are controlled exclusively by the General Partner who may choose to provide limited partners with little or no transparency into the fund's holdings or strategy. There have been incidents in which general partners were able to commit and conceal fraud by relying on this lack of transparency.

In addition, the General Partner may be solely responsible for bookkeeping and fund valuations. There have been incidents in which general partners were able to commit and conceal fraud by misrepresenting the valuation of their fund's holdings.

Concentration Risk: These partnerships may have concentrated holdings and may be more volatile than other investments.

Leverage, Margin and Short-Selling Risk: The use of leverage, margin and short-selling in these partnerships can result in a total loss of limited partner's capital.

Derivatives Risk: These partnerships may use derivatives which have additional risks of liquidity, interest rate, market, credit and management risks, mispricing or improper valuation. Changes in the value of the derivative may not correlate perfectly with the

underlying asset, rate or index, and a portfolio could lose more than the principal amount invested.

Counterparty Risk: These partnerships may be exposed to the risk that a counterparty to a services contract, prime brokerage arrangement or derivative arrangement will not fulfill its contractual obligations. Should the counterparty fail to fulfill its obligations to us, clients could potentially incur significant losses and may have access to their investments limited or restricted.

We take steps to minimize the risks associated with private investment partnerships by:

- Using Fund of Funds for exposure to alternative investments. Fund of Funds provide our clients with diversified exposure to many managers within an asset class or strategy. In addition, the use of Fund of Funds brings to bear greater expertise and resources in the selection, due diligence, and oversight of individual managers than CWM could provide on its own.
- We use only Fund of Funds Partnerships that undergo an annual audit by a recognized accounting firm, or that provide complete transparency of the underlying investments.
- We rely on the history and reputation of the General Managers of Fund of Funds Partnerships to assess their alignment of interests, fiduciary obligation, and commitment to serving investor interests.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of CWM or the integrity of CWM's management. *CWM has no information applicable to this Item.*

Item 10 – Other Financial Industry Activities and Affiliations

Century Wealth Management is not involved in other business activities nor is it involved in other financial activities or affiliations which might necessitate disclosure.

CWM does not have any agreements where it is provided any compensation from a non-client in connection with giving advice to clients.

Item 11 – Code of Ethics

Code of Ethics

CWM has a formal Code of Ethics as part of its *Compliance Program*. The Code of Ethics sets forth a standard of business conduct required by all employees which mandates honest and ethical behavior at all times. The Company Code of Ethics is available for review at clients' request.

The Code of Ethics covers all supervised persons of the firm and describes its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at CWM must acknowledge the terms of the Code of Ethics annually, or as amended.

Participation or Interest in Client Transactions

CWM personnel typically invest in the same models and strategies as clients and may buy or sell securities that are also held by clients. This creates a potential conflict of interest although the tradable securities used to implement our investment strategies (open-end mutual funds) limit that potential conflict. (For a larger discussion of CWM's investment process see "Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss" above.)

Policies regarding personal securities transactions are contained in CWM's Code of Ethics to reasonably prevent conflicts of interest between CWM and its clients in this regard. The policies are based on principles of integrity, honesty, openness, and trust. To minimize conflicts of interest, CWM requires quarterly transaction reports from all related persons to ensure transactions do not disadvantage clients and are in accordance with company compliance policies.

CWM also maintains policies and procedures designed to prevent the misuse of material non-public information. CWM utilizes restricted security lists, blackout periods, and pre-clearance of employee trades if applicable to minimize any conflicts of interest.

CWM's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Jay Healy, Chief Compliance Officer.

Item 12 – Brokerage Practices

To effectively provide investment management services to our client we request the discretionary authority to manage client assets whenever possible. To facilitate this arrangement we may recommend that clients establish brokerage accounts with one of several custodians with which we have an established relationship.

We generally recommend *Charles Schwab & Co., Inc. ("Schwab")*, a registered broker-dealer, member FINRA/SIPC/NFA, or *TD Ameritrade Institutional ("TD Ameritrade")*, a registered broker-dealer, member FINRA/SIPC/NFA, as the qualified custodians. These Custodians hold assets in brokerage accounts and buy and sell securities as instructed by CWM in our discretionary authority.

We may recommend that some clients open accounts with *Millennium Trust Company* ("MTC"), an experienced qualified custodian with specific expertise in alternative assets such as private investment partnerships. We do not have discretionary authority over client accounts at MTC, but we do have access to account information, monitor, supervise, and manage the investment held in MTC on behalf of clients.

We may recommend the use of a variable annuity contract for some clients for whom an annuity is the best form of ownership for a given investment. In those cases, we generally recommend a variable annuity issued by Jefferson National Life Insurance Company ("Jefferson National") and Jefferson National Securities Corporation, a member of FINRA. The annuity contract specifically gives CWM discretionary authority to allocate the funds inside the annuity contract to various pooled investments available within the contract.

We are independently owned and operated. There is no affiliation, employee, agency, or supervisory relationship between CWM and any of the custodians mentioned above.

While we may recommend that clients use Schwab, TD Ameritrade, MTC, or Jefferson National as custodian/broker in specific situations, each client will decide whether to do so and will open accounts with either firm by entering into an account agreement directly with the Custodian. CWM does not open the custodian account for clients, but may assist with processing the paperwork through CWM's respective service team on client's behalf.

CWM does not maintain custody of investment accounts that we manage, invest, and/or supervise; although we may be deemed to have custody of client assets if clients give us authority to withdraw assets from your account (see Item 15 – Custody, below). Client assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank.

How We Select Brokers/Custodians

We have chosen TD Ameritrade and Schwab as primary custodians based on their low commission rates, ease of use, product breadth, financial stability, and availability of services to CWM and its clients. In an effort to ensure best execution of client trades, we periodically compare the services and prices of these custodians with those available elsewhere. All fees paid to TD Ameritrade and Schwab are paid directly by clients, standardized, and clearly identifiable on client statements. CWM does not receive any fee or commission from these arrangements.

Our Interest in Custodians' Services

The availability of certain services from custodians benefits us because we do not have to produce or purchase them ourselves. The services offered by a custodian may give

us an incentive to recommend that clients maintain accounts at a certain custodian based on our interest in receiving services that benefit our business rather than based on the clients interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of custodians and brokers is in the best interest of our clients, and is primarily supported by the scope, quality, and price of the custodians' services (see "How We Select Brokers/Custodians"). We also believe that the fees and expenses paid by our clients are not materially different than those charged by other custodians and brokers offering similar services.

Services That Benefit Clients: Custodians' services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through custodians include some to which we might not otherwise have access, or that would require a significantly higher minimum initial investment by our clients. The custodians' services described in this paragraph generally benefit the clients and the clients' account(s).

Services That May Not Directly Benefit Clients: The custodians also make available to us other products and services that benefit us but may not directly benefit clients or clients' accounts. These products and services assist us in managing and administering our clients' accounts. They include investment research we may use to service all or a substantial number of our clients' accounts, including accounts not maintained at a recommended custodian. In addition to investment research, the custodians also make 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: The custodians also offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consultation on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession

- Access to employee benefits providers, human capital consultants, and insurance providers
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to CWM by third party vendors.

Issues Specific to TD Ameritrade: CWM participates in the Institutional Advisor Program for advisors offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with CWM and there is no employee or agency relationship between TD Ameritrade and CWM. TD Ameritrade does not supervise Advisor and has no responsibility for Advisor's management of client portfolios or Advisor's other advice or services to clients.

CWM receives economic benefits through its participation in the Institutional Advisor Program that are typically not available to TD Ameritrade retail investors. While CWM may recommend TD Ameritrade to Clients for custody and brokerage services, there is no direct link between our participation in the Institutional Advisor Program and the investment advice we give to Clients. Through this participation, CWM may receive succession planning, practice valuation, and equity management services from third-party vendors through CWM's participation in the TD Ameritrade Institutional Equity Management Program ("Equity Management Program"). In addition to meeting the minimum eligibility criteria for participation in the Equity Management Program, CWM may have been selected to participate in the Equity Management Program based on the potential profitability to TD Ameritrade of the assets of CWM's clients' accounts maintained at TD Ameritrade. TD Ameritrade has established the Equity Management Program as a means of assisting independent unaffiliated advisors in the growth and management of their businesses.

CWM's participation in the Equity Management Program raises potential conflicts of interest. The benefits received by CWM or its personnel through participation in the Equity Management Program do not depend on the amount of brokerage transactions directed to TD Ameritrade, although, participation in the Equity Management Program may create an incentive to recommend clients to custody their assets at TD Ameritrade and to place transactions for client accounts with TD Ameritrade. Participation in the Equity Management Program does not relieve CWM of the duty to seek best execution of trades in client accounts, nor of its fiduciary duties to clients, which requires CWM to put the interests of its clients first at all times.

Issues specific to Schwab: CWM participates in Schwab Advisor Services, Schwab's business unit serving independent investment advisory firms. Schwab Advisor Services

makes available various support services to CWM. 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 generally are available on an unsolicited basis and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200.

The potential to be charged this service fee raises potential conflicts of interest. In order to avoid this fee, CWM may have an incentive to recommend clients to custody their assets at Schwab, which does not relieve CWM of the duty to seek best execution of trades in client accounts.

Services received from custodians are not explicitly contingent upon us committing any specific amount of business to the custodians in trading commissions. In addition, trading fees and commissions at these custodians are standardized and clients benefit by consistently receiving the lowest negotiated fees. Soft dollar benefits are never proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits.

About Our Relationships with Investment Product Providers

CWM has relationships with several investment product providers, including but not limited to: Dimensional Fund Advisors ("DFA"), Gerber-Taylor ("GT"), and the Pacific Investment Management Company ("PIMCO").

Economic benefits are received from these and other investment product providers which would not be received if we did not give investment advice to clients. These benefits, which are also received by other Registered Investment Adviser firms might include:

- Attendance at seminars hosted by providers at which information and instruction is provided regarding the investment products of the provider, asset allocation strategies, financial planning, and practice management. Investment product providers may furnish, at no charge to CWM and the other attendees, travel costs, lodging costs, the speakers and facilities for the seminar, occasional luncheons or dinners, and the materials handed out at the seminar.
- Access to websites of investment product providers, which may contain additional academic research, practice management articles, newsletters, educational video presentations, software and investment returns data
- Use of software programs and accompanying data, which can be utilized to analyze investments and strategies for return and risk expectations
- Various print materials (including article reprints and brochures)

- Occasional practice management conferences and telephone conferences to discuss specific issues relating to academic research relating to investment theory and/or relating to practice development (marketing) and management issues
- Participation in a regional study group sponsored and hosted by an investment product provider
- Benchmarking studies and other services and benefits

We are under no obligation to recommend the mutual funds or other investment products of any provider to our clients. We recommend funds or other investment products only when we believe they best suit our client's objectives.

Item 13 – Review of Accounts

Client accounts are reviewed at least quarterly for investment performance and adherence to the client's *Investment Strategy Statement*. Reviews of overall planning and strategy may be made periodically based on changes in a client's situation and will occur annually at a minimum. Changes that would warrant a review include, but are not limited to, changes in employment status, health, number of dependents, inheritance, or disability. All reviews are performed by Jay Healy, the President of CWM, who is responsible for all client relationships. Clients are advised that it is their responsibility to notify CWM of any changes in their investment objectives or financial situation.

CWM delivers investment performance reports to clients quarterly. These reports include a summary of holdings, absolute and relative investment performance net of fees, and a list of recent transactions. Clients also receive individual account statements directly from their broker/dealer/custodian on a monthly or quarterly basis as described in Item 15, below. If CWM advises a client on planning and strategy, then a report will be issued outlining our recommendations. Future reports may be made to update a client on the implementation or progress of an agreed upon plan.

Item 14 – Client Referrals and Other Compensation

CWM does not receive direct financial compensation from anyone that is not a client, but we are required to disclose any relationship or arrangement where an economic benefit is received from a third party (non-client) for providing advisory services. These types of relationships, which are potential conflicts of interest, are fully disclosed in response to Item 12, above.

CWM does not pay financial compensation to a non-employee in exchange for client referrals or introductions. However, CWM does receive referrals from current clients, attorneys, accountants, employees, and other similar sources without the exchange of financial compensation.

Item 15 – Custody

Securities

CWM does not intentionally take custody of client securities. Under government regulations, however, we are deemed to have custody of your assets if you authorize us to deduct our advisory fees directly from your account or you give us authority to withdrawal assets from your account. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. They will be sent to the email or postal mailing address the client provided to the custodian. CWM urges clients to carefully review such statements and compare such official custodial records to the account statements that CWM provides to them. CWM statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Cash and Bank accounts

In the context of providing bill payment and bookkeeping services to some *Family Office* clients, CWM sometimes takes custody of client bank accounts. In these circumstances, the client and CWM enter into a separate Memorandum of Understanding which details the roles and responsibilities of CWM and the client. Additionally, the accounts are maintained at a qualified custodian; the client receives monthly account statements directly from the custodian; CWM employs checks and balancing over management of the designated accounts as described in our compliance manual; the accounts are reconciled monthly by CWM and CWM may provide clients with a quarterly summary of all account activity depending on the nature of the account and activity.

Item 16 – Investment Discretion

CWM usually receives discretionary authority from the client at the outset of an advisory relationship by means of a Limited Power of Attorney ("LPOA"). This discretionary authority allows CWM to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client as shown in their respective Investment Strategy Statement.

As it relates to discretionary authority, CWM receives such authority in three different ways:

- Discretionary Authority on custodian's platform: This is granted by means of a Limited Power of Attorney form that is a part of the account opening documentation with the custodian.

- Discretionary Authority over all other accounts: This is granted by means of a separate Limited Power of Attorney document which lists accounts “held away” from the primary custodian over which CWM is granted authority.
- Supervised Assets: There is no discretionary authority granted for these assets to CWM. CWM is simply permitted online access to view the assets and/or allowed to receive duplicate statements on these assets from their respective custodians.

When selecting securities and determining amounts, CWM observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, CWM’s authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Some clients chose to manage a portion of their investments themselves but do so through an account which CWM monitors. When possible, CWM holds these assets in a separate account over which CWM may or may not have discretion. These assets are generally considered to be outside the scope of the Investment Strategy Statement. At the request of clients, CWM will place trades and may include these securities in client reporting, but will not actively monitor them as part of the client’s overall investment strategy.

Investment guidelines and restrictions must be provided to CWM in writing.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, CWM does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. CWM may provide advice to clients regarding the clients’ voting of proxies.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about CWM’s financial condition. CWM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.