

Item 1: Cover Sheet

INFORMATIONAL BROCHURE

Form ADV Part 2A



WEST FINANCIAL SERVICES, INC.

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Brian Mackin, Chief Compliance Officer
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This brochure provides information about the qualifications and business practices of West Financial Services, Inc. If you have any questions about the contents of this brochure, please contact us at 703-847-2500. 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. Our registration does not imply a certain level of skill or training.

Additional information about West Financial Services, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Statement of Material Changes

The SEC requires material changes to Part 2 of Form ADV to be listed in this section. There are no material changes to report.

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Item 4: Advisory Business

West Financial Services, Inc. (hereinafter “WFS”) was founded in February 1982. On October 3, 2005, WFS Acquisition Corp, Inc., a Maryland corporation and wholly-owned subsidiary of Sandy Spring Bancorp, Inc., a Maryland corporation (“SSB”), acquired all of the stock of WFS. WFS still operates under its name, as a subsidiary of Sandy Spring Bank. SSB is the holding company for Sandy Spring Bank, and its principal subsidiaries, Sandy Spring Insurance Corporation and West Financial Services, Inc. Sandy Spring Bank offers a range of commercial banking, retail banking, and trust services to individuals and may refer banking clients to WFS to provide these clients with access to a broader array of financial services. SSB is not compensated by WFS for any referrals.

WFS is a fee-only investment adviser registered with the United States Securities and Exchange Commission, that assists associations, corporations, foundations, trusts, pension plans, and high net worth individuals with financial planning and investment management. Our investment philosophy stresses diversified portfolios tailored to each client's individual circumstances and specific goals. Our investment management goal is to optimize the return on each client's portfolio while keeping within the individual's risk tolerance, time horizon, tax and wealth objectives.

Financial Planning Services

WFS provides financial planning clients with a five-step process that includes identifying goals, analyzing data, providing recommendations, assisting with implementation, and periodically reviewing projected outcomes.

A comprehensive plan starts with a balance sheet to determine net worth and titling of assets. We review cash flow and income taxes to identify areas for improvement. We review existing investments and assess historical performance and personal risk before determining portfolio allocations and suitable investment selections. These core areas of review – balance sheet, cash flow, income tax, and investments – form the basis for our retirement cash flow projections. These projections include a number of assumptions made from discussions with clients regarding financial and retirement goals, as well as previously supplied data. We follow our projections with a discussion of a client's estate planning needs. If a client has existing wills or trusts, we will review and comment on the documents.

A comprehensive financial plan may also include a detailed review of and recommendations in the following areas:

- Insurance
- Education funding
- Stock option exercise strategies
- Business form and succession planning
- Any other financial area suggested by a client's needs

We will meet with clients to review the full plan and follow up with them to help with implementation. We will work with a client's own professionals, or recommend our network of accountants, attorneys, and other professionals for implementation purposes. Clients are under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation

made by WFS. If the client engages any professional recommended by WFS, and a dispute arises thereafter relative to such agreement, the client agrees to seek recourse exclusively from and against the engaged professional. We encourage clients to call at any time with financial questions and concerns, and recommend that we meet for an annual update.

Where appropriate, part of the WFS process includes involving multiple generations in order to facilitate family financial planning. This can increase the financial education of the later generations and help manage expectations. However, potential for conflicts of interest exist with the exchange of intergenerational information. WFS attempts to minimize these conflicts by treating each household as its own fiduciary relationship. Information can only be shared across generations with each household's consent. For example, even if a family member is responsible for payment for our services, we do not share information with others without the specific client's consent.

Personalized Consulting Services

WFS offers personalized consulting services to address the unique needs of high net worth individuals. We customize each relationship, attempting to find creative solutions to clients' financial needs while coordinating with other professionals. Fee only advice is independent of any product influence, and we observe strict privacy and confidentiality. We assure that our consultants are readily accessible and that our services are personalized. Consulting services can include, but are not limited to:

- Asset Management
- Client Specific Projects
- Business Planning
- Education Planning
- Estate Planning
- Financial Planning
- Individual Securities Research
- Investment Management
- Legacy and Philanthropic Planning
- Retirement Planning
- Strategic Planning
- Succession Planning
- Venture Deal Analysis

Our collaborative team approach provides customized strategies, strong communication and personalized attention. Part of our personalized attention is allowing clients to impose restrictions on investing in certain securities or types of securities in managed accounts. For example, clients may wish to limit the sale of specific securities, require a certain cash balance be maintained, or restrict us from purchasing certain types of securities.

Pension Consulting Services

WFS offers 401(k) plan consulting services and participant education. We work with the plan trustees to provide the following initial and ongoing services:

- Establishment of an Investment Policy Statement

- Analysis, review, and recommendation of investment selections
- Annual plan review
- Attendance at annual Investment Committee meeting
- Preparation of participant newsletters
- Educational meetings for employees, and
- Continuing individual participant support.

Initial mutual fund selection includes a review of fund categories, based on 404(c) guidelines. We then select a specified number of funds based on performance, stability of management, expenses, portfolio mix, and risk. We will prepare a comprehensive, annual review of all current investment options and participation and include recommendations to the plan trustees.

We also work with plan administrators and trustees to set up new plans or change existing providers. This process often involves sending out a detailed request for proposal to a chosen list of plan providers and/or third-party administrators. We will then evaluate proposals and present our recommendations to the trustees.

Once a plan is established, we will conduct initial participant meetings to present general retirement planning education and summarize the investment options available in the plan. We will make annual or semi-annual presentations to plan participants to provide plan awareness, investment education, retirement planning advice, and fund performance updates. Additional communication to plan participants includes a newsletter describing the plan's investment options and performance. Newsletters also include a market commentary and additional articles of interest and may be prepared either semi-annually or quarterly.

Costs for our 401(k) consulting services reflect the nature of our engagement with the plan sponsor. We bill on a percentage of the plan assets under consultation. We also have relationships that are billed on a quarterly retainer basis. Lastly, we offer separate consulting services (such as an initial plan evaluation) as a stand-alone engagement based on an hourly estimate of costs.

As of September 30, 2018, West Financial Services, Inc. managed \$1,589,174,603 in discretionary assets under management and \$6,489,795 in non-discretionary assets, for a total of \$1,595,664,398 through 737 client relationships.

Item 5: Fees and Compensation

A. Fees Charged

Financial Planning

We typically do not charge for the initial meeting to discuss our services. We provide our services on an hourly basis. The hourly rate is \$250.00

Financial planning and consulting clients are billed a fixed fee, or the standard hourly rate. 401(k) consulting clients are billed a percentage of assets under consultation. Fees are billed in arrears.

Investment Management Fees:

Fees are calculated quarterly, in arrears, and the value used for determining the fee is the value of the client's account(s) as of the last day of each calendar quarter, as reported by the account custodian. Clients may choose to exclude assets representing older, "legacy" holdings from assets under management for billing purposes if for tax, estate, or family reasons, it is determined that those assets should be excluded from investment management.

Asset Level	Annual Fee
Up to and including \$2,000,000	1.00%
Greater than \$2,000,000 up to and including \$4,000,000	0.75%
Greater than \$4,000,000 up to and including \$7,000,000	0.50%
Greater than \$7,000,000 up to and including \$10,000,000	0.40%
Greater than \$10,000,000	0.30%

The minimum size for starting an investment advisory relationship is \$1 million, except for existing clients, their immediate families and referrals. Accounts may be aggregated to meet the \$1 million minimum relationship size or to achieve higher asset levels and lower annual fee breakpoints. For the purposes of aggregating accounts for billing, immediate family can include, but is not limited to, spouses, parents, grandparents, children, grandchildren, brothers, sisters, mother-in-law, father-in-law, brothers-in-law, sisters-in-law, daughters-in-law and sons-in-law. Adopted, half, and step members are also included in immediate family. The minimum may be waived by WFS in its discretion.

Third Party Managers

For clients whose assets are managed through third party managers, including private placements (please see Item 8 for more information regarding the use of third party managers), the terms of fee payment may vary dependent upon the manager or managers selected. For example, while the firm generally debits fees quarterly, in arrears, some managers calculate fees quarterly in advance, or potentially even monthly. Fees for the third party manager are separate from, and in addition to, fees paid to WFS for the management of the client's assets. For details on the exact methodology of calculating fees by each of the managers in a client's portfolio, clients should refer to the Form ADV for such managers.

B. Fee Payment.

We provide clients a fee invoice. WFS will deduct asset management fees directly from the clients' custodial accounts, as authorized by the client, and we will provide documentation noting the deduction of the fee. The amount received from the custodians is compared to the quarterly invoicing records for accuracy.

WFS can also bill clients by invoice to be paid by check. As payments are received, the bookkeeper verifies the amount on the check to the quarterly invoicing records. All discrepancies are researched and corrected. When verified as correct, the invoice is marked

as paid. At month-end, the still-outstanding fees are reconciled to the general ledger receivables.

The fees stated above are charged for the investment management, record-keeping, and reporting of security portfolios. We will assess fees for additional services according to the nature of the service and the responsibilities undertaken. An example of such services, but not by way of limitation, includes researching cost basis of securities and assisting with assembling information for individual income tax returns. We will bill between \$75 per hour and \$250 per hour, based on the individual assigned and service provided.

We bill all fees after our services are rendered.

C. Other Expenses

We provide our services on a fee-only basis. This means that we do not receive compensation based on the purchase or sale of any financial products. We are compensated solely by the client based upon the services that we perform. Clients pay brokerage commission costs, plus any other charges such as transaction fees, wire fees, ADR fees, margin costs and any other costs charged by the custodian, in addition to the management fees charged by WFS. With respect to mutual funds, clients pay any management fees and operating expenses associated with a particular mutual fund. These fees are disclosed in each mutual fund's prospectus. This is in addition to the fees charged by WFS. The Brokerage Practices section of this form includes additional information.

D. Pro Rata Fees

New clients will pay a management fee for the number of days for which services are provided in that quarter, subject to WFS discretion to waive such prorated fees for smaller amounts. If a client terminates the relationship during a quarter, the client will pay a management fee for services provided up to the day of termination.

WFS or the client may terminate an advisory agreement at any time, with or without cause, upon written notice to the other party. Unless otherwise requested by the client, accounts held by clients who have terminated WFS' services may be subject to "de-link" (a transition to retail status, no longer under the supervision of WFS) within 30 days after termination.

E. Compensation for the Sale of Securities

This item is not applicable.

Item 6: Performance Based Fees and Side-by-Side Management

WFS does not charge any performance based fees.

Item 7: Types of Clients

WFS offers advisory services to individuals, associations, corporations, foundations, trusts, pension plans, and high net worth individuals. The minimum size for starting an investment advisory relationship is \$1 million, except for existing clients, their immediate families, and referrals. This minimum may be waived by WFS in its discretion.

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

The WFS investment approach stresses diversified portfolios tailored to each client's individual circumstances, including risk tolerance, time horizon, tax constraints and wealth objectives. Due to these and other factors, WFS may not purchase or sell the same security for every client account at the same time. Our investment management goal is to optimize the return on each client's portfolio while keeping within the individual's risk tolerance, time horizon, tax and wealth objectives.

Each client's portfolio is separately managed, and invested according to that client's investment objectives. We determine these objectives by interviewing the client and/or asking the client to put these objectives in writing. Once we ascertain the client objectives for each account, we develop a set of asset allocation guidelines. An asset allocation strategy is a percentage-based allocation to different investment types. The percentages in each type that we recommend are based on the typical behavior of that security type, individual securities we follow, current market conditions, client current financial situation, cash flow needs, client financial goals, and the time horizon to get the client to those goals. Because we develop an investment strategy based on each client's personal situation and financial goals, the asset allocation guidelines may be similar to or different from another client. We will periodically implement securities transactions in client portfolios to meet the guidelines of the asset allocation strategy. It is important to remember that because market conditions can vary greatly, asset allocation guidelines are not necessarily strict rules. Rather, we review accounts individually, and may deviate from the guidelines as we believe necessary.

Since asset allocation is the driving force of portfolio performance, we maintain a long-term view over the entire business cycle. Our portfolios utilize diversification across global asset classes as their foundation while incorporating disciplined research-driven tactical asset allocation adjustments.

For equities, we utilize a "core and satellite" approach to investing. By using low-cost, core investments in major market indices, we ensure that clients participate in market movements. We generally incorporate individual stocks, exchange traded funds and no-load equity mutual funds. For the "satellite" portion of the portfolio, we use actively managed mutual funds and exchange traded funds to provide growth and value style exposure. We also purchase individual stocks for additional sector and dividend exposure. Our investment team pays close attention to valuation, establishes well-defined entry points, and uses both quantitative and qualitative due diligence when investigating new investment opportunities.

Our primary fixed income focus is preservation of capital. We build a foundation of high quality bonds and ladder the maturities over a short to intermediate time period so that bonds mature each year. This strategy provides various maturities for reinvestment at different yields or for use of principal to meet future cash flow needs. We generally purchase U.S. Treasury's, governmental agency bonds, municipal bonds, investment grade corporate securities and FDIC insured certificates

of deposit. On occasion, WFS may purchase less than investment grade corporate bonds. These bonds are considered to have more default risk than investment grade bonds. Clients may restrict the types and ratings of bonds purchased.

Our team of experienced investment professionals meet to review proprietary and external research on macro-economic issues, changes to tax statutes, and due diligence on individual equities, fixed income and mutual funds. Through these meetings, we regularly evaluate the performance of our investments against appropriate benchmarks. We monitor, measure and evaluate performance of our clients' investments, offer personal meetings to review accounts and provide quarterly reporting. Investment decisions consider tax consequences as well as transactional expenses.

Due to customization of each client portfolio, clients may hold legacy securities and may place reasonable restrictions on individual securities or security types. Legacy securities are those that a client owned prior to or separate from its WFS portfolio, and may or may not be included in the assets on which WFS charges its fee. Because these securities are not recommended by WFS, there is no expectation that WFS is monitoring these securities with the same amount of diligence as it is monitoring securities it recommends for clients.

Depending on a client's given circumstances, WFS may recommend that a client rollover retirement plan assets to an Individual Retirement Account (IRA) managed by us. As a result, WFS may earn fees on those accounts. This presents a conflict of interest, as WFS has a financial incentive to recommend that a client roll over retirement assets into an IRA we will manage. This conflict is disclosed to clients in this brochure. Clients are also advised that they are under no obligation to implement the recommendation to roll over retirement plan assets. WFS attempts to mitigate this conflict by requiring that all investment recommendations have a sound basis for the recommendation, and by requiring employees to acknowledge their fiduciary responsibility toward each client.

Participation in Initial Public Offerings ("IPOs") may occur upon specific client request. Allocations of shares to accounts for which clients express interest in IPOs may depend upon the custodian where the account is custodied and the custodian's relationship with the selling group. Prior to submitting an indication of interest on behalf of a client, WFS may require additional information from the client to ensure the client is not restricted from purchasing IPOs.

Third Party Managers

Some WFS clients may have portfolios that include assets managed by third parties, including private placements.

When evaluating such managers, WFS considers a variety of factors. These include the experience, expertise, investment philosophies and past performance of the manager. We monitor the manager's underlying holdings, strategies, concentration and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

We encourage clients to review each third-party manager's disclosure document regarding the particular characteristics of any investment program.

We will regularly and continuously monitor the performance of the managers. If we determine that a particular selected money manager is not providing sufficient management services to the client, or are not managing the client's portfolio in a manner consistent with the client's investment objectives, we will recommend that the client terminate the manager relationship, or if a private placement, withdraw from the private placement.

WFS will obtain appropriate due diligence on all independent third-party managers, making reasonable inquiries into their performance calculations, policies and procedures, code of ethics policies and other operational and compliance matters to account for performance and risk management. We examine the experience, expertise, investment philosophies and past performance of third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks. WFS also confirms that each recommended adviser is either registered or exempt from registration as an investment adviser.

Risk of Loss

There are always risks to investing. **Clients should be aware that all investments carry various types of risk, including the potential loss of principal that clients should be prepared to bear.** It is impossible to name all possible types of risks. Among the risks are the following:

- **Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- **General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason, and may take some time to recover any lost value. Adding additional securities may not help to minimize this risk since all securities may be affected by market fluctuations.
- **Currency Risk.** When investing in another country using another currency, the changes in the value of the currency can change the value of a security in a portfolio.
- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
- **Tax Risks Related to Short Term Trading:** Clients should note that WFS may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies. WFS endeavors to invest client assets in a tax efficient manner, but all clients are advised to consult with their tax professionals regarding the taxation of transactions.
- **Purchasing Power Risk.** Purchasing power risk is the risk that the investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but rather its relative value may decline. Inflation can occur for a variety of complex reasons, including a growing economy and a rising money supply.
- **Business Risk.** This can be thought of as certainty or uncertainty of income. Management comes under business risk due to sales volumes, competition, government regulations and the economic cycle.

- **Financial Risk.** The amount of debt or leverage determines the financial risk of a company.
- **Default Risk.** This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.
- **Information Risk.** All investment professionals rely on research in order to make conclusions about investment options. This research is always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.
- **Small Companies.** Some investment opportunities in the marketplace involve smaller issuers. These companies may be starting up, or are historically small. While these companies sometimes have potential for outsized returns, they also have the potential for losses because the reasons the company is small are also risks to the company's future. For example, a company's management may lack experience, or the company's capital for growth may be restricted. These small companies also tend to trade less frequently than larger companies, which can add to the risks associated with their securities because the ability to sell them at an appropriate price may be limited compared to the markets as a whole. Not only do these companies have investment risk, if a client is invested in such small companies and requests immediate or short term liquidity, these securities may require a significant discount to value in order to be sold in a shorter time frame.
- **Concentration Risk.** WFS selects individual securities, ETFs and mutual funds, for client portfolios based on an individualized assessment of each security. This means that a client's equity portfolio may be concentrated in a specific sector, geography, or sub-sector (among other types of potential concentrations), so that if an unexpected event occurs that affects that specific sector or geography, for example, the client's portfolio may be affected negatively.
- **Transition Risk.** As assets are transitioned from a client's prior advisers to WFS there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly, these investments may need to be sold in order to reposition the portfolio into the asset allocation strategy selected by WFS. However, this transition process may take some time to accomplish. Some investments may not be unwound for a lengthy period of time for a variety of reasons that may include unwarranted low share prices, restrictions on trading, contractual restrictions on liquidity, market-related liquidity, or legacy stock concerns. In some cases, there may be securities or investments that are never able to be sold. The inability to transition a client's holdings into recommendations of WFS may adversely affect the client's account values, as WFS's recommendations may not be able to be fully implemented.
- **Restriction Risk.** Clients may at all times place reasonable restrictions on the management of their accounts. However, placing these restrictions may make managing the accounts more difficult, thus lowering the potential for returns.
- **Risks Related to Investment Term & Liquidity.** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If a client requires us to liquidate a portfolio during one of these periods, the client will not realize as much value as they would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.
- **Risk Specific to Private Placements.** Private investment funds generally involve various risk factors, which are more fully described in the respective fund's governing documents. Any investor

contemplating an investment in a private fund, including a private fund recommended by WFS, should carefully and thoroughly review that private fund's governing documents prior to investing. Not all of each fund's risks are presented here, but some include:

- i. Liquidity constraints: Unlike an exchange traded investment, where an order can be placed to purchase or sell and have it executed the same day, private funds typically restrict investors' ability to withdrawal capital. Some of these restrictions include 12 month to even three year lock-up periods, where no withdrawals can be made, followed by withdrawal opportunities once a year, quarter or month, depending on the fund.
- ii. Lack of transparency: Generally, private fund managers are under no obligation to provide complete transparency as to the underlying investments in the fund.
- iii. Valuation: Some private funds invest in easily valued securities, but others may invest in particularly illiquid and hard to value securities, such as private companies. Valuation of these investments can be somewhat subjective, and based upon various calculations and assumptions of the fund manager, who has a conflict of interest in that most managers are compensated based on the value of the fund.
- iv. Investment Objectives: Private placements are pooled investment vehicles. As such, the private placement is managed in accordance with the fund's investment program, which is defined in its governing documents (such as a private placement memorandum or offering memorandum). This means that the entire private placement is managed in accordance with the same guidelines, and not to the investment objectives of each specific investor. Accordingly, investors, especially clients of WFS contemplating an investment with any fund recommended by WFS, should carefully review the governing documents of that private placement to make sure they understand how this private placement fits into their overall portfolio.

Item 9: Disciplinary Information

WFS and its employees have not been involved in any legal or disciplinary events that would be material to a client's evaluation of the company or its personnel.

Item 10: Other Financial Industry Activities and Affiliations

WFS is a wholly-owned subsidiary of Sandy Spring Bank and thereby affiliated with Sandy Spring Insurance Corporation, another wholly-owned subsidiary of Sandy Spring Bank. Sandy Spring Bank offers a range of commercial banking, retail banking, and trust services to individuals and may refer banking clients to WFS to provide these clients with access to additional services. WFS does not compensate Sandy Spring Bank for these referrals.

When a WFS advisor recommends that a client bank with Sandy Spring Bank, any charges or fees payable to Sandy Spring Bank are separate from, and in addition to, fees payable to WFS. WFS has a conflict of interest because WFS has the incentive to refer clients to Sandy Spring Bank and Sandy Spring Insurance Corporation, because the owners of those firms are also owners of WFS, and therefore are likely to receive greater overall compensation if business is referred to their respective affiliated firms as opposed to a different bank. This conflict of interest is disclosed to clients verbally and in this brochure. WFS also attempts to mitigate the conflict of interest by requiring employees to acknowledge the firm's Code of Ethics, their individual fiduciary duty to the clients of WFS, which requires that employees put the interests of clients ahead of their own.

Recommendation of Other Advisers

WFS occasionally recommends other advisers, and WFS may be compensated for its ongoing diligence of the manager and overall management of the client's portfolio through the receipt of a portion of each independent manager's fee. A conflict of interest exists for advisers who recommend the services of a third party manager who has agreed to share a portion of its management fee with the adviser as opposed to other managers who have not agreed to pay compensation to the adviser. Compensation paid to WFS from various third party managers may in theory vary; therefore there is a conflict of interest in recommending a manager who shares a larger portion of its advisory fees over another manager. Fees for such programs may be higher or lower than if client directly obtained services of the third party manager or if client obtained advisory services separately.

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

- A. A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.
- B. WFS does not recommend to clients that they invest in any security in which WFS or any principal thereof has any financial interest.
- C. On occasion, an employee of WFS may purchase for his or her own account securities which are also recommended for clients. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related in one's own account. Employee statements are reviewed to confirm compliance with the trading procedures.

Item 12: Brokerage Practices

The Custodians and Brokerages we use

WFS does not maintain custody of client assets, though WFS may be deemed to have custody by the SEC if a client grants WFS authority to debit fees directly from their account. Client assets must be maintained in an account at a "qualified custodian," generally a brokerage or bank. We require that our clients use Charles Schwab & Co., Inc. (Schwab), Fidelity Investments (Fidelity), or Pershing (together with Schwab and Fidelity, the "Custodians"), registered broker-dealers, members SIPC, as the qualified custodian. Not all advisors require clients to use specific broker-dealers. We are not affiliated with the Custodians. The Custodians will hold client assets in a brokerage account and buy or sell securities as instructed by WFS. While we recommend that clients use the Custodians as custodian, the client will decide whether to do so and will open an account by entering into an agreement directly with them. We do not open the accounts for clients, although we may assist in doing so. Even though client accounts are maintained at the Custodians, we can still use other brokers to execute trades for clients as described below. (See "Your Brokerage and Custody Fees.")

How we select Custodians/Brokers

We seek to select a custodian who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- 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 client accounts)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds, etc.)
- Availability of investment research and tools that assist WFS 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, and stability
- Prior services to WFS and our clients
- Availability of other products and services that benefit us, as discussed below (see "Products and Services" available to WFS from the Custodians)

Brokerage and Custody Fees

For our clients' accounts that the Custodians maintain, the Custodians generally do not charge clients separately for custody services but are compensated by charging clients commissions or other fees on trades that it executes or that settle into the Custodians' client accounts. This commitment benefits clients because the overall commission rates clients pay may be lower than they would be otherwise. The Custodians may charge a minimum ticket charge per securities transaction, which may be lower if the client elects to receive only electronic statements from the applicable custodian. In addition to commissions, the Custodians charge clients a flat dollar amount as a "prime broker" or "trade away" fee for each trade WFS may have executed by a different broker-dealer but where securities bought or the funds from the securities sold are deposited (settled) into the client's account at the Custodians. These fees are in addition to the commissions or other compensation clients pay the executing broker-dealer. Because of this, in order to minimize client trading costs, WFS has the Custodians execute most trades for client accounts. WFS has determined that having the Custodians execute most trades is consistent with our duty to see "best execution" of client trades. Best

execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select Custodians/Brokers").

Directed Brokerage

WFS will accept direction from clients or agree to limitations with respect to the WFS' brokerage discretion as to which broker or brokers is/are to be used and what commissions are to be paid. Any such direction or limitation must be in writing. Clients which, in whole or in part, direct the Company to use a particular broker to execute transactions for their accounts should be aware that, in so doing, they may adversely affect the Company's ability to, among other things, obtain best price and execution, and the cost of the transaction may be greater. Clients that direct their brokerage should also be aware that Company will generally place such trades after the completion of trades for clients that do not direct their brokerage.

Products and Services Available to WFS from Schwab, Fidelity, and Pershing

Schwab Advisor Services, Fidelity Investments, and Pershing provide us and our clients with access to their institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to the Custodians' retail clients. The Custodians also make available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage or grow our business. The Custodians' support services generally are available on an unsolicited basis and at no charge to us as long as our clients collectively maintain at least \$10 million of their assets at the Custodians. Following is a more detailed description of the Custodians' support services.

Services That Benefit Our Clients. The Custodians' 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 the Custodians include some to which we might not otherwise have access or that would require a significantly higher minimum investment by our clients. The Custodians' services described in this paragraph generally benefit our clients and their accounts

Services That May Not Directly Benefit Our Clients. The Custodians also make available to us other products and services that benefit us but may not directly benefit client accounts. These products and services assist us in managing and administering our clients' accounts. They include investment research, Schwab, Fidelity and Pershing's own, and that of third parties. We may use this research to service all or a substantial number of our clients' accounts. 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, record-keeping and client reporting

Services That Generally Benefit Only WFS. The Custodians also offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal and business needs
- Publications and conferences on practice management
- Access to employee benefit providers, human capital consultants and insurance providers

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

Our Interest in Schwab, Fidelity, and Pershing's Services

The availability of these services from the Custodians benefits WFS because we do not have to produce or purchase them. We believe, however, that our selection of the Custodians as custodians and brokers is in the best interest of our clients. Our selection is primarily supported by the scope, quality, and price of the Custodians' services (see "How We Select Custodians/Brokers") and not the Custodians' services that benefit only us.

Our investment research is performed using many sources and has no effect upon which custodian or broker/dealer is used to process security transactions. All client accounts benefit from research performed. WFS limits its use of soft dollars to arrangements falling within the safe harbor of Section 28(e) of the Securities and Exchange Act of 1934, as amended. Only bona fide research that provides assistance to WFS in the performance of its investment decision making responsibilities is accepted in exchange for commission offsets. WFS currently maintains one soft dollar relationship with Schwab for the provision of a Bloomberg terminal. WFS may have an incentive to select Schwab because it receives such services. WFS does not consider whether it or a related person receives client referrals from a third party when selecting or recommending broker dealers.

WFS may aggregate purchase and sale orders of investments held by client accounts managed by WFS with similar orders being made simultaneously for other accounts or entities if, in WFS's reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to clients based on an evaluation that they will be benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. In many instances, the purchase or sale of investments for clients will be affected simultaneously with the purchase or sale of like investments for other accounts or entities. Such transactions may be made at slightly different prices, due to the volume of securities purchased or sold. In such event, the average price of all securities purchased or sold in such transactions may be determined, at WFS's sole discretion, and the client account may be charged or credited, as the case may be, with the average transaction price.

WFS does not participate in cross trades.

For additional information, please refer to "Brokerage and Custody Fees" section above.

Item 13: Review of Accounts

We review accounts on two different levels, including a top down and bottom up review. Our Investment Committee meets to discuss financial, economic, and security-specific news, as well as security price movements and trading volume, which will periodically drive top down reviews. Portfolio management teams determine and implement daily strategy. In general, bottom up reviews are done on a monthly basis to review asset allocation and the overall integrity of client portfolios. These are performed by the Portfolio Manager assigned to each account. Factors that may prompt more frequent reviews include account contributions and withdrawals and large movements in the market. A change in a client's circumstances, such as a divorce, death, etc. will also trigger a review.

Item 14: Client Referrals and Other Compensation

WFS is directly compensated by the clients and does not receive any economic benefit from any other sources.

WFS has entered into an agreement with Fidelity Personal and Workspace Advisors LLC ("FPWA") as part of Fidelity's referral program, Fidelity Wealth Advisor Solutions, which is designed to help investors find an independent professional investment manager. WFS does not charge Fidelity clients, who are introduced by the referral service, fees or costs greater than fees or costs WFS charges its advisory clients who were not introduced by Fidelity, and who have similar portfolios under management with WFS. WFS does pay a fee to Fidelity to participate in the referral program. WFS is independent of FPWA and Fidelity and is not affiliated with either.

In addition to meeting the participation criteria for the program, Fidelity Wealth Advisor Solutions, WFS may have been selected for participation in the program as a result of other business relationships with FPWA and its affiliates. WFS has agreed not to, and does not, solicit FPWA clients to transfer their brokerage accounts from affiliates of FPWA or establish additional brokerage accounts at other custodians other than when WFS' fiduciary duties would so require.

Participation in the Fidelity referral program may raise potential conflicts of interest regarding best execution of trades. Clients referred to WFS by the Fidelity referral program will most likely, though not necessarily, use Fidelity as their custodian. Trades for client accounts held in custody at Fidelity may be executed through a different broker-dealer. WFS acknowledges its duty of best execution for its clients. Fidelity's fees for trades executed at other broker/dealers are in addition to any fees charged by the other broker/dealer.

WFS invites referrals from the SSB family of companies. WFS does not charge clients introduced by the referral sources at SSB fees or costs greater than fees or costs WFS charges its advisory clients who were not introduced by SSB and who have similar portfolios under management with WFS.

Item 15 Custody

All client accounts are held in custody by unaffiliated broker-dealers, but WFS can access many client accounts through its ability to debit advisory fees. For this reason, WFS is considered to have custody of client assets. Account custodians send statements directly to the account owners on at

least a quarterly basis. Clients should carefully review these statements, and should compare these statements to the account information provided by WFS.

Item 16: Investment Discretion

Asset Management services are provided on a “discretionary” basis. When WFS is engaged to provide asset management services on a discretionary basis, WFS will monitor the accounts to ensure that they are meeting the client’s agreed upon guidelines. If any changes are needed, WFS will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. Clients may at any time place restrictions on the way their account is managed. For example, a client may restrict the type of investments WFS may use in the client’s account, or the allocations to a security type. Clients engaging WFS on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and WFS.

Item 17: Voting Client Securities

WFS will not exercise proxy voting authority over client securities. Clients are instructed to inform their custodian that WFS should not be designated as the party to receive information on voting proxies. The obligation to vote client proxies shall at all times rest with clients. Clients shall in no way be precluded from contacting WFS for advice or information about a particular proxy vote. However, WFS shall not be deemed to have proxy voting authority solely as a result of providing such advice to clients. Should WFS inadvertently receive proxy voting information for a security held in clients' accounts, WFS will immediately forward such information on to clients, but will not take any further action with respect to the voting of such proxy. Upon termination of an advisory relationship, WFS shall make a good faith and reasonable attempt to forward proxy and class action information inadvertently received by WFS to the forwarding address provided by the client.

This policy does not apply, however, to consent rights that primarily entail decisions to buy or sell investments, such as tender or exchange offers, conversions, put options, or redemptions. Some custodians enable clients to give WFS authority to make decisions regarding these matters. If WFS is given such authority, such decisions, while considered not to be covered within the proxy voting policy, shall be made with the clients' best interests in mind. For those clients for which WFS is not granted such authority, WFS will have no responsibility to make decisions.

Upon specific client request, WFS may give advice on class actions involving securities held by WFS clients. Relationship or Portfolio Managers will advise Clients on whether to (a) participate in a recovery achieved through class actions, or (b) opt out of the class action and separately pursue their own remedy. WFS does not serve as the lead plaintiff in class actions.

Item 18: Financial Information

WFS does not require prepayment of fees. WFS has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.