



Circle Wealth MANAGEMENT

Item 1: Cover Page

**CIRCLE WEALTH MANAGEMENT, LLC
Form ADV, Part 2
Firm Brochure**

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This brochure provides information about the qualifications and business practices of Circle Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at (908) 206-1306. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Item 2: Material Changes

There are no material changes since the last annual update on March 31, 2017.

Item 3:
Table of Contents

Item 1: Cover Page.....	1
Item 2: Material Changes.....	2
Item 3: Table of Contents	3
Item 4: Advisory Business.....	4
Item 5: Fees and Compensation.....	10
Item 6: Performance-Based Fees and Side-By-Side Management.....	11
Item 7: Types of Clients.....	11
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	12
Item 9: Disciplinary Information	14
Item 10: Other Financial Industry Activities and Affiliations.....	15
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.	15
Item 12: Brokerage Practices	17
Item 13: Review of Accounts	19
Item 14: Client Referrals and Other Compensation.....	19
Item 15: Custody.....	20
Item 16: Investment Discretion.....	20
Item 17: Voting Client Securities	21
Item 18: Financial Information	21

Item 4: Advisory Business

A. The Firm and its Owners.

Circle Wealth Management, LLC (“CWM”), was formed in December 2006, and registered as an investment adviser with the United States Securities and Exchange Commission on April 24, 2007. SEC registration does not imply a certain level of skill or training. CWM’s principal owner is Maria L. Kattan-Chrin.

B. The Firm’s Services.

CWM provides customized wealth advisory and investment management services to a select group of high net worth individuals, families, trusts, and non-profit organizations. For its services, CWM charges an annual advisory fee consistent with the terms of the applicable advisory agreement between CWM and the client. The fee is based on a percentage of the market value of the assets being managed by CWM, and in some cases, may be a flat fee.

- **Discretionary Wealth Advisory Services:** offer a collaborative and comprehensive approach to providing financial planning, investment management, and financial education to clients. These services are provided to clients who engage CWM to manage and oversee all/most of their investable assets. In a discretionary relationship, CWM makes and effectuates investment decisions on behalf of the client based on an agreed upon Investment Policy Statement.
- **Non-Discretionary Wealth Advisory Services:** offer a collaborative and comprehensive approach to providing financial planning, investment management, and financial education to clients. These services are provided to clients who engage CWM to manage and oversee all/most of their investable assets. In non-discretionary relationship, CWM makes recommendations and the client makes her/his own decisions.
- **Investment Management Services:** offer access to CWM managed portfolios. These services are offered on a discretionary basis.
- **Non-Discretionary Consulting Services:** offer consulting services relative to specific investment assets.

CWM spends considerable time getting to know each client at the beginning of the relationship and on an ongoing basis. Through a series of discussions in which goals, objectives, constraints, preferences, and tax status are established, CWM, in conjunction with the client and their other advisors, ascertains the client’s financial situation, investment philosophy, and risk tolerance. Using this information, CWM will prepare and propose a customized plan which consists of an allocation across client goals (including liquidity, income, and growth) and the corresponding allocation among asset classes, based on CWM’s asset class and market views. Client will review the plan with CWM and, with respect to discretionary clients confirm approval by signing

an Investment Policy Statement (IPS) which summarizes the plan. The IPS is reviewed annually and updated to reflect changes in client's objectives and/or financial situation.

- CWM provides investment advice with respect to various asset classes and investment vehicles which can be used in the implementation of the client's IPS.
- Asset Classes include: cash and cash equivalents, public equity, private equity, fixed income, credit, and real assets.
- Vehicles include: equity securities (such as exchange-listed, securities traded over-the-counter, preferred, and foreign issuers), debt securities (municipals, United States Governments and Agencies, corporate and sovereign), options, exchange traded funds, mutual fund shares, separate account managers, hedge funds, fund of funds, private equity partnerships, and structured notes.
- Although CWM's investment advice is typically limited to the investment categories noted above, CWM may provide advice with respect to other investment opportunities or client requests where CWM determines that its involvement would be helpful to the client.

Independent Managers. As referenced above, based on each client's goals and risk tolerance, CWM will recommend that a client allocates, or if CWM is serving on a discretionary basis, CWM will allocate, all or a portion of a client's assets to and/or among a select group of investments, which may include but are not limited to, separately managed accounts, exchange traded funds, individually selected equities and preferred stocks, mutual funds, hedge funds, options, private equity partnerships, and fund of funds. The investment management fee charged by the *Independent Manager[s]* is separate from, and in addition to, CWM's advisory fee as set forth in the fee schedule at Item 5 below.

As part of its investment due diligence process, CWM screens, selects, and monitors a broad universe of independent managers on an ongoing basis. CWM's due diligence process is extensive and consists of multiple steps through which the CWM investment team analyzes and assesses a number of important factors related to each Investment Manager as part of the selection and monitoring processes.

These factors include but are not limited to:

Firm: history, culture, structure, reputation, code of ethics, financial strength, privacy policies/procedures, risk management

Management Team: personal and professional backgrounds, team composition and structure, investment style and biases, compensation

Investment Philosophy and Process: investment selection criteria and process, selling discipline, pricing policy, asset types, liquidity requirements/constraints

Performance Track Record: length of track record, absolute and after-tax performance, attribution of performance

Custodial and Prime Broker Relationships: number of relationships, custody of client assets, trading and trade allocation processes, risk management, operational procedures

Fund Administration/Reporting: frequency, transparency

CWM generally has the authority to determine the broker-dealer/custodian to be used by designated Independent Managers, who invest on behalf of CWM's clients, through separately managed discretionary accounts. CWM will typically make that selection based on how best to access the manager at the lowest fee but may also select a broker-dealer/custodian based on a client request/preference. The investment management fees charged by the designated Independent Manager(s), together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, are exclusive of, and in addition to, CWM's ongoing investment advisory fee.

C. Miscellaneous Information About the Firm's Services.

In connection with the provision of CWM's wealth advisory services:

- (1) CWM manages client's assets after client, in discussions with CWM, determines the appropriateness of CWM's services in the context of their overall financial situation and objectives.
- (2) CWM tailors its advisory services to the client's individual needs and goals. The CWM team will analyze the clients' existing investments in order to determine which should be held or sold and will create an asset allocation and implementation plan for each client. The client's investment objectives and goals-based asset allocation will be summarized in the client's Investment Policy Statement (IPS). The IPS will be reviewed and approved by the client in writing. When CWM's services are provided on a non-discretionary wealth advisory or consulting basis, the client retains the decision-making power over asset allocation, investment selection, and portfolio implementation and is free to accept or reject any recommendation from CWM. In non-discretionary relationships, CWM does not require an IPS.
- (3) Clients may impose reasonable restrictions on CWM, which may include restrictions on investing in certain securities, types of securities, and/or types of independent managers. These restrictions are noted in the client's IPS. Clients may change/amend those limitations, in writing, when appropriate.
- (4) CWM is authorized to rely on any and all information that is provided to CWM by the client or any of the client's other service providers and advisors (such as the client's attorney, accountant, family office staff) and by investment managers, and shall not be required to independently verify any such information.
- (5) Each client is responsible for promptly notifying CWM if there is ever any change in their financial situation or investment objectives so that CWM may review, evaluate and possibly revise its previous recommendations and/or services in light of the new information.

- (6) No information accessed or acquired, directly or indirectly, by a client as a result of participating in any meeting sponsored by CWM or accessed through CWM is, or is intended to be, investment advice or recommendations tailored for the benefit of the participant or investment advice or recommendations regarding particular securities.
- (7) **Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** CWM offers to provide financial planning services. To the extent engaged by a client, in writing, to do so, CWM shall generally provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. We do not serve as an attorney, accountant, or insurance agency, and no portion of our services should be construed as same. Accordingly, we do not prepare estate planning documents, tax returns or sell insurance products. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purposes. The client is 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 that we make. If the client engages any unaffiliated recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.
- (8) **Stand-Alone Investment Management Services.** For wealth management engagements, CWM will generally provide planning and such services inclusive of its advisory fee set forth at Item 5 below, but, depending upon client needs and/or investable assets, may be engaged on an investment management basis only.
- (9) **Non-Discretionary Service Limitations.** Clients that determine to engage CWM on a non-discretionary investment advisory basis must be willing to accept that CWM cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event that CWM would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, CWM will be unable to effect the account transaction(s) (as it would for its discretionary clients) without first obtaining the client's consent.
- (10) **Retirement Rollovers-Potential for Conflict of Interest.** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If CWM recommends that a client roll over their retirement plan assets into an account to be managed by CWM, such a recommendation creates a conflict of interest if CWM will earn an advisory fee on the rolled over assets. When acting in such capacity, CWM serves as a fiduciary under the Employee Retirement Income Security Act (ERISA). **No client is under any obligation to rollover retirement plan assets to an account managed by CWM.** CWM's Chief Compliance Officer, Kristen Breault remains

available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

- (11) **Unaffiliated Private Investment Funds.** We may also provide investment advice regarding unaffiliated private investment funds. We, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in unaffiliated private investment funds. Our role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) shall be included as part of “assets under management” for purposes of calculating our investment advisory fee. Our clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund’s offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may own, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

Valuation. In the event that CWM references private investment funds owned by the client on any supplemental account reports prepared by CWM, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. However, if subsequent to purchase, the fund has not provided an updated valuation, the valuation shall reflect the initial purchase price. If subsequent to purchase, the fund provides an updated valuation, then the statement will reflect that updated value. The updated value will continue to be reflected on the report until the fund provides a further updated value. As result of the valuation process, if the valuation reflects initial purchase price or an updated value subsequent to purchase price, the current value(s) of an investor’s fund holding(s) could be significantly more or less than the value reflected on the report. Unless otherwise indicated, the client’s advisory fee shall be based upon the value reflected on the report.

- (12) **Use of Mutual and Exchange Traded Funds.** Most mutual funds and exchange traded funds are available directly to the public. Thus, a prospective client can obtain many of the funds that may be utilized by CWM independent of engaging CWM as an investment advisor. However, if a prospective client determines to do so, he/she will not receive CWM’s initial and ongoing investment advisory services. **Use of DFA Mutual Funds:** CWM utilizes mutual funds issued by Dimensional Fund Advisors (“DFA”). DFA funds are generally only available through registered investment advisers. Thus, if the client was to terminate CWM’s services, and not transition to another adviser who utilizes DFA funds, restrictions regarding additional purchases of, or reallocation among other, DFA funds will generally apply. **Separate Fees:** All mutual funds (and exchange traded fund) impose fees at

the fund level (e.g. management fees and other fund expenses). All mutual fund fees are separate from, and in addition to, CWM's wealth management fee as described at Item 5 below. CWM's Chief Compliance Officer, Kristen Breault, remains available to address any questions that a client or prospective client may have regarding the above.

- (13) **Portfolio Activity.** CWM has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, CWM will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when CWM determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by CWM will be profitable or equal any specific performance level(s).
- (14) **eMoney Platform.** In conjunction with the services provided by eMoney, CWM may also provide access to account aggregation services, which can incorporate all of the client's investment assets," including those investment assets that are not part of the assets that we manage (the "Excluded Assets"). The client and/or his/her/its other advisors that maintain trading authority, and not us, shall be exclusively responsible for the investment performance of the Excluded Assets. In addition, eMoney also provides access to other types of information, including financial planning concepts, which should not, in any manner whatsoever, be construed as services, advice or recommendations provided by CWM. CWM does not provide investment management, monitoring or implementation services for the Excluded Assets. If CWM is asked to make a recommendation as to any Excluded Assets, the client is under absolutely no obligation to accept the recommendation, and CWM shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. The client may engage CWM to provide investment management services for the Excluded Assets pursuant to the terms and conditions of an investment management agreement between CWM and the client.
- (15) **Structured Notes.** CWM may purchase structured notes for client accounts. A structured note is a financial instrument that combines two elements, a debt security and exposure to an underlying asset or assets. It is essentially a note, carrying counter party risk of the issuer. However, the return on the note is linked to the return of an underlying asset or assets (such as the S&P 500 Index or commodities). It is this latter feature that makes structured products unique, as the payout can be used to provide some degree of principal protection, leveraged returns (but usually with some cap on the maximum return), and be tailored to a specific market or economic view. In addition, investors may receive long-term capital gains tax treatment if certain underlying conditions are met and the note is held for more than one year. Finally, structured notes may also have liquidity constraints, such that the sale thereof before maturity may be limited.
- (16) **Client Obligations.** In performing our services, CWM shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its

responsibility to promptly notify us if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

- (17) **Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by CWM) will be profitable or equal any specific performance level(s).

D. The Firm's Assets Under Management.

As of December 31, 2017, CWM's total assets under management were, \$1,649,272,121 of which \$713,931,794 were discretionary and \$935,340,327 were non-discretionary.

Item 5: Fees and Compensation

A. The Firm's Fees and Compensation for Services.

CWM is compensated exclusively by its clients and does not share in the fees paid to independent managers, custodians, broker/dealers and any other provider. CWM fees are based on the overall assets under management and are reflected in the advisory agreement between CWM and each of its clients. Assets under management refer to both assets for which CWM provides discretionary services as well as non-discretionary services.

B. General Information on Fees.

Fees are based upon a percentage (%) of the market value of the assets placed under CWM's management. Asset based fees range from 0.24% to 1.00%. In cases where a client situation requires CWM's significant involvement in areas other than investment management, the fee may be in the form of a flat fee to reflect these additional services. Flat fees are reviewed annually and will typically not exceed 1.50% on the assets under management for that client. Fees are negotiable.

CWM charges a flat fee for non-discretionary consulting services and at times for financial planning.

CWM's annual investment advisory fee shall be pro-rated, invoiced and paid quarterly, based either upon the market value of the assets on the last business day of the previous quarter or the annual flat fee. Upon the termination of the applicable advisory agreement between CWM and the client, any unearned fees paid in advance will be returned to the client.

CWM's fees may be deducted from the client's account by the client's account custodian, or, if requested by the client, by CWM. The client may also pay CWM's fee directly.

All fees paid to CWM for its services are separate and distinct from the fees and expenses charged directly by the custodian(s) of the client's account(s), transaction charges imposed by the broker-dealer executing securities transactions for the client's account(s), fees and expenses embedded in exchange traded funds and mutual funds held in or for the client's account(s) and/or

charged to the client's account(s) by investment managers, such as hedge funds and private equity partnerships, and by the client's other advisors. For further discussion concerning CWM's brokerage practices, please see Item 12 below.

The fees and expenses imposed by mutual funds and exchange traded funds are described in each fund's prospectus and will generally include a management fee, other fund expenses, and a possible distribution fee. If hedge funds, private equity partnerships, fund of funds, and managed accounts also impose sales charges, a client may pay an initial or deferred sales charge. The client should review both the fees charged by the funds and the fees charged by CWM to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Fee Differentials. CWM may price its services based upon various objective and subjective factors. As a result, CWM's clients could pay diverse fees based upon the market value of their assets, the complexity of the engagement, and the level and scope of the overall investment advisory and/or consulting services to be rendered. As a result of these factors, similarly situated clients could pay diverse fees, and the services to be provided by CWM to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly.

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

CWM does not charge performance-based fees.

Item 7: Types of Clients

A. The Firm's Clients.

The Firm's client base is comprised of:

1. high net worth individuals and families, their associated entities and trusts
2. charitable organizations and/or tax-exempt organizations

B. Requirements for Opening or Maintaining an Account.

1. Circle Wealth Management's determining factor in opening an account is the client's fit with our practice.

2. Advisory Agreement

Each client will be required to sign an advisory agreement with CWM that sets forth the terms and conditions of the relationship between the client and CWM.

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

A. Methods of Analysis and Investment Strategies.

1. **Methods of Analysis.** In connection with servicing client accounts, CWM utilizes both quantitative and qualitative analysis. This analysis includes technical analysis and fundamental research. The main sources of the information that CWM uses in the Firm's investment decision-making process include proprietary due diligence and research processes, information gathered from consultants, contracts with database services, and research materials from third parties including broker-dealers, banks, independent investment newsletters and investment managers.

2. **Investment Strategy.** CWM's primary role is to work with advisory clients on their asset allocation by creating, implementing, and monitoring their investment policy statement. CWM utilizes long term investments, short term investments, margin transactions, option writing, and independent manager[s] as the investment strategies that it recommends and/or employs for servicing client accounts.

(a) **Long-term investments.** Long term investments are generally comprised of individual equity, fixed income and option securities, exchange traded funds, mutual funds, private partnerships such as hedge funds, fund of funds, private equity funds and structured notes which are held at least one year after the date of their purchase.

(b) **Short-term investments.** Short term investments are generally comprised of individual equity, fixed income and option securities, exchange traded funds, mutual funds and structured notes which are sold within one year from the date of their purchase. Short term purchases may result in frequent trading of securities, which may negatively affect investment performance through the impact of increased brokerage and other transaction costs and taxes that the client account may incur.

(c) **Leverage.** CWM may allocate assets to independent manager(s) who may use leverage in their investment program. Leverage may create an opportunity for greater yield and total return, but may also increase exposure to capital risk and higher current expenses.

(d) **Option Trading.** CWM directly and/or the independent manager(s) it recommends or allocates assets to, may buy or write put and call options through listed exchanges and over-the-counter. The buyer of an option has the right to purchase (in the case of a call option) or sell (in the case of a put option) a specified quantity of a specific security or currency at a specified price prior to or on a specified expiration date. The writer of an option is exposed to the risk of loss if the market price of the underlying securities declines (in the case of a put option) or increases (in the case of a call option). The writer of an option can never profit by more than the premium paid by the buyer but can lose an unlimited amount.

(e) **Short Selling.** CWM may allocate assets to independent manager(s) who may sell short securities of an issuer in the expectation of covering the short sale with securities purchased in the open market at a price lower than that received in the short sale.

Restrictions on short selling activities imposed by the federal securities laws and the various national and regional securities exchanges could limit such investment activities. There can be no assurance that securities necessary to cover a short position will be available for purchase.

3. Risk of Loss.

Risks can occur as a result of macroeconomic conditions, market conditions, and idiosyncratic risks inherent in independent manager(s) and/or securities. There is no way of predicting how the independent manager(s) will make investments or whether they will act in accordance with any disclosure documents or descriptive materials given by them to CWM. There can be no assurance that CWM will achieve its clients' objectives or that the strategies described herein will be successful. Client's assets may be allocated to an independent manager(s) who may be invested in securities and other financial instruments or obligations for which no market exists and/or which are restricted as to their transferability under federal or state securities laws. As such, clients may not be able to exit from such investments when they would like to, even if they are under-performing. Given the factors that are described below, there exists a possibility that a client could suffer a substantial loss as a result of making investments. Investing in securities involves risk of loss that each client should be prepared to bear.

(a) **Risks of Derivatives.** CWM directly and/or the independent manager(s) it recommends or allocates assets to, may trade derivatives. The risks posed by derivatives include (1) credit risks (the exposure to the possibility of loss resulting from a counterparty's failure to meet its financial obligations); (2) market risks (adverse movements in the price of a financial asset or commodity); (3) legal risks (an action by a court or by a regulatory or legislative body that could invalidate a financial contract); (4) operations risks (inadequate controls, deficient procedures, human error, system failure or fraud); (5) documentation risks (exposure to losses resulting from inadequate documentation); (6) liquidity risks (exposure to losses created by the inability to prematurely terminate a derivative); (7) systemic risks (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (8) concentration risks (exposure to losses from concentration of closely-related risks such as exposure to a particular industry or exposure linked to a particular entity); and (9) settlement risks (the risk that a client faces when it has performed its obligations under a contract but has not yet received value from its counterparty).

(b) **Leverage.** CWM may allocate assets to independent manager(s) who may use leverage in their investment program. Leverage may create an opportunity for greater yield and total return, but may also increase exposure to capital risk and higher current expenses.

(c) **Short Selling.** CWM may allocate assets to independent manager(s) who may sell short securities of an issuer in the expectation of covering the short sale with securities purchased in the open market at a price lower than that received in the short sale. Restrictions on short selling activities imposed by the federal securities laws and the various national and regional securities exchanges could limit such investment activities. There can be no assurance that securities necessary to cover a short position will be available for purchase. A short sale creates the risk of a theoretically unlimited loss because the price of the underlying security could

theoretically increase without limit and increase the cost of buying those securities to close the short position.

(d) **Institutional Risk and Custodial Risks.** The institutions, including brokerage firms and banks, with which CWM and independent managers directly or indirectly do business, or to which securities have been entrusted for custodial and prime brokerage purposes, may encounter financial difficulties that impair the operational capabilities or the capital position of a client. Brokers may trade with an exchange as a principal on behalf of a client, in a “debtor-creditor” relationship, unlike other clearing broker relationships where the broker is merely a facilitator of the transaction. Such broker could, therefore, have title to all of the assets of the client (for example, the transactions which the broker has entered into on behalf of the client as principal as well as the margin payments which the client provides). There is a residual risk that any brokers or dealers could become insolvent. While both the U.S. Bankruptcy Code and the Securities Investor Protection Act of 1970 seek to protect investor property in the event of failure, insolvency or liquidation of a broker dealer, a failure of a broker dealer that has custody of client assets may result in the client incurring losses due to its assets being unavailable for a period of time. Such losses could be significant.

(e) **Counterparty Risk.** CWM may allocate assets to independent manager(s) who may effect transactions in many markets including “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange based” markets. This exposes the client to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the client to suffer a loss.

(f) **Underlying Manager Investments.** Certain underlying managers may take competing positions resulting in the client indirectly incurring certain transaction costs without accomplishing any net investment result. Furthermore, when allocating assets to unaffiliated investment managers, (i) CWM will not have the right to participate in the management, control or operation of the underlying funds or managers or evaluate much of the relevant economic, financial and other information which will be utilized by the underlying managers in their selection, structuring, monitoring and disposition of investments and (ii) there is always the possibility that the underlying manager could divert or abscond with the assets, fail to follow agreed-upon investment strategies, provide false reports of operations or engage in other misconduct. Lastly, underlying fund investments (especially private equity funds) tend to be less liquid than publicly traded securities.

Item 9: Disciplinary Information

There are no legal or disciplinary events relating to CWM.

Item 10: Other Financial Industry Activities and Affiliations

As described under Item 10 of this Form ADV, CWM may recommend that clients establish brokerage accounts with Charles Schwab & Co., Inc. (“Schwab”) to maintain custody of the clients’ assets and effect trades for their accounts. Maria L. Kattan-Chrin began serving on the Schwab Advisor Services Advisory Board (the “Board”) in January 2017. The Board consists of approximately 20 representatives of independent investment advisory firms who have been invited by Schwab management to participate in meetings and discussions regarding the offerings provided by Schwab Advisor Services’ to independent investment advisory firms and their clients. Board members serve for a two-year term and enter into nondisclosure agreements with Schwab under which they agree not to disclose confidential information shared with them. This information generally does not include material nonpublic information about the Charles Schwab Corporation, whose common stock is listed for trading on the New York Stock Exchange and the NASDAQ stock market (symbol SCHW). The Board meets in person approximately twice per year and has periodic conference calls scheduled as needed. Board members are not compensated by Schwab for their service, but Schwab does pay for or reimburse Board members’ travel, lodging, meals and other incidental expenses incurred in attending Board meetings. CWM does not believe that such affiliation creates any conflicts of interest for CWM.

Ann F. Kaplan is on the Board of the Goldman Sachs Bank. CWM does not believe that such affiliation creates any conflicts of interest for CWM.

While CWM may recommend that certain clients allocate, or if CWM is serving on a discretionary basis CWM may allocate, the management of all or portion of a client’s assets by and/or among certain independent managers, CWM does not receive or share any compensation from or with any independent manager and/or custodian.

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

A. Description of the Firm’s Code of Ethics

CWM has adopted a Code of Ethics pursuant to SEC Rule 204A-1, under the Investment Advisers Act of 1940, as amended (“Advisers Act”), which serves to establish a standard of business conduct for all of the Firm’s personnel that is based upon fundamental principles of openness, integrity, honesty and trust. As an investment advisor and fiduciary, CWM has an undivided duty of loyalty to act solely in the best interest of its clients and must avoid or disclose conflicts of interest. In carrying on its daily affairs, CWM and all Associated Persons (also known as “Supervised Persons”), shall act in a fair, lawful, and ethical manner in accordance with the rules and regulations imposed by the governing regulatory authority. It is the purpose of CWM’s Code of Ethics to emphasize and implement these fundamental principles within its operations. All Firm personnel shall act in accordance with the requirements of the Adviser’s Act, which sets forth numerous policies and procedures.

The Code of Ethics requires that upon joining the Firm, all employees and partners must disclose all portfolio holdings individually and in which they or any immediate family member has direct

or beneficial ownership. CWM must receive all transaction confirmations and monthly statements. CWM requires that prior to effecting any securities transactions, including trades and/or direct investments or investing with any investment managers for themselves or for immediate family, all employees and partners must request in writing, via email, and receive approval from the Chief Compliance Office and/or Managing Partner.

Employees and partners are prohibited from using any information acquired in their capacities as such to effect any trade or undertake any activity that may adversely affect CWM's clients or their interests. All are similarly prohibited from furnishing such information for their own benefit. CWM requires that all personnel act in accordance with all the applicable Federal and State regulations governing registered investment advisory practices. CWM analyzes its operations on an ongoing basis to identify potential conflicts. The Chief Compliance Officer reviews the Code of Ethics as well as CWM's internal policies and procedures with each employee to ensure each person is aware of his or her responsibilities. This review occurs upon joining the Firm as well as on an ongoing basis. Information concerning the identity of the security holdings and financial circumstances of clients is to be kept confidential. Any violation of this Code of Ethics or any Firm policy and/or procedure is subject to the Firm's disciplinary procedures, which may include termination of employment.

CWM will provide a copy of the Code of Ethics to any client or prospective client upon request.

B. Investing by the Firm and its Personnel

1. The purchase or sale of the same securities as for the client. CWM personnel (including for purposes of this Item 11 its principals and employees) may purchase or sell the same securities for their own accounts as are recommended, purchased or sold for client accounts. In addition, any person affiliated with CWM may directly or indirectly hold the same securities as CWM recommends to clients. These investment activities may present a conflict of interest in the sense that CWM, or its personnel, may benefit financially from a transaction effected for a client account.

2. The purchase or sale of same securities, and allocations to same managers, at or about the same time as in a client's account. In the case that CWM personnel requests to transact in a security on the same day that CWM is transacting in that security for client accounts, the request is approved as long as the order is on the same side and it is placed in the CWM Master account. Clients must receive the same or better execution. Mutual Fund trade requests on the same side as CWM client transactions are approved as mutual funds are traded on a broad market at an average price for all trades of the day therefore it is not seen as a conflict.

The Firm believes that it has addressed potential conflicts of interest related to its personnel's personal trading through its internal compliance policies. Each such person will be required to request approval in writing, via email, from the Chief Compliance Officer and/or Managing Partner prior to effecting any transaction and/or investing with any investment manager, including ones to which CWM allocates client assets. The Chief Compliance Officer checks with the Managing Partner and execution team to assess if CWM is transacting, or intending to transact, in the security for clients on that day. If CWM is not transacting, or intending to transact, in the security the request is generally approved as long as it is on the same side of positions held by clients. If CWM is transacting, or intending to transact, in the security for client

accounts, the partner or employee order must be entered in the CWM Master account and receive the same execution, but not a better execution, than that of clients.

CWM requires that all employees/partners provide copies of trade confirmations and all account and direct investment statements. Employees and partners of CWM are prohibited from using any information acquired in their capacities to affect any trade or undertake any activity that may adversely affect CWM's clients or their interests. All are similarly prohibited from furnishing such information to others or otherwise improperly using such information for their own benefit. Any individual not in observance of the above may be subject to termination.

Item 12: Brokerage Practices

A. Brokerage Practices

In the event that the client requests that we recommend a broker-dealer/custodian for execution and/or custodial services, we generally recommend that investment accounts be maintained at Charles Schwab & Co., Inc. ("Schwab") Prior to engaging us to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with us setting forth the terms and conditions under which we shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that we consider in recommending Schwab (or any other broker-dealer/custodian to clients) include historical relationship, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by our clients shall comply with our duty to obtain best execution, a client may pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine, in good faith, that the transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, our investment advisory fee.

B. Non-Soft Dollar Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, we may receive from Schwab (or another broker-dealer/custodian, investment manager, platform or fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist us to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by us may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support-including client events, computer hardware

and/or software and/or other products used by us in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist us in managing and administering client accounts. Others do not directly provide such assistance, but rather assist us to manage and further develop its business enterprise.

Our clients do not pay more for investment transactions effected and/or assets maintained at Schwab as a result of this arrangement. There is no corresponding commitment made by us to Schwab or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

C. Tradeaway/Prime Broker Fees.

Relative to its discretionary investment management services, when beneficial to the client, individual equity and/or fixed income transactions may be effected through broker-dealers other than the account custodian, in which event, the client generally will incur both the fee (commission, mark-up/mark-down) charged by the executing broker-dealer and a separate “tradeaway” and/or prime broker fee charged by the account custodian (Schwab).

D. Directed Brokerage.

We generally recommend that our clients utilize the brokerage and custodial services provided by Schwab. We may accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and we will not seek better execution services or prices from other broker-dealers or be able to “batch” the client’s transactions for execution through other broker-dealers with orders for other accounts managed by us. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. In the event that the client directs us to effect securities transactions for the client’s accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that we recommend. Higher transaction costs adversely impact account performance. Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

E. Order Aggregation.

Transactions for each client account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may (but are not obligated to) combine or “bunch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among our clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each

client account on any given day. We shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13: Review of Accounts

A. Account Reviews.

Each of CWM's advisory clients' accounts will be monitored by CWM's partners and the investment team weekly. In addition, portfolios are reviewed whenever significant economic events, changes in market conditions or important new developments concerning a security and/or investment manager affecting any individual account occur. The partners and the investment team will take appropriate action or no action consistent with the goals and objectives of each account.

Non-Discretionary Consulting clients do not have any accounts with CWM. Therefore, accounts are reviewed per the schedule that is agreed upon with the client based on account information provided by the client to CWM.

B. Account Reports.

Advisory clients receive confirmations of all transactions and statements from custodians, broker-dealers and/or banks, where assets are held, on a monthly basis and capital account statements from investment managers of managed accounts, hedge funds, fund of funds and private equity partnerships to which client assets are allocated on a quarterly basis or as provided by that manager.

In addition to reports sent directly to advisory clients by custodians and/or investment managers, CWM provides a comprehensive quarterly report to its clients. CWM's quarterly report includes all advisory clients' assets under CWM supervision, across all the custodians in which advisory client maintains an account, as well as investments such as managed accounts, hedge funds, fund of funds and private equity partnerships. All CWM reports provided to clients are issued as an accommodation and are not official customer statements. CWM prepares these reports based on data believed to be accurate and provided on custodian statements, investment manager statements and capital account statements. CWM does not guarantee the accuracy or completeness of the information used in its reports. To the extent that there are differences between official custodian and investment manager statements and CWM's report, the official custodian statement should prevail. Based on advisory client's preference, CWM reports can be posted on a secure site, and/or sent via password-protected email.

CWM is not required to prepare and/or provide any reports for non-discretionary consulting clients.

Item 14: Client Referrals and Other Compensation

As referenced in Item 12 above, we may receive from Schwab, without cost (and/or at a discount), support services and/or products. Our clients do not pay more for investment transactions effected and/or assets maintained at Schwab as result of this arrangement. There is no corresponding commitment made by us to Schwab or any other entity to invest any specific

amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangements. Our Chief Compliance Officer, Kristen Breault, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangements may create.

We do not maintain any current relationship unaffiliated individual or entity solicitors to refer prospective clients to us in return for compensation.

A. Non-Clients providing an Economic Benefit to CWM.

N/A

B. CWM Compensation to Third Parties for Client Referrals.

CWM does not compensate third parties for client referrals.

Item 15: Custody

CWM does not maintain physical possession of advisory client securities; all advisory client assets are physically held in custody at independent qualified custodians. The qualified custodian may be authorized by the client to deduct and process direct payment of CWM's advisory fee directly from the client's custodial account. Each advisory client will receive account statements directly from the custodian(s) on at least a quarterly basis (and typically on a monthly basis as provided in Item 13.B). Advisory clients should carefully review those statements. In the event that a client also receives an account statement from CWM, client is urged to compare the account statement they receive from the qualified custodian(s) with the account statement they receive from CWM, and to rely solely on the account statement received from the qualified custodian.

With respect to CWM clients that have an account at Charles Schwab Institutional, CWM typically has client authorization to deduct its fee directly from their account. As a result, CWM is deemed to have custody of those accounts' assets.

Item 16: Investment Discretion

CWM's services are provided both on a non-discretionary and discretionary basis. In a non-discretionary wealth advisory and consulting engagement, CWM makes recommendations to its clients and each client makes its own decisions. In a wealth advisory discretionary engagement, CWM has written authority to determine the securities to be bought or sold, the amount of securities to be brought or sold, the broker or dealer to be used and the commission rates to be paid, as well as the investment managers to allocate assets to including but not limited to: mutual funds, exchange traded funds, preferred stock, options, managed accounts, hedge funds, fund of funds and private equity partnerships. Clients may place limitations on CWM's discretionary authority. Any such limitations shall be presented to CWM in writing, and clients may change/amend those limitations, in writing, when appropriate.

CWM's advisory agreement and the agreement between the client and the custodian/broker-dealer for the account, may grant discretionary authority to CWM. The client's written agreement with the custodian also grants a limited power of attorney to CWM relative to transactions in the client's custodial account.

Item 17: Voting Client Securities

CWM does not vote client proxies for client accounts. Therefore, although CWM may provide investment advisory services relative to client investment assets, CWM's clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. CWM and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. Clients can contact CWM using the information on the cover page of this brochure with any questions about a particular solicitation.

Item 18: Financial Information

There is no financial information that is reasonably likely to impair CWM's ability to meet contractual commitments to its clients.

ANY QUESTIONS: Our Chief Compliance Officer, Kristen Breault, remains available to address any questions regarding this Part 2A.