Disclosure Brochure

March 2018

Wealth Legacy Institute, Inc.

a Registered Investment Adviser

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This brochure provides information about the qualifications and business practices of Wealth Legacy Institute, Inc. (hereinafter "WLI" or the "firm"). If you have any questions about the contents of this brochure, please contact Kimberly L. Curtis at (303) 753-7581. 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. You can view our firm's information on this website by searching for Wealth Legacy Institute, Inc. or the firm's CRD number: 144152. Additional information about Wealth Legacy Institute, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

Wealth Legacy Institute, Inc. is a state registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

Since the last ADV Annual Amendment was filed in February 2017, the firm reached the level of assets under management to change their primary regulatory authority to the U.S. Securities and Exchange Commission.

Item 3. Table of Contents

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Item 4. Advisory Business

Wealth Legacy Institute (WLI) is a forward-thinking independent registered investment advisory firm founded in 2007. WLI was initially approved as an investment advisor on 08/02/2007, in September 2017 the firm reached the level of assets under management where the firm has qualified to change their primary regulatory authority to the U.S. Securities and Exchange Commission. Wealth Legacy Institute is dedicated to adding value to clients through integrated financial planning, tax and fee minimization, estate planning advice and family wealth advisory services. The Firm's mission is to serve clients. Our focus has been unwavering. We do this by our commitment to transparent pricing, minimizing potential conflicts of interest and providing actionable advice. We use our firm-wide expertise to help each client define their ideal future, and help bring that plan into action.

Wealth Legacy Institute offers effective financial planning coordinated with globally diversified investment management services. Where appropriate, Wealth Legacy Institute will work with a client's other advisors to ensure consistent execution of suggested strategies. Prior to engaging WLI to provide any of the foregoing advisory services, clients are required to enter into one or more written agreements with Wealth Legacy Institute setting forth the relevant terms and conditions under which WLI renders its services (collectively the "*Agreement*").

WLI is principally owned by Kimberly L. Curtis, who also serves as the firm's CEO. While this brochure generally describes the business of WLI, certain sections will also discuss the activities of *Supervised Persons,* which refer to the Firm's officers, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on WLI's behalf and is subject to WLI's supervision or control.

Wealth Advisory Services

WLI offers a range of wealth advisory services. We believe integrated wealth planning is just as important as asset management. Accordingly, we integrate financial planning and investment management in a collaborative holistic approach. The range of services depends upon the specific needs of the Firm's individual clients and may address any or all of the following areas:

Financial Planning & Advice

- General Financial Oversight (net worth / cash flow)
- Risk Management Review (life, disability, health, long-term care, property/casualty)
- Investment Management (portfolio allocation, risk tolerance)

- Retirement Planning (needs analysis, time horizon)
- Tax Planning (tax minimization, tax loss harvesting)
- Wealth Transfer and Estate Planning (succession, trusts, wills)
- Family Education (governance, philanthropy)

Conflicts between the interests of the investment adviser and the interests of the client may arise in the analysis and recommendations made in the consulting services provided. The Clients are under no obligation to act on the recommendations of WLI's representative and if the Client elects to act on any of the recommendations, the client is under no obligation to effect the transactions through WLI.

Family Enterprise

WLI also provides services designed to help families succeed as a unified enterprise, taking into consideration intricate family dynamics, various life stages of individual family members, as well as individual goals within the family. Through both individual consultations and family meetings, the firm seeks to help families devise a disciplined and enriching family plan, focusing on collaboration, effective communication, leadership training, financial knowledge and conflict resolution.

Philanthropic Planning

WLI believes philanthropy can help families build, and in some cases rebuild, family unity and cooperation. The firm offers coaching services tailored to the creation of its clients' personal or family giving plan, leading philanthropic workshops, and partnering with local, national and international not-for-profit organizations to help design and implement planned giving strategies and donor motivation programs.

In performing these services, WLI is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information.

WLI may recommend the services of itself or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage WLI to provide additional services (e.g. special projects). Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by WLI under a wealth advisory engagement or to engage the services of any such recommended professionals, including WLI itself. Clients are advised that it remains the responsibility to promptly notify the Firm of any change in their

financial situation or investment objectives for the purpose of reviewing, evaluating or revising WLI's previous recommendations and/or services.

Investment Management

Clients may engage WLI to effect transactions within their investment portfolios on a discretionary basis, standalone basis, or part of a wealth advisory offering.

WLI primarily allocates clients' assets among various investment strategies, with a strong bias for low-fee, tax advantaged investments, typically embodied through a fundamental multi-factor approach to the markets. However, where certain inefficiencies present themselves or the Firm believes that a manager has an unusual advantage in a marketplace, WLI may suggest and employ other strategies. These strategies may include independent investment managers ("*Independent Managers*"), mutual funds, exchange-traded funds ("ETFs"), or other listed securities, in accordance with the investment objectives of its individual clients. In addition, WLI may also recommend that qualifying clients invest in privately placed securities, which may include debt, equity and/or interests in unregistered, pooled investment vehicles (e.g., hedge funds). Where appropriate, the Firm may also provide advice about client-selected securities, legacy positions, or other investments held in client portfolios.

WLI also may render investment management services to clients relative to products held outside of the client's primary custodian, such as employer-sponsored retirement plans and 529 plans. In so doing, WLI either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.

WLI tailors its advisory services to meet the needs of its individual clients and continuously seeks to ensure that client portfolios are managed in a manner consistent with their specific investment objectives. WLI consults with clients on an initial and ongoing basis to determine their specific risk tolerance, time horizon, liquidity constraints and other qualitative factors relevant to the management of their portfolios.
Clients are advised to promptly notify WLI if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their account if WLI determines, in its sole discretion, the conditions will not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

Use of Independent Managers

As mentioned above, WLI may allocate client assets to certain *Independent Managers* to actively manage those assets. The specific terms and conditions under which the client engages an *Independent Manager* are set forth in a separate written agreement between the designated *Independent Manager* and either WLI or the client. In addition to this brochure, clients also receive the written disclosure documents of the designated *Independent Managers* engaged to manage their assets.

When employed, WLI evaluates various information about the *Independent Manager* it chooses to manage client portfolios, which may include the *Independent Managers'* public disclosure documents, materials supplied by the *Independent Managers* themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the *Independent Manager*'s investment strategies, past performance and risk results to its clients' individual portfolio allocations and risk exposure. WLI also takes into consideration each *Independent Managers'* management style, returns, reputation, financial strength, reporting, pricing, and research capabilities, among other factors.

WLI continues to provide services relative to the discretionary selection of the *Independent Managers*. On an ongoing basis, the Firm monitors the performance of those accounts being managed. The investment management fees charged by the designated Independent Managers, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, may be exclusive of, and in addition to, WLI's investment advisory fee set forth above. As discussed above, the client may incur additional fees than those charged by WLI, the designated *Independent Managers*, and corresponding broker-dealer and custodian.

Seminars and Workshops

WLI offers educational, informative and motivational seminars and workshops to the public as well as to associations, family foundations and employers. Workshops are always offered on an impersonal basis and do not focus on the individual needs of the participants.

Newsletters

WLI occasionally prepares general, educational and informational newsletters. Newsletters are always offered on an impersonal basis and do not focus on the needs of a specific individual.

General Information

Wealth Advisory Services offered by WLI are not legal or accounting advice. Clients should coordinate and discuss the impact of financial advice with an attorney and/or tax professional. Transactions in accounts, re-allocations and/or rebalancing may trigger a taxable event, with the exceptions of IRA accounts and other qualified retirement accounts. Performance may suffer due to difficulties with diversifying smaller accounts. In addition, smaller account performance may vary from larger accounts due to market fluctuations that may impact smaller accounts more and the effects of compounding may be greater in larger accounts.

Electronic Delivery of Documents

WLI may provide all personal financial information, including statements, electronically. This may include the client's quarterly invoice detailing the calculation of fees, any notices, and other communications or disclosures, including WLI's annual Form ADV Part II and Privacy Policy. The client must provide a valid email address for this purpose.

Participation in Wrap Fee Programs

WLI does not offer asset management services therefore do not participate in a wrap fee program.

Client Assets Under Management

As of December 31, 2017, WLI had $106,962,073 in assets under management, all of which were managed on a discretionary basis.

Item 5. Fees and Compensation

WLI offers its services on a fee-only basis, which may include fixed fees or fees based upon assets under management or advisement.

Financial Planning Fees

WLI generally charges a negotiable fixed and/or hourly fee for its financial planning services. Prior to engaging WLI to provide financial planning and/or consulting services, the client is required to enter into a written agreement with WLI setting forth the terms and conditions of the engagement.

Fixed Fees

WLI's fixed fee typically ranges from $2,950 to $20,000. While fixed fees for the firm's consulting services vary, depending upon the level and scope of a particular engagement.

New financial planning clients are billed in advance for the initial plan design; whereas, existing financial planning clients are charged once annually for a plan assessment and renovation. All services are rendered within six months of the receipt of any payments made by clients.

Hourly Fees

The firm's hourly consulting rates vary, depending upon the financial professional(s) engaged to provide the underlying services, as follows:

- Financial Planner: $150 – $450 per hour
- Paraplanner: $85 per hour
- Administrative Support: $35 per hour

WLI usually requires half of the estimated hourly fee payable upon execution of the *Agreement*, but may elect to waive the upfront payment in certain circumstances. Any outstanding fees payable are due upon completion of the services. All services are rendered well within six months of the receipt of any payments made by clients.

Investment Management Fees

Wealth Legacy Institute generally charges fees ranging from ninety-five basis points (0.95%), up to one hundred fifty basis points (1.5%), based on the market value of the assets being managed by the Firm, or a fixed fee per annum. These fees are at the sole discretion of WLI management. Fees for clients with assets under management of $10,000,000 or more are negotiable. The specific fee charged for Investment Management Services charged to the client account will be listed in the Client Agreement.

The annual fee for WLI's services is prorated and charged in arrears on a quarterly basis. If requested Clients may be provided the opportunity to pay advisory fees in advance. In the event the *Agreement* is terminated, for clients that pay fees in arrears the fee for the final billing period is prorated through the effective date of the termination and the outstanding balance is charged to the client, as appropriate, or any

prospective payment in excess of the prorated portion is credited to the client's account; for clients that choose to pay fees in advance any unearned fees will be promptly refunded to the client.

Fee Discretion

WLI, in its sole discretion, may negotiate to charge a greater or lesser fee based upon certain criteria, such as the complexity of the client's portfolio, the level of expertise required to service the account, the staff time involved in servicing the account, potential value added to the client for the services to be provided, pre-existing client relationships, anticipated future additional assets, dollar amount of assets to be managed, account retention and pro bono activities among other factors. Related client accounts may be aggregated for purposes of calculating fees. WLI may waive its advisory fee at any time when it deems it appropriate and/or necessary.

It should be noted that lower fees for comparable services may be available from other sources.

Fees Charged by Financial Institutions

All fees paid to WLI for services are separate and distinct from the commissions, fees and expenses charged by insurance companies associated with any disability insurance, life insurance and annuities subsequently acquired by you. If you sell or liquidate certain existing securities positions to acquire any insurance or annuity, you may also pay a commission and/or deferred sales charges in addition to the consulting fees paid to WLI and any commissions, fees and expenses charged by the insurance company for subsequently acquired insurance and/or annuities.

All fees paid to WLI for advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each mutual fund's prospectus. These fees will generally include a management fee, other fund expenses and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge. WLI does not receive any portion of the fees charged by mutual funds

Fee Debit

Clients generally provide WLI and/or the Independent Managers with the authority to directly debit their accounts for payment of the Firm's advisory fees. The *Financial Institutions* that act as qualified custodian for client accounts have agreed to send statements to clients not less than quarterly, detailing all account transactions, including any amounts paid to WLI. Alternatively, clients may elect to have WLI send them an invoice for direct payment. WLI may sell or redeem securities in sufficient amount to pay advisory fees.

All fee invoices are due upon receipt.

Because our billing schedules change over time, existing clients may be billed according to a different schedule. WLI retains the right to waive or negotiate fees in certain circumstances and to modify the above fee schedules prior to performing services.

Account Additions and Withdrawals

Clients may make additions to and withdrawals from their account at any time, subject to WLI's right to terminate an account. Additions may be in cash or securities provided that WLI reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to WLI, subject to the usual and customary securities settlement procedures. However, WLI generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. WLI may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

Seminars and Workshops

Seminars and Workshops are always provided free of charge.

Newsletters

Newsletters are provided to clients and prospective clients free of charge.

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

WLI does not provide any services for performance-based fees (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets). Nor does WLI manage accounts on a side-by-side basis. Therefore, WLI has no economic incentive to manage clients' portfolios in any way other than what is in their best interests.

Item 7. Types of Clients

WLI provides its services to individuals, high net worth individuals and other investment advisors.

Minimum Portfolio Size

As a condition for starting and maintaining a relationship with WLI, the Firm generally imposes a minimum portfolio size of $500,000.

The Firm, in its sole discretion, may accept clients with smaller portfolios based upon each client's particular circumstances as it deems appropriate. WLI reserves the right to waive the minimum at any time. However, WLI only accepts clients with less than the minimum portfolio size if, in the sole opinion of the Firm, the smaller portfolio size will not result in a substantial increase of investment risk beyond the client's identified risk tolerance. WLI may aggregate the portfolios of family members to meet the minimum portfolio size.

Additionally, certain *Independent Managers* may impose more restrictive account requirements and varying billing practices than WLI. In such instances, WLI may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

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

Methods of Analysis and Investment Strategies

WLI predominantly allocates client assets to fundamental multi-factor strategies utilizing publicly traded securities such as mutual funds and ETFs, or one or more portfolios of liquid securities that are professionally managed. Nevertheless, individual client circumstances may dictate the use of other types of securities, actively managed portfolios, or alternative investments.

When utilizing active portfolio managers, alternative assets, or strategies that otherwise deviate from the general asset classes used when modeling client portfolios, WLI relies on research provided by professional companies dedicated to the business of providing investment manager research and due diligence. The Firm elects to utilize the services of professional research firms because WLI believes its resource allocation is more effective when allocated to wealth/financial planning, income and estate tax planning, and discipline around strategic asset allocation.

Risks of Loss

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear potential losses. WLI does not represent, warrant or imply that the services or methods of analysis used by WLI can or will predict future results, or insulate from losses due to major market corrections or crashes. Past performance is no indication of future performance. No guarantees can be offered that goals or objectives will be achieved. No promises or assumptions can be made that the advisory services offered by WLI will provide a better return than other investment strategies.

Market Risks

The profitability of a significant portion of WLI's recommendations may depend to a great extent upon correctly assessing the long-term future course of price movements of stocks and bonds. There can be no assurance that WLI will be able to predict those price movements accurately.

Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also

no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Options

Options allow investors to buy or sell a security at a contracted strike price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge against potential losses or to speculate on the performance of the underlying securities. Options transactions involve a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase or decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

Use of Independent Managers

WLI may recommend the use of *Independent Managers*. In these situations, WLI will generally rely on the ongoing due diligence of professional research firms, but such recommendations rely to a great extent on the *Independent Managers'* ability to successfully implement their investment strategies. In addition, WLI generally may not have the ability to supervise the *Independent Managers* on a day-to-day basis.

Use of Private Collective Investment Vehicles

In limited circumstances, WLI may recommend that certain clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and other offering documents explaining such risks prior to investing.

Exchange-Traded Notes (ETNs)

WLI may recommend an investment in, or allocate assets among, various exchange-traded notes ("ETNs"). ETNs are unsecured debt securities which are listed on securities exchanges and transacted at negotiated

prices in the secondary market. ETNs are designed to track the performance of a corresponding benchmark. An ETN is essentially a contract between an issuer and the ETN holder, whereby the issuer, upon maturity, agrees to pay an amount relative to the returns of the underlying benchmark. In addition to the risks associated with the specific benchmark, ETN holders are also subject to various counterparty concerns. In this respect, the value of an ETN may be adversely impacted by a downgrade to the issuer's credit rating and/or an unwillingness or inability of the issuer to perform its contractual obligations.

Use of Margin

While the use of margin borrowing can substantially improve returns, it may also increase overall portfolio risk. Margin transactions are generally effected using capital borrowed from a *Financial Institution*, which is secured by a client's holdings. Under certain circumstances, a lending *Financial Institution* may demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the *Financial Institution* may liquidate account assets to satisfy the client's outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of a client's borrowings and the corresponding interest rates may have a significant effect on the profitability and stability of a client's portfolio.

Item 9. Disciplinary Information

WLI has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

Item 10. Other Financial Industry Activities and Affiliations

WLI is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons.

WLI does not have a related company that is a (1) broker/dealer, municipal securities dealer, government securities dealer or broker, (2) investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), (3) other investment adviser or financial planner, (4) futures commission merchant, commodity pool operator, or commodity trading advisor, (5) banking or thrift institution, (6) accountant or accounting firm, (7) lawyer or law firm, (8) insurance company or agency, (9) pension consultant, (10) real estate broker or dealer, or (11) sponsor or syndicator of limited partnerships.

Independent Managers

WLI has developed several programs, previously described in Item 5 of this disclosure brochure, designed to allow to recommend and select independent managers for you. Once you select the independent manager to manage all or a portion of your assets, the independent manager will pay WLI a portion of the fees you are charged. Please refer to Items 4 and 5 for full details regarding the programs, fees, conflicts of interest and materials arrangements when WLI selects other investment advisers. No Independent Manager will be utilized until it is verified that the firm has been properly registered in the appropriate jurisdiction(s).

Item 11. Code of Ethics

WLI has adopted a code of ethics ("*Code of Ethics*") in compliance with applicable securities laws ("*Code of Ethics"*) that sets forth the standards of conduct expected of its *Supervised Persons*. WLI's *Code of Ethics* contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its *Supervised Persons* and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The *Code of Ethics* also requires certain of WLI's personnel (called "*Access Persons*") to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, WLI's *Supervised Persons* are permitted to buy or sell securities that it also recommends to clients if done in a manner consistent with the Firm's policies and procedures. This *Code of Ethics* has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by *Access Persons* to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated below.

WLI or associated persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of WLI that all persons associated in any manner with my firm must place clients' interests ahead of their own when implementing personal investments (client transactions will be submitted for execution prior to any transaction for personas associated with WLI). WLI and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with my firm unless the information is also available to the investing public upon reasonable inquiry. WLI does not buy or sell any securities in which the firm has any ownership or material financial interest.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no *Access Person* may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*), a transaction in that security unless:

- the transaction has been completed;
- the transaction for the *Access Person* is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact WLI to request a copy of its *Code of Ethics*.

Item 12. Brokerage Practices

Assets are maintained in an account at a "qualified custodian." When applicable, WLI recommends that clients utilize the brokerage and clearing services of *TD Ameritrade Institutional, Division of TD Ameritrade, Inc., member FINRA/SIPC/NFA ("TD Ameritrade") and/or* Schwab Advisor Services offered by *Charles Schwab & Co., Inc. ("Schwab")* to maintain custody of clients' assets and to effect trades for their accounts. WLI is independently owned, operated, and not affiliated with either *TD Ameritrade* or *Schwab.* WLI receives no compensation for recommending the services of these companies.

WLI seeks to recommend a custodian that will hold your assets and execute transactions on terms that are, overall advantageous when compared with other available providers and their services. Factors which WLI considers in recommending *TD Ameritrade, Schwab,* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and prior service to us and our clients. *TD Ameritrade and Schwab* enable WLI to obtain many mutual funds or ETFs without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *TD Ameritrade and Schwab* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by WLI's clients comply with WLI's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where WLI determines that the commissions are reasonable in relation to the value of the brokerage and research services received. 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 *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. WLI seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

WLI periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct WLI in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and WLI will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by WLI (as described below). As a result, the 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. Subject to its duty of best execution, WLI may decline a client's request to direct brokerage if, in WLI's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless WLI decides to purchase or sell the same securities for several clients at approximately the same time. WLI may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among WLI's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among WLI's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that WLI determines to aggregate client orders for the purchase or sale of securities, including securities in which WLI's *Supervised Persons* may invest, WLI generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. WLI does not receive any additional compensation or remuneration because of the aggregation. In the event that WLI determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector

weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, WLI may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Software and Support Provided by Financial Institutions

WLI may receive from *Financial Institutions*, without cost to WLI, computer software and related systems support, which allow WLI to better monitor client accounts maintained at the *Financial Institution*. WLI may receive the software and related support without cost because WLI renders investment management services to clients that maintain assets at the *Financial Institution*. The software and support are not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support may benefit WLI, but not its clients directly. In fulfilling its duties to its clients, WLI endeavors at all times to put the interests of its clients first. Clients should be aware, however, that WLI's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence WLI's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, WLI may receive the following benefits from its *Financial Institution* through their respective institutional divisions: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information; and facilitation of client invoicing and advisory fee payment. Clients should be aware, however, that the receipt of economic benefits by WLI or its related persons in and of itself creates a potential conflict of interest and may indirectly influence WLI's recommendation of *TD Ameritrade and/or Schwab* for custody and brokerage services.

Item 13. Review of Accounts

Account Reviews

For those clients to whom WLI provides wealth advisory services, reviews are conducted on an "as needed" basis. Such reviews are conducted by one of WLI's CERTIFIED FINANCIAL PLANNER™ Professionals (CFP®). All clients are encouraged to discuss their needs, goals, and objectives with WLI and to keep WLI informed of any changes thereto. WLI contacts wealth advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Account Statements and Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from the *Financial Institutions* where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from WLI and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their *Financial Institution* with those they receive from WLI or an outside service provider.

Item 14. Client Referrals and Other Compensation

Client Referrals

WLI does not directly or indirectly compensate any person for client referrals. WLI does receive compensation (a portion of the investment advisory fees) for referring clients to other Investment Advisory firms.

Other Economic Benefits

In addition, WLI is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above. WLI does not receive any economic benefit from the seminars or workshops presented.

Item 15. Custody

WLI's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize WLI through such *Financial Institution* to debit the client's account for the amount of WLI's fee and to directly remit that fee to WLI in accordance with applicable custody rules.

The *Financial Institutions* recommended by WLI have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of fees paid directly to WLI. In addition, as discussed in Item 13, WLI may send supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from WLI.

Item 16. Investment Discretion

As part of its investment management services, WLI is given the authority to exercise discretion on behalf of its clients. WLI is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. WLI is given this authority through a power-of-attorney included in the *Agreement* between WLI and the client. Clients may request a limitation on this authority (such as certain securities not to be purchased or sold). WLI takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made; and
- The *Independent Managers* to be hired or fired.

For non-discretionary clients, WLI may not make investment decisions, including buying or selling securities, for the client without prior consultation with, and the consent of, the client. Clients are advised that they may forego a particular transaction if WLI cannot obtain that consent.

Item 17. Voting Client Securities

WLI is required to disclose if it accepts authority to vote client securities. WLI does not vote client securities on behalf of its clients or assist clients with questions concerning the proxy voting process. Clients receive proxies directly from the *Financial Institutions*.

Item 18. Financial Information

WLI is not required to disclose any financial information pursuant to this Item due to the following:

- The Firm does not require or solicit the prepayment of more than $500 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

Business Continuity Plan

WLI has a business continuity and contingency plan in place designed to respond to significant business disruptions. These disruptions can be both internal and external. Internal disruptions will impact our ability to communicate and do business, such as a fire in the office building. External disruptions will prevent the operation of the securities markets or the operations of a number of firms, such as earthquakes, wildfires, hurricanes, terrorist attack or other wide-scale, regional disruptions.

Our continuity and contingency plan has been developed to safeguard employees' lives and firm property, to allow a method of making financial and operational assessments, to quickly recover and resume business operations, to protect books and records, and to allow clients to continue transacting business.

The plan includes the following:

- Alternate locations to conduct business;
- Hard and electronic back-ups of records;
- Alternative means of communications with employees, clients, critical business constituents and regulators; and
- Details on the firms' employee succession plan

Our business continuity and contingency plan is reviewed and updated on a regular basis to ensure that the policies in place are sufficient and operational.

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