

**ITEM 1 - Cover Page**

**ATLAS PRIVATE WEALTH MANAGEMENT, LLC**

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**March 31, 2018**

Atlas Private Wealth Management, LLC is an SEC-registered investment advisor. Registration of an investment advisor does not imply a certain level of skill or training. The oral and written communications an advisor provides you can assist you in determining whether to hire or retain the advisor.

This brochure provides information about the qualifications and business practices of Atlas Private Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at (800) 432-7447 or at [cco@atlaspwm.com](mailto:cco@atlaspwm.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Atlas Private Wealth Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2 - Material Changes**

The United States Securities and Exchange Commission requires Atlas Private Wealth Management, LLC (“Atlas”) to identify and discuss all material changes since the last annual update of its Form ADV brochure. The last annual update to Atlas’ brochure was March 31, 2017. This summary discusses those specific material changes.

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In July 2017, investment vehicles affiliated with Stone Point Capital LLC (“Stone Point”) and Kohlberg Kravis Roberts & Co. L.P. (“KKR”) each made an investment in Focus Financial Partners, LLC (“Focus”). This transaction resulted in certain funds managed by Stone Point collectively becoming a principal owner of Focus and the KKR investment vehicles collectively becoming a minority owner of Focus. Because Atlas is an indirect, wholly-owned subsidiary of Focus, the Stone Point and KKR investment vehicles are indirect owners of Atlas.

Items 4 and 10 have been revised have been revised to reflect this new ownership structure.

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A complete brochure may be requested by contacting [cco@atlaspwm.com](mailto:cco@atlaspwm.com) or (800) 432-7447. Additional information about Atlas Private Wealth Management, LLC is also available via the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 4 - Advisory Business**

### **ATLAS PRIVATE WEALTH MANAGEMENT, LLC**

Atlas Private Wealth Management, LLC (“Atlas”), previously known as Dion Money Management Inc., was founded in 1995.

Atlas provides wealth management services, as well as personal financial planning, asset allocation, estate planning, college tuition planning, momentum-based investing, and retirement planning services. Additionally, Atlas offers 3(21) fiduciary services to participant-directed employee retirement benefit plans. Atlas also provides tax planning/preparation and business consulting services.

Atlas offers investment advisory services primarily with respect to the recommendation of mutual funds and exchange traded funds (“ETFs”); however, Atlas may also utilize other investments such as equity or debt securities when appropriate. Atlas also offers a mutual fund asset allocation service, Investment RE-Allocation Service (REAL), for smaller tax-deferred accounts (e.g., IRAs and 403(b)s) and accounts holding annuities.

### **FOCUS OPERATING, LLC and FOCUS FINANCIAL PARTNERS, LLC**

Atlas is part of the Focus Financial Partners, LLC (“Focus”) partnership. As such, Atlas is a wholly-owned subsidiary of Focus Operating, LLC (“Focus Operating”), which is a wholly-owned subsidiary of Focus. Focus also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, and other financial service firms (the “Focus Partners”), most of which provide wealth management, benefit consulting, and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Forms ADV.

Focus is primarily owned by investment vehicles managed by Stone Point Capital LLC (“Stone Point”). Investment vehicles managed by Kohlberg Kravis Roberts & Co. L.P. (“KKR”) are minority owners of Focus. Because Atlas is an indirect, wholly-owned subsidiary of Focus, the Stone Point and KKR investment vehicles are indirect owners of Atlas.

## **INVESTMENT ADVISORY SERVICES**

Atlas provides investment advice based on the individual needs of the client as well as the client’s financial profile. Atlas meets with the client to review their financial situation, which may include a review of assets and liabilities, cash flow, taxes, anticipated short-term events, risk management, and estate structures. Through these personal discussions, Atlas documents the client’s goals and objectives, develops the client’s personal profile, and manages the portfolio based on that profile. Atlas manages advisory accounts on a discretionary basis.

A client may impose specific restrictions on securities held in their accounts. If a client informs Atlas that they do not want to purchase or sell specific securities, their Wealth Management Advisor will restrict the client’s account so that those securities are not purchased or sold.

## **EMPLOYEE BENEFIT PLAN 3(21) FIDUCIARY SERVICES**

Atlas also offers fiduciary and non-discretionary advisory services (“3(21) Fiduciary Services”) to certain participant-directed employee retirement benefit plans. Atlas acts as a 3(21) fiduciary as defined in the Employee Retirement Income Security Act (“ERISA”). As such, Atlas assists the plan sponsor in selecting, reviewing, and evaluating the performance of an investment manager, and meets with the plan sponsor periodically to discuss that investment manager’s performance and retention. Additionally, Atlas will educate the plan sponsor on its fiduciary responsibilities; assist the plan sponsor in monitoring, selecting, and supervising service vendors; and provide participant education services as well as guidance regarding general investment principles and the investment alternatives under the plan.

Plan sponsors will enter into an investment advisory and management agreement among the plan sponsor, Atlas, and BAM Advisor Services, LLC (“BAM”), an Atlas affiliate. Under this arrangement, BAM will provide services as the 3(38) investment manager, including discretionary investment management services. BAM will exercise discretionary authority to select in accordance with the plan’s goals and objectives those plan investments to be made available to plan participants.

## **FINANCIAL PLANNING SERVICES**

Atlas also offers a broad range of comprehensive financial planning services under separate Letters of Agreement. Those services that Atlas generally provides are categorized as such:

Modular Financial Planning:	The client may opt for review and recommendations regarding cash flow planning, charitable giving, education funding, employee benefit planning, insurance review, Roth IRA conversion, Social Security optimization, and/or stock option planning.
Retirement Income Projection:	The client may engage Atlas for review and analysis of client data, investments, retirement accumulation, retirement income/distribution planning, net worth statement, tax law changes, and any other applicable areas.
Full Financial Plan:	The client may engage Atlas for an extensive, in-depth planning service that evaluates the client’s total financial condition.

The client is under no obligation to act upon any of Atlas’ financial planning recommendations. Should the client determine to adopt any or all of Atlas’ recommendations, the client will be responsible for their implementation.

## **AMOUNT OF CLIENT ASSETS MANAGED**

As of December 31, 2017, Atlas managed \$ 976,124.849.00 of assets on a discretionary basis.

### **Item 5 - Fees and Compensation**

#### **MANAGED PORTFOLIO SERVICES**

Managed portfolio services are fee-only, based on a percentage of client's assets under discretionary management with Atlas, and are set forth in an investment management agreement with the client. The annual fee for advisory services, which may be as much as 1.75%, is subject to negotiation, may be discounted, and will vary from client to client based on a number of factors. The fee for accounts utilizing the REAL Service is 0.6% annually on the account. Advisory fees are waived for those Atlas employees opting to use Atlas for investment management services.

Fees are billed in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value) of the client's account (including any cash) at the end of the previous quarter. The client, at his or her discretion, may choose to pay management fees at the beginning of each quarter either through direct debit of the fees from his or her investment account or through direct billing. These investment management agreements may be terminated by the client without penalty by giving written notice of termination within five business days of entering into the agreement. Any pre-paid, unearned fees will be refunded promptly. Thereafter, a client may terminate an investment management agreement at any time with written notice. Pre-paid fees will be pro-rated to the date of termination based upon the number of months or parts thereof that the service was used during the quarter.

Atlas employees are paid a base salary bi-weekly consistent with applicable Atlas policies. In addition, a Wealth Management Advisor may be eligible for additional incentive compensation, which is discretionary, but is determined upon a range of factors including individual performance and total assets under management. Regardless of individual performance, Atlas management may award reduced incentive compensation or no incentive compensation at all if, for example, the Wealth Management Advisor did not meaningfully contribute to the bottom line result or market conditions dictate a reduction in incentive compensation.

#### **FINANCIAL PLANNING SERVICES**

Financial planning services are offered on either an hourly or fixed-fee basis. Upon execution of a Letter of Engagement, the client will be required to pay a deposit (in such amount not to exceed \$1,200). During the initial six (6) months following retention of Atlas' services, charges for planning services, including administrative time directly related to the client (preparation of data collection forms, internal client records, file maintenance, etc.), will be applied against the initial deposit. The time spent on that client's financial planning is charged against this initial deposit at hourly rates in accordance with the following schedule:

<u>Provider of Services</u>	<u>Hourly Billing Rate</u>
Officers	\$ 240
Professional Staff	\$ 100
Financial Paraplanners	\$ 60 - \$80
Support Staff	\$ 36

Generally, the fee assessed for a typical financial planning engagement under the fixed-fee option would be determined in accordance with the following general guidelines:

Modular Financial Planning	\$350 per module
Retirement Income Projection	\$1,500
Full Financial Plan	\$2,000-\$3,000

For those clients opting for fixed-fee financial planning services, an estimate of the fee will be provided to the client after the initial consultation has occurred. Fees for financial planning services will be influenced and determined by the complexity and scope of those particular services for which the client engages Atlas. Fees are subject to negotiation, may be discounted, and may also be more or less than the above guidelines.

Any charges exceeding the initial deposit are billed to the client on a periodic basis for services rendered. Financial planning fees may occasionally be discounted when the planning process is extensive or other special circumstances apply.

A client may terminate the planner-client relationship at any time. In that event, any unused portion of the deposit will be refunded to the client following receipt of written notice of termination.

### **EMPLOYEE BENEFIT PLAN 3(21) FIDUCIARY SERVICES**

To engage Atlas for 3(21) Fiduciary Services, the plan sponsor will enter into an agreement with both Atlas and BAM. In consideration for the services rendered under this agreement, the plan will be charged an annual fee as a percentage of included assets (as such term is defined in the agreement) in accordance with the following schedule:

<u>Assets under Management</u>	<u>BAM's Annual Fee</u>	<u>Atlas' Annual Fee</u>	<u>Total Fee</u>
On the first \$1 million	0.20%	0.70%	0.90%
On the next \$4 million	0.15%	0.45%	0.60%
On the next \$5 million	0.08%	0.25%	0.33%
On amounts over \$10 million	0.05%	0.15%	0.20%

Fees will be billed in advance on a quarterly basis. At the election of the plan sponsor, an invoice will be sent to the plan sponsor for remittance of the fees due, or to the plan custodian or recordkeeper, as applicable, for automatic deduction from the plan. Should the plan sponsor terminate an agreement prior to the end of a fee period, Atlas and BAM will be entitled to a fee pro-rated for the number of days in the fee period prior to the effective date of termination. Any

unearned fees of Atlas or BAM, as the case may be, will be returned by that advisor to the plan sponsor.

## **GENERAL INFORMATION ON FEES, SERVICES, AND COMPENSATION**

Negotiability of Fees: Client fees are set forth in the investment management agreement for each client. Fees are subject to negotiation, may be discounted, and will vary from client to client based on a number of factors. Fees are discussed with each client and mutually agreed upon before execution of the investment management agreement. For those clients who are also employees of Atlas, investment management fees are waived.

Fee Calculation: Fees are not charged on the basis of a share of capital gains upon or capital appreciation of the funds of an advisory client. Fees are calculated depending upon the nature of services employed by the client and pursuant to the terms of the client's executed investment management agreement.

Termination of Advisory Relationship: An investment management agreement may be canceled at any time for any reason by either party upon receipt of proper written notice. Upon termination of any agreement, any prepaid, unearned fees will be refunded promptly. The client has the right to terminate an agreement without penalty within five business days after entering into such agreement. In the event of withdrawal of funds or the termination of any account, those fees, commissions, or other expenses associated with rebalancing or redeeming account holdings may be assessed to the client's account.

Other: From time to time, small portions of positions will be sold to bring the cash account balance to the level required for the automatic deduction of fees. It is understood that the payment of these fees will reduce the total investment return.

Clients may incur additional transaction costs related to specific investments. In the case of stocks, bonds, closed-end and open-end investment companies, options, and the like, such costs will be levied directly by the custodian or clearing broker.

Additionally, the client's custodian offers various services, including custody of securities, trade execution, and clearance and settlement of transactions. Atlas' clients are charged directly by these firms for these services. See Item 12 – Brokerage Practices for additional information.

Mutual Fund Fees and Expenses: All fees paid to Atlas for investment advisory services are separate and distinct from the management fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and possibly a distribution fee. In its fund selection process, Atlas seeks funds with competitive expense structures. Some mutual funds make available to Atlas clients "I" or "Institutional, Advisor" classes of shares not customarily available to the general public. These classes of shares generally bear mutual fund fees and expenses slightly lower than those of "public" shares.



When appropriate and available, Atlas generally invests client assets in these lower cost shares provided they are comparable to "public" shares. A client could invest in mutual funds or ETFs directly, without the services of Atlas. In that case, the client would not receive the benefit of the services provided by Atlas which are designed, among other things, to determine which mutual funds or ETFs are appropriate to the client's financial condition and objectives. Accordingly, the client should review all fees charged by the funds, the client's custodian, and clearing broker as well as the fees charged by Atlas to understand fully the total amount of fees to be paid by the client and to best evaluate the advisory services being provided.

#### Other Compensation:

Atlas may receive compensation in the form of services and products through relationships with certain service providers. See Item 12 – Brokerage Practices for additional information.

### **Item 6 - Performance-Based Fees and Side-By-Side Management**

Atlas does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). In addition, Atlas does not provide side-by-side management.

### **Item 7 - Types of Clients**

Atlas provides investment advisory services for a variety of clients including individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, and trusts. The minimum account size for an investment advisory client at Atlas is \$100,000. The minimum account size for a REAL account is \$25,000.

There is no minimum amount of assets required for engagement of Atlas' financial planning or employee benefit plan 3(21) Fiduciary Services.

Atlas, in its sole discretion, may reduce or waive its account minimums based upon certain criteria (such as anticipated future additional assets and related accounts).

### **Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss**

Atlas' Investment Committee conducts fundamental analysis on those mutual funds, ETFs, and securities that it recommends for client accounts. This analysis varies depending upon the security in question.

For mutual funds and ETFs, the analysis generally includes a review of:

- The fund's management team
- The fund's historical risk and return characteristics
- The fund's exposure to sectors and individual issuers
- The fund's fee structure
- Other relevant factors

The members of Atlas' Investment Committee are appointed based upon their education, investment experience, and seniority within the firm in a deliberate effort to achieve a balance of views and perspectives.

The Investment Committee meets regularly to discuss existing and prospective investments. Investments are evaluated independently, as well as in the context of clients' existing holdings and sector exposures. Atlas utilizes Morningstar and other online analysis platforms when evaluating investments.

Atlas' fundamental approach envisions managing accounts for relatively long time horizons, typically for a year or more; however, market developments could cause Atlas to sell securities more quickly. Atlas selects mutual fund managers who may vary in their methods of analysis. The security analysis methods of these fund managers may include fundamental analysis, technical analysis, etc.

Financial markets will rise and fall with economic cycles and in reaction to various events. In simple terms, this means the greater the risk exposure, the greater the potential for a client's portfolio to fluctuate based upon market conditions. As such, investing in securities involves risk of loss that clients should be prepared to bear.

## **PRINCIPAL INVESTMENT RISKS OF MUTUAL FUNDS AND ETFs**

Mutual funds are professionally managed, collective investment companies that pool money from many investors and invest in various asset classes ranging from equities, fixed income, cash, and other assets. ETFs are investment funds traded on stock exchanges, much like stocks or equities. An ETF may hold stocks, bonds, and/or other assets. Many ETFs track an index, such as the S&P 500.

While Atlas attempts to reduce volatility and risk in client portfolios by diversifying the investments held in their accounts, all investing involves a risk of loss that clients should be prepared to bear. All investments present the risk of loss of principal – the risk that the value of the securities (e.g., mutual funds and ETFs), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the value when purchased, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

In addition, the mutual fund and ETF instruments themselves are subject to risks associated with a number of factors. The following risks are inherent when investing in mutual funds and ETFs:

- Stock Market Volatility. Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Different sectors of the market can react differently to these developments.
- Foreign Exposure. Foreign markets can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market, or economic developments and can perform differently from the U.S. market.

- Concentration Risk. A fund may be exposed to a particular sector, region, product, or industry that experiences volatility.
- Manager Risk. A fund manager's investment process, techniques, and analysis may not produce the desired results.
- Leverage. A fund or company in which a fund holds shares may utilize borrowed capital to augment the potential for return thereby concomitantly increasing exposure to debt.
- Layering of Expenses and Fees. Additional sets of fees paid by an investor.
- Liquidity. Although typically associated with micro-cap and small-cap stocks or securities, liquidity risks can arise during times of market financial crisis. The risk arises when there is a lack of marketability for a fund's underlying security that cannot be bought or sold quickly enough to prevent or mitigate a loss.

More information regarding the specific risks associated with investment in a particular mutual fund is available in that mutual fund's prospectus.

## **CYBERSECURITY RISK**

The computer systems, networks and devices used by Atlas and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

## **Item 9 - Disciplinary Information**

Registered investment advisors are required to disclose material facts regarding any legal or disciplinary events that would be material to an evaluation of the integrity of the firm or its management. On July 24, 2015, Dion Money Management LLC (now known as Atlas Private Wealth Management, LLC) ("Dion") submitted an offer of settlement (the "Offer") to the U.S. Securities and Exchange Commission (the "SEC") in connection with an administrative proceeding pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940 (the

“Advisers Act”). The Offer was presented to the SEC, and the SEC determined to accept it. Solely for the purpose of proceedings brought by or on behalf of the SEC, or to which the SEC is a party, Dion agreed to consent to an order imposing remedial sanctions and a cease-and-desist order (the “Order”) without admitting or denying the matters set forth therein (other than those relating to the jurisdiction of the SEC over it and the subject matter of the action). The Order resolved the SEC’s allegations that Dion failed to disclose to clients the terms of certain compensation arrangements whereby Dion received payments from third parties that were calculated based on client assets invested in particular mutual funds. In filings with the SEC, Dion disclosed the existence of the arrangements and the possibility that the arrangements could pose conflicts of interest for the advisor in the provision of investment advice to clients; however, Dion did not describe the interplay between the different arrangements, either in its filings or otherwise to clients. The SEC alleged that Dion thus understated the maximum payment rate under the multiple arrangements, and did not disclose the possibility of receiving payments from multiple parties based on the same client assets. By failing to disclose its conflicts of interest completely and accurately, the SEC alleged that Dion violated Section 206(2) of the Advisers Act. The SEC also alleged that Dion violated Section 207 of the Advisers Act by virtue of certain omissions of material facts from its SEC filings concerning the compensation arrangements. The Order requires Dion to cease and desist from committing or causing violations of the securities laws identified above; pay a \$50,000 civil monetary penalty; amend its Form ADV to make additional disclosures regarding the compensation arrangements described above; and notify its advisory clients of the Order. Dion paid the penalty on August 3, 2015, and the notices were mailed on August 13, 2015, and August 20, 2015.

## **Item 10 - Other Financial Industry Activities and Affiliations**

### **FINANCIAL INDUSTRY AFFILIATIONS**

Atlas is part of the Focus Financial Partners, LLC (“Focus”) partnership. As such, Atlas is a wholly-owned subsidiary of Focus Operating, LLC (“Focus Operating”), which is a wholly-owned subsidiary of Focus. Focus also owns other registered investment advisors, broker-dealers, pension consultants, insurance firms, and other financial services firms (the “Focus Partners”), most of which provide wealth management, benefits consulting, and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Forms ADV. Additional information about Focus and Focus affiliates can be found on each respective investment advisor’s Form ADV which is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

As noted above in response to Item 4, certain investment vehicles managed by Stone Point collectively are principal owners of Focus, and certain investment vehicles managed by KKR collectively are minority owners of Focus. Because Atlas is an indirect, wholly-owned subsidiary of Focus, the Stone Point and KKR investment vehicles are indirect owners of Atlas. None of Stone Point, KKR, or any of their affiliates participates in the management or investment recommendations of Atlas’ business.”

Atlas does not believe the Focus partnership presents a conflict of interest with its clients.

BAM Advisor Services, LLC is an investment advisor registered with the SEC and an affiliate of Atlas. Both BAM and Atlas are wholly-owned subsidiaries of Focus Operating, which is a wholly-owned subsidiary of Focus. This relationship poses a potential conflict of interest in that under its obligations to its 3(21) Fiduciary Services clients, Atlas has a fiduciary duty to recommend appropriate and qualified 3(38) investment managers in the clients' best interests. Atlas believes that BAM effectively provides these services. This assessment will be evaluated routinely by Atlas management, and will be used in assisting plan sponsors in their review and evaluation of the compensation and performance of BAM.

### **Item 11 - Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading**

Atlas has adopted a Code of Ethics in accordance with SEC Rule 204A-1 for all employees of the firm describing its standard of business conduct and how it fulfills its fiduciary duty to its clients. The Code of Ethics includes provisions relative to matters including, but not limited to, confidentiality of client information, prohibitions against insider trading and spreading unverified information, restrictions on the acceptance of significant gifts, reporting of certain gifts and business entertainment items, and personal securities trading procedures. All employees must acknowledge the terms of the Code of Ethics upon initial employment, as the Code of Ethics is amended, and on an annual basis.

To address any potential conflicts of interest involving personal trades, Atlas has adopted a Compliance Manual which includes the Code of Ethics as well as insider trading policies and procedures. Atlas' Compliance Manual requires its employees to:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets.
- Place the integrity of the investment profession, the interest of clients, and the interests of Atlas above one's own personal interests.
- Adhere to the fundamental standard that one should not take inappropriate advantage of one's position.
- Address any actual or potential conflicts of interest.
- Conduct all personal securities transactions in a manner consistent with the extant policies and procedures.
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities.
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit upon oneself and the profession.
- Promote the integrity of, and uphold the rules governing, capital markets.
- Maintain and improve professional competence and strive to maintain and improve the competence of other investment professionals.
- Comply with applicable provisions of the Federal securities laws.

Atlas' Compliance Manual also requires employees to:

- Pre-clear certain personal securities transactions
- Report personal securities transactions on at least a quarterly basis
- Provide Atlas with a detailed summary of certain holdings (both upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest

A copy of Atlas' Code of Ethics will be provided to any client or prospective client upon request by calling (800) 432-7447.

Atlas, and individuals associated with Atlas, may buy or sell securities identical to those recommended to clients for their personal accounts. Additionally, any related person(s) may have an interest or position in a certain security or securities which may also be recommended to a client.

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

- A director, officer, or employee of Atlas shall not buy or sell securities for their personal portfolio(s) where their decision is directly or indirectly derived, in whole or in part, by reason of his or her employment, unless the information is also available to the investing public on reasonable inquiry
- No employee of Atlas shall prefer his or her own interest to that of an advisory client
- All employees must act in accordance with all applicable Federal and state regulations governing registered investment advisory practices

Atlas has established the following procedures to address any conflicts of interest:

- All officers, directors, and employees are required to read and sign a copy of Atlas' policy statement concerning personal securities trading
- All employees, their families (including spouses, minor children, and adults living in the same household), and trusts of which they are trustees, have a beneficial interest, or have control of the assets must provide Atlas copies of all security confirmations no later than 30 days after the end of the calendar quarter in which the transaction was effected and quarterly custodial/brokerage statements
- Atlas will review all personal securities transactions to ensure compliance with company policies
- Any individual not in observance of Atlas' policy on personal securities transactions will receive a written warning
- Continued violations of this policy will result in termination

Atlas anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Atlas has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Atlas, its affiliates and/or clients, directly or indirectly, have a position of interest. Atlas'

employees and persons associated with Atlas are required to follow Atlas' Code of Ethics. Subject to satisfying this policy and applicable laws, all officers, directors, and employees of Atlas may trade for their own accounts in securities that are recommended to and/or purchased for Atlas' clients. The Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of the employees of Atlas will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics, certain classes of securities have been designated as exempt securities, based upon a determination that transactions in these securities would not materially interfere with the best interests of Atlas' clients. In addition, the Code of Ethics requires pre-clearance of certain transactions. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is monitored under the Code of Ethics to reasonably prevent conflicts of interest between Atlas and its clients.

Certain affiliated accounts may trade in the same securities or similar securities (for example, such as warrants or options) with client accounts on an aggregated basis when consistent with Atlas' obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Atlas will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially-filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

It is Atlas' policy that the firm will not effect any principal or agency cross securities transactions for client accounts. Atlas will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 - Brokerage Practices**

### **BROKERAGE RECOMMENDATIONS**

Atlas recommends Fidelity Investments ("Fidelity") and Charles Schwab & Company ("Schwab") to clients in need of brokerage and custodial services. Through their respective institutional customer programs, these custodians offer various services, including custody of securities, trade execution, and clearance and settlement of transactions. Atlas' clients are charged directly by these firms for these services. In return, Atlas and its clients receive benefits that they would not

otherwise receive. Both Fidelity and Schwab are independent, unaffiliated SEC-registered broker-dealers.

In evaluating custodians for recommendation, Atlas seeks those who will hold client assets and execute transactions that are advantageous when compared with other available custodians and their services. Atlas considers a wide range of factors, including, among others, the combination of transaction execution services along with asset custody services; the ability to execute, clear, and settle trades; the capability to facilitate transfers and payments to and from accounts; the breadth of investment products available; the availability of investment research and tools to assist Atlas in making investment decisions; the quality of services; the competitiveness of the price of those services; the reputation, financial strength, and stability of the provider; their prior service to Atlas and its clients; and the availability of other products and services that benefit Atlas and its clients.

While Atlas recommends the use of these custodians, it is at the client's discretion to opt to do so. Should a client direct Atlas to use a different broker or dealer, Atlas may not have the ability to obtain volume discounts, best execution may not be achieved, and a disparity in commission charges may exist between the commissions charged to these and Atlas' other clients.

Trade orders are processed as quickly as possible recognizing the nature of the account and the transaction. However, trades executed for accounts held at other custodians may not be executed as quickly as those for accounts held at Fidelity or Schwab.

Atlas generally recommends open-end mutual funds and ETFs. In those instances where the client instructs Atlas to purchase or sell other securities, and an opportunity for aggregation exists, Atlas will generally aggregate transactions when it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients and is consistent with the terms of the investment advisory agreement with each client for which trades are being aggregated. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with a pre-trade allocation determination. Atlas will ensure, before entering an aggregated order, that documentation of the allocation is in place on the custodian's order management system or in a written allocation memorandum specifying the participating client accounts and how it intends to allocate the order among those clients. Each client that participates in an aggregated order will participate at the average share price, with transaction costs shared pro rata based on each client's participation in the transaction.

Where a client is an employee of Atlas, the orders of certain employee client accounts may not be aggregated with the orders of other Atlas clients if the client could be disadvantaged including in terms of price or execution. In such instances, the orders of certain employee client accounts must not be entered and allocated before the orders of Atlas' client accounts in the same securities that are entered and allocated.

An order may be allocated on a basis different from that specified in the allocation memorandum if all client accounts receive fair and equitable treatment and the reason for different allocation is explained in writing and is approved by the Chief Investment Officer and Chief Compliance Officer.



## **VALUATION OF CERTAIN SECURITIES**

Atlas generally trades in highly liquid securities such as mutual funds and ETFs. In rare instances, a market quotation may not be readily available for an individual security. Should this occur, Atlas will use its best efforts and appropriate means to obtain all relevant information in order to determine a fair value for that security. Such assessment may include consideration of the most recent closing market price, as well as other appropriate factors. In the event that a price is not available through the custodian of record, Atlas may rely on alternate custodian or brokerage quotations. If deemed necessary or prudent, Atlas may engage an independent third party for an appraisal of the security.

## **ADDITIONAL BENEFITS FROM AGREEMENTS WITH SERVICE PROVIDERS**

Both Fidelity and Schwab (together, the “Custodians”) provide Atlas with certain benefits and services based upon the amount of client assets in accounts at the Custodians.

These benefits include access to the Custodians’ institutional trading and operations services, including research, and other products and services. These products and services may benefit Atlas directly without necessarily benefitting individual client accounts, either directly or indirectly.

Other products and services assist Atlas in managing and administering clients’ accounts. These include the provision of software and other technologies to access client account data (such as trade confirmations and account statements); facilitation of trade execution (and allocation of aggregated trade orders for multiple client accounts); provision of pricing information and other market data; facilitation of payment of Atlas’ fees from its clients’ accounts; and assistance with back-office support, recordkeeping, and client reporting. Many of these products and services may be used to service all Atlas’ accounts, including those accounts not maintained at the Custodians. These products and services may not benefit all of Atlas’ client accounts equally and may not benefit certain client accounts at all.

The Custodians may also provide Atlas with other services intended to help Atlas manage and further develop its business enterprise. These services may include consulting, publications, and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. They may also provide other benefits such as educational conferences and events. These services may be provided by the Custodians themselves; in other cases, they may arrange for third-party vendors to provide the services to Atlas. Additionally, the Custodians may discount or waive fees they would otherwise charge Atlas for some of these services or pay all or a part of the fees of a third-party providing these services to Atlas.

Atlas’ receipt of these products and services from the Custodians creates a conflict of interest since these benefits may influence Atlas’ decision to recommend them over other service providers that do not furnish similar support, services, or software to Atlas.

Atlas periodically evaluates the services provided by the Custodians to determine whether the benefits received are reasonable in relation to the value of services provided to Atlas clients.

### **Item 13 - Review of Accounts**

The portfolio management function is a dynamic process.

Client portfolio data is maintained in-house in a customized computer database. Transaction records and market pricing are downloaded from custodians each business day or as often as is made available. Client information is updated to reflect holdings and prices as of the close of business the previous business day or other most recent valuation date. This facilitates Atlas' ability to calculate asset allocation, individual position weights, internal rates-of-return since inception, and annualized internal rates-of-return, if desired.

Specific mutual funds and ETFs common to client portfolios are monitored on an on-going basis.

Atlas' investment personnel hold both formal and informal meetings to discuss investment ideas, economic developments, current events, investment strategies, issues related to portfolio holdings, etc.

The Investment Committee reviews asset allocation models at least monthly to ensure they remain consistent with their defined objective and risk tolerances. The Investment Committee is comprised of representatives from different departments at Atlas to ensure a diversity of perspective. The members are appointed to leverage their industry experience and tenure at the firm.

Client portfolios are reviewed at least quarterly by the client's Wealth Management Advisor to confirm that overall allocations and individual holdings are consistent with the client's investment objective.

### **REPORTS OF ACCOUNTS**

Custodians send account statements directly to clients on a regular basis. In addition to the statements and confirmations of transactions that clients receive from their designated custodian, Atlas provides clients with periodic written reports detailing their portfolio's financial profile and performance data. These reports include the current value and summary information regarding portfolio activity, performance, allocation, and investments.

Clients should carefully review their custodian's statements and compare them with those account reports they receive from Atlas. Atlas encourages clients to request face-to-face or telephone meetings with their Wealth Management Advisor to review progress in pursuing investment goals and to consider resetting goals.

### **Item 14 - Client Referrals and Other Compensation**

#### **CLIENT REFERRALS**

Atlas is required to disclose any compensation that it provides for client referrals. Atlas does not compensate any persons, directly or indirectly, for client referrals.

## **OTHER COMPENSATION**

On occasion, certain employees of Atlas may attend meetings sponsored by mutual fund groups or service providers that provide training or education, and in some circumstances the meeting fees, lodging, and/or travel may be paid by the sponsor. The participation of Atlas employees is not preconditioned on the assets placed with any specific sponsor or revenue generated by such asset placement. This could be deemed a conflict as the marketing and education activities conducted and the access granted at such meetings could cause Atlas to focus on those sponsors in the course of its duties. Atlas addresses this concern by reviewing proposed sponsor products/services at the Investment Committee and/or senior management level, as appropriate, to ensure that such selections are suitable and selected for appropriate reasons.

Atlas' parent company is Focus Financial Partners, LLC ("Focus"). From time to time, Focus holds partnership meetings and other industry and best-practices conferences, which typically include Atlas, other Focus firms, and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including Atlas. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors, and other third party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including Atlas. Although the participation of Focus firm personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at such meetings and conferences could cause Atlas to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including Atlas. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement.

The following entities have provided conference sponsorship to Focus in the last year:

Fidelity Brokerage Services  
J.P. Morgan Asset Management  
Charles G. Schwab & Co.

See Item 12 – Brokerage Practices for information about other compensation Atlas receives in connection with its advisory business.

## **Item 15 - Custody**

Client assets are held at unaffiliated, qualified custodians.

Certain arrangements, including those where Atlas debits advisory fees directly from client accounts (as agreed to in the investment management agreements), charges client credit card accounts for said fees, or has password access to client accounts for purposes of trading in those accounts, constitute forms of custody under Rule 206(4)-2 of the Investment Advisers Act of 1940 (the "Custody Rule").

Under these arrangements, actual physical custody of client assets is maintained by the unaffiliated, qualified custodian selected by the client. For certain of these accounts for which Atlas is deemed to have custody, Atlas is required under the Custody Rule to engage an independent public accountant on an annual basis to verify by actual examination those client funds and securities. The independent public accountant selects a time of examination that is both without prior notice or announcement to Atlas, and irregular from year to year. Such examination is for the protection of Atlas' clients.

Clients will receive statements on a regular basis from the broker-dealer, bank, or other unaffiliated, qualified custodian that holds and maintains client investment assets. Clients should review such custodial statements carefully and compare such official custodial records to account reports that Atlas may provide. Those account reports provided by Atlas may vary from custodial statements based upon accounting procedures, reporting dates, or valuation methodologies of certain securities.

### **Item 16 - Investment Discretion**

Atlas receives authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold, as well as the timing of such transactions, without prior consent from the client ("discretionary authority"). Such discretionary authority is conferred upon Atlas under the terms of the investment management agreement, and is exercised in a manner consistent with the investment objectives for the client account as well any investment policies, limitations, and restrictions applicable to the account.

Clients on occasion may restrict the mutual funds in which Atlas may invest their assets. For example, a client may not want to hold securities of a specific mutual fund, type of fund (e.g., emerging market), or fund family. In such an event, Atlas restricts those accounts so that those securities are not purchased.

### **Item 17 - Voting Client Securities**

As a matter of firm policy and practice, Atlas does not have authority to and does not vote proxies on behalf of advisory clients. Clients retain this authority for receiving and voting proxies for those securities held in their portfolios. Any such proxies will be received by the client directly from their custodian. Should a client have questions regarding a particular solicitation, they may contact their Atlas Wealth Management Advisor at 800-432-7447 for consultation.

### **Item 18 - Financial Information**

Registered investment advisors, such as Atlas, are required to provide certain financial information or disclosures about their financial condition. Atlas has no financial commitment impairing its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.