

**Item 1: Cover Page**  
**Part 2A of Form ADV: Firm Brochure**  
**September 2017**



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**CHIEF COMPLIANCE OFFICER**

This brochure provides information about the qualifications and business practices of Three Bridge Wealth Advisors. If you have any questions about the contents of this brochure, please contact by telephone at (650) 433-3500 or email at [fred@threebridgewa.com](mailto:fred@threebridgewa.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 Three Bridge Wealth Advisors is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that the use of the term "registered investment adviser" and description of Three Bridge Wealth Advisors and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and its employees.

## Item 2: Material Changes

Three Bridge Wealth Advisors is required to advise you of any material changes to our Firm Brochure ("Brochure") from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Since the last annual amendment filing on 01/23/2017, the following changes have been made:

- Upon the expected implementation of the Department of Labor's Fiduciary Rule, the "Compliance with the DOL Fiduciary Rule" section of our Code of Ethics disclosed herein will be effective. This addition includes, among other things, important procedures defining Three Bridge Wealth Advisors as a level-fee fiduciary and our compliance with the Impartial Conduct Standard.
- Representatives of our firm may be affiliated with Purshe Kaplan Sterling Inc., a registered broker-dealer and member of FINRA. Refer to item 10 for more information.

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## **Item 4: Advisory Business**

We specialize in the following types of services: wealth management (while utilizing independent money managers) and financial planning and financial consulting. Our assets under management are \$458,625,866 as of 12/31/2016.

We are dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a limited liability company formed under the laws of the State of California. Our firm has been in business as an investment adviser since 2009 and is owned as follows:

Brett Sharkey – Twenty (20%) percent owner  
Fred Molfino, Jr. – Forty (40%) percent owner  
Eric T. Thurber – Forty (40%) percent owner

### **Description of the Types of Advisory Services We Offer**

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#### **Wealth Management**

We emphasize continuous and regular account supervision. As part of our wealth management service, we conduct at least one, but sometimes more than one meeting (in person if possible, otherwise via telephone conference) with clients in order to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what we learn, we propose an investment approach to the client. We may propose an investment portfolio, consisting of exchange traded funds, mutual funds, individual stocks or bonds, or other securities. Upon the client's agreement to the proposed investment plan, we work with the client to establish or transfer investment accounts so that we can manage the client's portfolio. Once the relevant accounts are under our management, we review such accounts on a regular basis and at least quarterly. We may periodically rebalance or adjust client accounts under our management. If the client experiences any significant changes to his/her financial or personal circumstances, the client must notify us so that we can consider such information in managing the client's investments.

We may utilize Independent Money Managers, where we may design an investment portfolio and provide ongoing corresponding wealth management services on a fee-only basis for a percentage of assets in conjunction with another investment advisory firm. Before selecting other advisers, we make sure that the other advisers are properly licensed or registered.

#### **Financial Planning and Financial Consulting**

We provide a variety of financial planning and consulting services to individuals, families and other clients regarding the management of their financial resources based upon an analysis of client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. We will conduct one or more meetings (in person if possible, otherwise via telephone conference) with the client in order to understand the client's current financial situation, financial goals, specific issues or questions, and topics to be covered by the financial plan. We may also request copies of relevant financial documents, such as account statements, income tax returns, insurance policies, retirement plans, estate planning documents, and business financial statements. Our plans and consultations may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning,

Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

Our written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we refer clients to an accountant, attorney or other specialist, as necessary for non-advisory related services. For written financial planning engagements, we provide our clients with a written summary of their financial situation, observations, and recommendations. For financial consulting engagements, we usually do not provide our clients with a written summary of our observations and recommendations as the process is less formal than our planning service. Plans or consultations are typically completed within six (6) months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. Implementation of the recommendations will be at the discretion of the client.

Clients should be aware that we prepare financial plans based on the information provided by the client and as of the date that the plan is submitted to the client. We undertake no responsibility to update the financial plan unless we and the client agree upon a subsequent financial planning engagement.

### **Tailoring of Advisory Services**

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We offer individualized investment advice to clients utilizing the following services offered by our firm: Wealth Management. Additionally, we offer general investment advice to clients utilizing the following services offered by our firm: Financial Planning and Consulting.

We usually do not allow clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account. In the rare instance that we would allow restrictions, it would be limited to the following services: Wealth Management. We do not manage assets through our other services.

### **Participation in Wrap Fee Programs**

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We do not offer wrap fee programs.

### **Regulatory Assets under Management**

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As of 12/31/2016, we manage \$458,625,866 on a discretionary basis.

## **Item 5: Fees & Compensation**

### **Wealth Management**

For any asset level, we will charge a percentage typically within a range between 0.50 – 1.50%, depending upon the market value of the assets under management and the type of wealth

management services to be rendered. The exact percentage charged will be specified on the client's advisory contract when he/she becomes one of our clients.

Our firm's fees are billed on a pro-rata annualized basis quarterly in arrears based upon the average daily balance of the assets in the previous quarter. Fees will be adjusted for deposits and withdrawals made during the quarter. Fees are generally negotiable and will be deducted from your managed account. As part of this process, you understand and acknowledge the following:

- a) Your independent custodian sends statements at least quarterly to you showing the market values for each security included in the Assets and all disbursements in your account including the amount of the advisory fees paid to us;
- b) You provide authorization permitting us to be directly paid by these terms. We send our invoice directly to the custodian; and
- c) If we send a copy of our invoice to you, it will include a legend urging you to compare information provided in our statement with those from the qualified custodian.

Independent Money Managers and our firm will separately deduct their/our respective advisory fees due from the client.

The client may make additions to and withdrawals from his/her account at any time, subject to our right to terminate an account. Clients may withdraw account assets on notice to us, subject to the usual and customary securities settlement procedures. In certain circumstances you may not be able to withdraw funds invested in real estate funds prior to the fund's dissolution and liquidation. We design a client's portfolio as long-term investments and assets withdrawals may impair the achievement of a client's investment objectives. Additions may be in cash or securities provided that we reserve the right to liquidate any transferred securities, or decline to accept particular securities into a client's account. We may consult with our clients about the options and ramifications 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.

In the case of valuing non-liquid asset classes, our firm relies on valuations provided in statements received directly from third party managers. The financial statements associated with certain illiquid securities are audited on an annual basis, and valuation adjustments resulting from the audits are reflected in subsequent fee invoices. In connection with assets invested in private real estate funds, it may be the practice of the funds to hold assets at their original cost until the point where there is an action causing them to adjust this basis, such as an asset sale.

### **Financial Planning and Financial Consulting**

We charge on an hourly or flat fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fee ranges between \$350-500. Flat fees generally range from \$2,500 - \$50,000. Fees are generally negotiable and we reserve the right to waive the financial planning and consulting fees for wealth management clients. We require a retainer of fifty-percent (50%) of the ultimate financial planning or consulting fee with the remainder of the fee directly billed to you and due to us within thirty (30) days of your financial plan being delivered or consultation rendered to you. In all cases, we will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 (six) months.

## **Other Fees**

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Clients may incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

## **Termination & Refunds**

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We charge our advisory fees quarterly in arrears. In the event that you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees.

We charge our financial planning and financial consulting fees on an individual basis. In the event that you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed and process a pro-rata refund of any unearned advisory fees. In the event that we are compensated through a flat fee and you terminate the financial planning agreement prior to completion of the work specified in client agreement, you shall be billed for the actual hours spent prior to termination times our hourly rate.

## **Commissionable Securities Sales**

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In non-advisory accounts we sell securities for a commission. In order to sell securities for a commission, our supervised persons are registered representatives of Purshe Kaplan Sterling, Inc. ("PKS"), member FINRA/SIPC. Our supervised persons may accept compensation for the sale of securities or other investment products, including distribution or service ("trail") fees from the sale of mutual funds. You should be aware that the practice of accepting commissions for the sale of securities:

- 1) Presents a conflict of interest and gives our firm and/or our supervised persons an incentive to recommend investment products based on the compensation received. We address commissionable sales conflicts that arise (1) by explaining to clients that commissionable securities sales creates this incentive and that in every case, we put the interests of the clients before those of ourselves or our firm; (2) when recommending commissionable mutual funds, explaining that "no-load" funds are available through our firm if the client wishes to become an investment advisory client.
- 2) In no way prohibits you from purchasing investment products recommended by us through other brokers or agents which are not affiliated with us.

## **Item 6: Performance-Based Fees & Side-By-Side Management**

Our firm does not charge performance fees. Clients, however, may be subject to performance-based fees imposed by a third party fund manager in connection with investment recommendations.

## **Item 7: Types of Clients & Account Requirements**

We have the following types of clients:

- Individuals;
- High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans;
- Corporations, limited liability companies and/or other business types.

We generally impose a minimum portfolio size of \$2,000,000. In addition, our advisory fees are generally calculated on a percentage of assets basis. Nevertheless, it should be noted that our firm usually requires a minimum annual fee of \$10,000 for all types of advisory relationships.

If and when we utilize certain Independent Manager(s), these Independent Manager(s) may impose more restrictive account requirements and varying billing practices than ours. In such instances, we may alter corresponding account requirements and/or billing practices to accommodate those of the Independent Manager(s) or wrap fee program sponsor.

## **Item 8: Methods of Analysis, Investment Strategies & Risk of Loss**

### **Methods of Analysis:**

- Charting;
- Fundamental;
- Technical

We may recommend to clients that are “accredited investors” as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, which may include debt, equity, and/or pooled investment vehicles when it is consistent to do so with the client’s investment objectives. When we recommend that the client invest in private placement securities, we shall receive no additional compensation but shall continue to receive applicable investment advisory fees on the client’s assets under management.

### **Investment Strategies:**

- Long Term Purchases (Securities Held at Least a Year);
- Private Funds;
- Real Estate Investment Trusts (“REIT”);
- Short Term Purchases (Securities Sold Within a Year).

A private fund is an investment vehicle that pools capital from a number of investors and invests in securities and other instruments. In almost all cases, a private fund is a private investment vehicle that is typically not registered under federal or state securities laws. So that private funds do not have to register under these laws, issuers make the funds available only to certain sophisticated or accredited investors and cannot be offered or sold to the general public. Private funds are generally smaller than mutual funds because they are often limited to a small number of investors and have a more limited number of eligible investors. Many but not all private funds use leverage as part of their investment strategies. Private funds management fees typically include a base management fee along with a performance component. In many cases, the fund’s managers may become “partners” with their clients by making personal investments of their own assets in the fund. Most



private funds offer their securities by providing an offering memorandum or private placement memorandum ("PPM"). The PPM covers important information for investors and investors should review this document carefully and should consider conducting additional due diligence before investing in the private fund. The primary risks of private funds include the following: (1) Private funds do not sell publicly and are therefore illiquid. An investor may not be able to exit a private fund or sell its interests in the fund before the fund closes; and (2) Private funds are subject to various other risks, including risks associated with the types of securities that the private fund invests in or the type of business issuing the private placement.

REITs primarily invest in real estate or real estate-related loans. Equity REITs own real estate properties, while mortgage REITs hold construction, development and/or long-term mortgage loans. Changes in the value of the underlying property of the trusts, the creditworthiness of the issuer, property taxes, interest rates, tax laws, and regulatory requirements, such as those relating to the environment all can affect the values of REITs. Both types of REITs are dependent upon management skill, the cash flows generated by their holdings, the real estate market in general, and the possibility of failing to qualify for any applicable pass-through tax treatment or failing to maintain any applicable exempt status afforded under relevant laws.

As previously discussed above, we may recommend that clients authorize the active discretionary management of a portion of their assets by and/or among certain Independent Manager(s), based upon the stated investment objectives of the client. We shall continue to render services to the client relative to the discretionary and/or non-discretionary selection of Independent Manager(s) as well as monitoring and reviewing account performance and client investment objectives. When we select an Independent Manager for a client, we shall review information about the Independent Manager(s). For example, we review the Independent Manager(s) investment strategies, past performance and risk results to the extent available.

**Please Note:** Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to comprehensive portfolio management, wealth management service and portfolio monitoring, as applicable.

### Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

## **Item 10: Other Financial Industry Activities & Affiliations**

As stated previously, certain Advisory Affiliates are registered representatives of Purshe Kaplan Sterling Inc., a registered broker-dealer and member of FINRA, and they may place securities transactions with PKS. Brokerage commissions may be charged by PKS to effect these securities transactions and thereafter, a portion of these commissions may be paid by PKS to our Advisory Affiliates. A conflict of interest may exist when, as a PKS registered representative, our Advisory Affiliate receives commissions or additional compensation when we recommend these transactions to the client. Prior to effecting any transactions, the client will be required to enter into a new account agreement with PKS. The brokerage commissions charged by PKS may be higher or lower than those charged by other broker-dealers.

While we do not sell such securities products to our investment advisory clients, we permit our Advisory Affiliates, in their individual capacities as registered representatives of PKS, to sell securities products to our investment advisory clients. A conflict of interest exists when we recommend the purchase of securities where our Advisory Affiliates receive commissions or other additional compensation as a result of our recommendations.

For accounts covered by ERISA (and such others that we, in our sole discretion deems appropriate), we may modify the foregoing commission arrangement to allow for our investment advisory services to be rendered on a fee-offset basis. In this scenario, we may offset our fees by an amount equal to the aggregate commissions and 12b-1 fees earned by our Advisory Affiliates in their individual capacities as registered representatives of PKS.

In addition, some of our Advisory Affiliates, in their individual capacities, are also licensed insurance agents with various insurance companies. As such, they may recommend (on a fully disclosed commission basis) the purchase of certain insurance products. While we do not sell such insurance products to our investment advisory clients, we permit our Advisory Affiliates, in their individual capacities as licensed insurance agents, to sell insurance products to our investment advisory clients. A conflict of interest exists when we recommend the purchase of insurance products where our Advisory Affiliates receive insurance commissions or other additional compensation.

Some of our Advisory Affiliates may make investment banking referrals to JMP Securities, a broker-dealer subsidiary of JMP Group, Inc. As such, our Advisory Affiliates may be compensated as appropriate by JMP Securities through Purshe Kaplan Sterling Inc., LLC, a registered broker-dealer, or may be compensated directly by JMP Securities.

Mr. Molino, separate and independent from Three Bridge Wealth Advisors, LLC, is an investor in private companies or other special investment opportunities. Advisory clients will not be solicited to invest in these holdings. However, friends and associates may be introduced to the investment opportunity.

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

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in

a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. Some additional methods that we partake are:

Unless specifically permitted in our Code of Ethics, none of our Access Persons may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the Access Person) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of our clients.

When we are purchasing or considering for purchase any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when we are selling or considering the sale of any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. 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.

This disclosure is provided to give you a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

Similarly, related persons of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of

interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities within 48 hours prior to buying or selling for our clients. If related persons' accounts are included in a block trade, our related persons will always trade personal accounts last.

### **Compliance with Department of Labor Fiduciary Rule**

Our firm provides investment advice to assets affected by the Department of Labor ("DOL") Fiduciary Rule for a level fee. As such, we abide by the Impartial Conduct Standards as defined by the DOL. To comply with these standards, our firm and our advisors give advice that is in our clients' best interest, charge no more than reasonable compensation (within the meaning of ERISA Section 408(b)(2) and Internal Revenue Code Section 4975(d)(2), and make no misleading statements about investment transactions, compensation, conflicts of interest, and any other matters related to investment decisions.

As a level-fee fiduciary, we maintain a non-variable compensation structure that is provided on the basis of a fixed percentage of the value of assets or a set fee that does not vary with the particular investment recommended, as opposed to a commission or other transaction based fee.

## **Item 12: Brokerage Practices**

### **The Custodian & Brokers We Use**

Our firm does not maintain custody of your assets (although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15 Custody, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account, as described in the next paragraph.

### **How We Select Brokers/Custodians to Recommend**

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

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear and settle trades (buy and sell securities for your account)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)

- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below (see “Products and Services Available to us from Schwab”)

### **Your Custody & Brokerage Costs**

For our clients’ accounts it maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. For some accounts, Schwab may charge you a percentage of the dollar amount of assets in the account in lieu of commissions. Schwab’s commission rates and/or asset-based fees applicable to our client accounts were negotiated based on our commitment to maintain a minimum threshold of our clients’ assets statement equity in accounts at Schwab. This commitment benefits you because the overall commission rates and/or asset-based fees you pay are lower than they would be if we had not made the commitment. In addition to commissions or asset-based fees Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

### **Products and Services Available to us from Schwab**

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab’s business unit serving independent investment advisory firms such as Three Bridge Wealth Advisors. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us as long as we keep a total of at least \$10 million of our clients’ assets in accounts at Schwab. If we have less than \$10 million in client assets at Schwab, it may charge us quarterly service fees . Here is a more detailed description of Schwab’s support services:

### **Services that Benefit You**

Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

## **Services that May Not Directly Benefit You**

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

## **Services that Generally Benefit Only Us**

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

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

Irrespective of direct or indirect benefits to our client through Schwab, we strive to enhance your experience, help you reach your goals and put your interests before that of our firm or its associated persons.

## **Our Interest in Schwab's Services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as we keep a total of at least \$10 million of client assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give us an incentive to recommend that you maintain your account with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab's services (based on the factors discussed above – see "How We Select Brokers/Custodians to Recommend") and not Schwab's services that benefit only us. We have over \$300 million in client assets under management, and do not believe that maintaining at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

### **Item 13: Review of Accounts or Financial Plans**

We review accounts on at least a quarterly basis for our Wealth Management clients. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only our Financial Advisors will conduct reviews. We do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we contact clients.

Financial Planning/Financial Consulting clients do not receive reviews or updates to their written plans unless they take action to schedule a financial consultation with us. We do not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

### **Item 14: Client Referrals & Other Compensation**

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (*see Item 12 – Brokerage Practices*). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

We may pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940. Such referral fee represents a share of our investment advisory fee charged to our clients. This arrangement will not result in higher costs to you. In this regard, we maintain Solicitors Agreements in compliance with Rule 206 (4)-3 of the Investment Advisers Act of 1940 and applicable state and federal laws. All clients referred by Solicitors to our firm will be given full written disclosure describing the terms and fee arrangements between our firm and Solicitor(s). In cases where state law requires licensure of solicitors, we ensure that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our firm. If we are paying solicitation fees to another registered investment adviser, the licensure of individuals is the other firm's responsibility.

### **Item 15: Custody**

All of our clients receive at least quarterly account statements directly from their custodians. Upon opening an account with a qualified custodian on a client's behalf, we promptly notify the client in writing of the qualified custodian's contact information. If we decide to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm.

We encourage our clients to raise any questions with us about the custody, safety or security of their assets. The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

### **Item 16: Investment Discretion**

We accept discretionary authority to manage securities accounts on behalf of clients. Our clients need to sign a discretionary investment advisory agreement with our firm for the management of their account. This type of agreement only applies to our Wealth Management clients. We do not take or exercise discretion with respect to our other clients.

### **Item 17: Voting Client Securities**

SEC Rule 206(4)-6 requires investment advisers who have voting authority with respect to securities held in their clients' accounts to monitor corporate actions and vote proxies in their clients' interests. Our firm is required by the SEC to adopt written policies and procedures, make those policies and procedures available to clients, and retain certain records with respect to proxy votes cast.

Our firm considers proxy voting an important right of our clients as shareholders and believe that reasonable care and diligence must be taken to ensure that such rights are properly and timely exercised. When our firm has discretion to vote the proxies of our clients, our firm will vote those proxies in the client's best interests and in accordance with these policies and procedures. Clients may request a copy of our written policies and procedures regarding proxy voting and/or information on how particular proxies were voted by contacting our Chief Compliance Officer, Fred Molfino, by phone at (650) 433-3500 or email at [fred@threebridgewa.com](mailto:fred@threebridgewa.com).

#### **Policy for Voting Proxies**

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All proxies received by our firm will be given to our Chief Compliance Officer or designated person for processing. Our Chief Compliance Officer will determine which accounts managed by our firm hold the security to which the proxy relates. These accounts and their share holdings will be matched to the proxies received for each security. Missing proxies or significant variances in shares held will be investigated.

A grid of securities being voted will be updated with each proxy being voted. The grid will also contain a list of clients with the security voted upon. Our Chief Compliance Officer will review each item for voting on each proxy. Based on our proxy voting guidelines outlined below, a determination of how our firm votes will be made. Proxies will generally be voted online unless custodian requires mailed forms. In the absence of standing voting guidelines from the client, our firm will vote proxies in accordance with Board recommendation.

Our firm seeks to ensure compliance with the new Exchange Act Rule 14a-11. In accordance with the aforementioned rule, our firm provides shareholders with the opportunity to nominate directors at a shareholder meeting under the applicable state or foreign law. Clients also have the ability to have their nominees included in the company proxy materials sent to all of our shareholders. Furthermore, the clients as shareholders also have the ability to use the shareholder



proposal process to establish procedures for the inclusion of shareholder director nominations in company proxy materials.

### **Proxies Voting Guidelines**

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Where voting authority exists, proxies are voted by our firm according to Board recommendations in categories listed below among others unless not deemed to be in the best interests of the client:

- for directors and for management on routine matters;
- for a limit on or reduction of the number of directors, and for an increase in the number of directors on a case by case basis;
- against the creation of a tiered board;
- for the elimination of cumulative voting;
- for independence of auditors;
- for deferred compensation;
- for profit sharing plans;
- for stock option plans unless the plan could result in material dilution to shares outstanding or is excessive;
- for stock repurchases;
- for an increase in authorized shares unless the authorization effectively results in a blind investment pool for shareholders;
- for reductions in the par value of stock;
- for company name changes;
- for routine appointments of auditors.

Our firm abstains on motions to limit directors' liability. Material issues not addressed above (e.g., mergers, poison pills, social investing and miscellaneous shareholder proposals) are dealt with on a case-by-case basis.

Our firm will defer to instruction from clients in all voting matters. Records of all issues and votes are maintained and reported to clients as requested.

Our firm recognizes that under certain circumstances our firm may have a conflict of interest between us and our clients. Such circumstances may include, but are not limited to, situations where our firm or one or more of our affiliates, including officers, directors and employees, has or is seeking a client relationship with the issuer of the security that is the subject of the proxy vote. Our firm shall periodically inform our employees that they are under an obligation to be aware of the potential for conflicts of interest on the part of our firm with respect to voting proxies on behalf of funds, both as a result of our employee's personal relationships and due to circumstances that may arise during the conduct of our business, and to bring conflicts of interest of which they become aware to the attention of the proxy manager. Our firm shall not vote proxies relating to such issuers on behalf of client accounts until our firm has determined that the conflict of interest is not material or a method of resolving such conflict of interest has been agreed upon by our management team. A conflict of interest will be considered material to the extent that it is determined that such conflict has the potential to influence our decision-making in voting a proxy. Materiality determinations will be based upon an assessment of the particular facts and circumstances. If our firm determines that a conflict of interest is not material, our firm may vote proxies notwithstanding the existence of a conflict. If the conflict of interest is determined to be material, the conflict shall be disclosed to our management team and our firm shall follow the instructions of the management team.

Our Chief Compliance Officer will maintain files relating to our proxy voting procedures. Records will be maintained and preserved for 5 years from the end of the fiscal year during which the last entry was made on a record, with records for the last two years kept on our premises. Records of the following will be included in the files:

- a copy of each proxy statement that our firm receives, provided however that our firm may rely on obtaining a copy of proxy statements from the SEC's EDGAR system for those proxy statements that are available;
- a record of each vote that our firm casts;
- a copy of any document our firm created that was material to making a decision how to vote proxies, or that memorializes that decision;
- a copy of each written client request for information on how our firm voted such client's proxies, and a copy of any written response to any client request for information on how our firm voted their proxies.

Our written policies and procedures regarding proxy voting are disclosed here. Information on how particular proxies were voted may contact our Chief Compliance Officer, Fred Molfino, by phone at (650) 433-3500 or email at fred@threebridgewa.com.

Our firm does not pay for proxy voting services with soft dollars. Also, our firm does not charge an additional fee to vote proxies.

#### **Item 18: Financial Information**

We do not require nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. As such, we have not included a balance sheet for our most recent fiscal year. Three Bridge Wealth Advisors has not been the subject of a bankruptcy petition.