

## Item 1: Cover Page

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TEMPERANCE WEALTH PARTNERS

**Form ADV Part 2A**  
**Investment Adviser Brochure**

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West Palm Beach, Florida  
USA 33411  
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Date of this brochure: March 1, 2016

This brochure provides information about the qualifications and business practices of Temperance Wealth Partners LP. If you have any questions about the content of this brochure, please contact us at (416) 817-2801 or e-mail Paul Sorbara at [paul.sorbara@temperancepartners.com](mailto:paul.sorbara@temperancepartners.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 Temperance Wealth Partners LP also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The Firm's CRD number is 281718.

Registration with the SEC does not imply a certain level of skill or training.

## Item 2: Summary of Material Changes

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This is Temperance Wealth Partners LP's ("Temperance Wealth Partners" or the "Firm") Form ADV 2.

There have been no material changes since the date of the most recently filed Form ADV Part 2A. We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business's fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

As of the date hereof, Temperance Wealth Partners has a reasonable expectation that it will engage in the activities and provide the services in the manner described on this Form ADV 2 within 120 days of December 31, 2015, being the date the SEC issued an order granting registration to Temperance Wealth Partners pursuant to Section 203 of the *Investment Advisers Act of 1940*.

### Full Brochure Available

Temperance Wealth Partners LP's Form ADV may be requested at any time, without charge by contacting Paul Sorbara, Chief Compliance Officer at 416.817.2801 or by email at [paul.sorbara@temperancepartners.com](mailto:paul.sorbara@temperancepartners.com).

Additional information about Temperance Wealth Partners is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 4: Advisory Business

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Temperance Wealth Partners LP (“Temperance Wealth Partners”) is a Delaware Limited Partnership that was organized in October 2015 and registered with the Securities Exchange Commission (“SEC”) effective December 31, 2015. Temperance Wealth Partners is beneficially owned by Canadian trusts, all of the beneficiaries of which are related individual family members, and two of the individuals who operate Temperance Wealth Partners: Kevin Tice and Paul Sorbara. Temperance Wealth Partners is operated by Kevin Tice, Paul Sorbara and Jason Seltzer. Biographical information for each executive officer is provided in Form ADV Part 2B.

Temperance Wealth Partners intends to provide investment, financial, and life planning services to its clients.

### Investment

Temperance Wealth Partners may provide both discretionary and nondiscretionary opportunities. Discretionary means that Temperance Wealth Partners makes the decisions on what securities to buy and sell for a client’s portfolio, without requiring the client’s consent, and Temperance Wealth Partners is responsible for taking action on those decisions and executing those trades. Nondiscretionary means that Temperance Wealth Partners makes investment recommendations to the clients, but the client is responsible for acting on those recommendations. Clients have an absolute right to decline to implement any nondiscretionary recommendation Temperance Wealth Partners provides.

Regardless of whether the client chooses discretionary or nondiscretionary services, Temperance Wealth Partners intends to meet with the client to gather information about the client's current situation and their future goals and needs. During these conversations, Temperance Wealth Partners will gain insight into the appropriate risk tolerance of each client. Using the goals, objectives and risk tolerance determined in this process, Temperance Wealth Partners may help the client develop an investment policy, when stated in the engagement letter. The policy, when applicable, will be used by Temperance Wealth Partners as the basis for developing and managing a portfolio for the client.

Temperance Wealth Partners also intends to provide investment services to company profit sharing, 401(k) and 403(b) plans. Depending upon the plan’s platform and third party administrator, Temperance Wealth Partners’ services may be discretionary, nondiscretionary, or a hybrid. For example, for some plans, Temperance Wealth Partners may decide the mutual funds available to the participants and helps the participants allocate among those funds. The plan assets for all the participants will be aggregated in one account, but each participant has their own asset allocation. Ultimately the participant in the plan will decide the final allocation for themselves, and either the participant or Temperance Wealth Partners will deploy the allocation, depending on the structure of the plan. Temperance Wealth Partners does not have any affiliation with third party administrators, accounting fiduciaries, tax advisors, nor overall administration of these plans. However, Temperance Wealth Partners will assist the clients in

setting up qualified plans, and provides assistance between the third party administrator and client, when needed, as the investment manager to the plan.

Our investment philosophy is premised on diversification and asset allocation. While macroeconomic conditions, market conditions, and other quantitative measures might cause Temperance Wealth Partners to tactically shift a portfolio away from its target allocation, Temperance Wealth Partners ultimately seeks to manage the portfolios, over the long term, to each client's appropriate target allocation.

Temperance Wealth Partners does not employ generic model portfolios that clients are placed into based on a commonality of risk profiles or objectives. Rather, Temperance Wealth Partners customizes portfolios for each client, regardless of whether the client has engaged Temperance Wealth Partners for discretionary or nondiscretionary investment services. When constructing the portfolios, in addition to a client's goals, objectives and risk tolerance, Temperance Wealth Partners takes into consideration taxes, number of accounts, size of the portfolio, and the characteristics of the investments Temperance Wealth Partners uses to populate the portfolios (i.e. fees, investment minimums, holding requirements, etc.). The result is that clients with similar profiles might have identical target allocations and holdings, different target allocations and identical holdings, or identical target allocations but different holdings.

When constructing a portfolio, Temperance Wealth Partners will start with allocating to the major Asset Categories: Cash, Equities, Bonds, Commodities, and Alternative Investments in line with a client's goals, objectives, and risk tolerance. Once those allocations are determined, each Asset Category is broken down further into the specific Asset Classes and an allocation to each is determined. Examples of Asset Classes include, but are not limited to, Domestic Large Cap Equities, Domestic Mid Cap Equities, Domestic Small Cap Equities, Real Estate, International, Taxable Fixed Income, Tax Exempt Fixed Income, Government Fixed Income, High Yield Bonds, Commodities, and Alternative Investments. The Asset Classes used for each client will be stated in the investment policy, when applicable. The number of Asset Classes that will be deployed in a particular client's portfolio is within Temperance Wealth Partners' discretion consistent with the suitability of the client.

Once Temperance Wealth Partners creates a client's target allocation, we may then create a hypothetical portfolio using Morningstar Research populating each Asset Class as outlined in the target allocation with securities either on Temperance Wealth Partners' list of preferred securities, that may be currently held by the client, or securities researched by Temperance Wealth Partners that are appropriate for the client. This helps Temperance Wealth Partners determine whether the portfolio, as designed, is suitable to meet the client's objectives within the client's risk parameters. When developing portfolios for clients in qualified plans, there will be times when Temperance Wealth Partners is restricted in the investment choices due to plan restrictions. In this case, Temperance Wealth Partners uses those assets available in the plan, or creates a proxy (substitute) for those assets to make the hypothetical portfolio. THE HYPOTHETICAL PORTFOLIO IS A HISTORICAL PERSPECTIVE ON THE PORTFOLIO, THUS PAST PERFORMANCE IS NO GUARANTEE OF FUTURE PERFORMANCE.

Temperance Wealth Partners primarily will use exchange-traded funds (“ETFs”) and mutual funds to develop portfolios. From time to time, Temperance Wealth Partners will recommend specific stocks and bonds. Temperance Wealth Partners does not limit itself to any specific asset, rather, we will research and utilize any asset which will improve the client’s ability to achieve their goals and objectives or reduce their risk. Temperance Wealth Partners does not use mutual funds with sales “loads” nor do we have or offer any proprietary products to our clients.

In circumstances where clients may join Temperance Wealth Partners with existing positions in ETFs, stocks, bonds, mutual funds and other holdings, over time, Temperance Wealth Partners intends to shift such portfolios over into ETFs and mutual funds. Depending upon the tax ramifications, quality of the holdings, and market conditions, this transition can take up to several years to fully transition.

### **Tailored Services**

Some clients may request that they not be invested in certain assets such as tobacco or liquor stocks. Given that Temperance Wealth Partners invests primarily in ETFs and mutual funds, we generally cannot accommodate such requests. However, Temperance Wealth Partners will honor such request as it pertains to specific securities. In other words, Temperance Wealth Partners will not purchase stock in a specific company upon the client’s request. However, this would not prevent Temperance Wealth Partners from purchasing an ETF or mutual fund which may have exposure to that stock.

### **Financial**

Temperance Wealth Partners intends to offer an array of financial planning services. These services include retirement planning, insurance review, capital needs planning, succession planning, tax planning, estate planning, education planning, and other planning matters directly related to the client’s financial health and condition. By way of example, we can help clients obtain mortgages, finance commercial property, sell businesses, sell real estate, and purchase automobiles.

Temperance Wealth Partners uses third party commercial applications as well as internally prepared spreadsheets to perform and model the planning matters.

### **Life Planning**

Temperance Wealth Partners will provide advice to clients on matters not involving financial concerns, but which are directly relevant to the overall quality of life of the client. Such matters include second career, philanthropic, and family meeting and governance assistance.

### **Tax Preparation**

Temperance Wealth Partners, on a limited basis, intends to prepare tax returns for individuals, trusts, estates, small partnerships and corporations. Tax preparation may be charged separately from the Investment, Financial, or Life Planning services. This is further described in Item 5.

**Wrap Fee Programs**

Temperance Wealth Partners does not participate in any Wrap fee programs.

**Client Assets**

As of March 1, 2016, Temperance Wealth Partners managed the following assets:

Discretionary: \$0

Nondiscretionary: \$0

**Total: \$0**

Our discretionary assets will include 401(k) plans where Temperance Wealth Partners has chosen the investments and designed portfolios within the plan. Temperance Wealth Partners will be authorized to change investments and portfolios at its discretion. However, the plan participants will make the specific decision on the investments.

For any client that does not meet the definition of Regulatory Assets under management, Temperance Wealth Partners may receive compensation of a fixed fee to advise the client on their overall portfolio allocation and separate account managers, hired by the client. Under such an engagement, the client would be the sole authority and exclusively responsible for implementing all recommendations.

## Item 5: Fees and Compensation

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Temperance Wealth Partners intends that its only source of income will be from its clients. Temperance Wealth Partners does not receive any income from any other source and does not receive any compensation for any trades placed by or through Temperance Wealth Partners, nor from any asset based fees or services fees from mutual funds or other investment products.

Temperance Wealth Partners intends to charge its clients under several pricing structures. In calculating fees, Temperance Wealth Partners may exclude legacy and/or illiquid investments. A client might pay under one pricing structure or another, depending on the services requested by the client. Temperance Wealth Partners intends to be flexible in the calculation of its fees in that all the terms and conditions are negotiable. Temperance Wealth Partners' pricing structure will be as follows:

1. Fee charged as a percentage of assets under management for Investment, Financial, and Life Planning Services. Depending upon the client's wants, needs, size, overall relationship and complexity, Temperance Wealth Partners may charge up to 1.25% annually of the assets under management whether discretionary or non-discretionary. While this is an annualized fee, the fees are calculated and paid on a quarterly basis, either in advance or arrears. Typically, this fee is calculated on the average daily balance of a client's portfolio for the prior three months of a quarter. For example, if the negotiated fee was 1% annually, the quarterly fee would be 0.25%. Temperance Wealth Partners follows a calendar year end and quarter calculation. The 0.25% would be calculated on the average balance of the client's portfolio over the course of the applicable three months.

For purposes of discussion, clients with very complex planning issues and investment holdings can expect to be toward the higher percentage charged while clients with modest planning and investment concerns can expect to be charged less.

For assets held at certain custodians, we intend to automatically deduct this quarterly fee from the account on or about the 10th of the month following the end of the calendar quarter. Thus, the fee will be swept on or about April 10<sup>th</sup>, July 10<sup>th</sup>, October 10<sup>th</sup>, and January 10<sup>th</sup>. If a client terminates its relationship with Temperance Wealth Partners during a quarter, and Temperance Wealth Partners bills that client in arrears, Temperance Wealth Partners will invoice that client for its fees for that quarter up to the date of termination.

For several clients, we will charge the quarterly percentage in advance of the quarter based upon the value of the account on the last day of the previous quarter. For example, a client's account balance on March 31st is \$10,000 and the annual fee is 1% (0.25% per quarter) we will charge \$25.00 for the quarter encompassing April, May, and June on or about the 10th of the month



following the end of the quarter. If Temperance Wealth Partners does bill in advance of a quarter, the client has the right to a refund for their prorated portion of the fee following the termination of the client's engagement with Temperance Wealth Partners. The client only needs to provide a letter of termination to Temperance Wealth Partners at which time Temperance Wealth Partners will refund the prorated fee from that date forward within 30 days.

2. Fixed Fee for Investment, Financial and Life Planning Services. Depending upon the breadth of services engaged for by the client, the duration of engagement, and complexity, Temperance Wealth Partners will negotiate a fee with the client. The engagement letter will clearly state the services to be offered and the agreed upon fee. The factors Temperance Wealth Partners considers when determining fees depends on the time and resources required to fulfill its obligation under the engagement. While Temperance Wealth Partners uses the percentage or assets above as our basis, it is by no means the exclusive determination.

For one-time engagements (from running a retirement plan to performing a portfolio diagnoses) part of the fee will be paid at the signing of the engagement letter and remainder upon the completion of the engagement. For ongoing engagements, the fee will be paid quarterly at the beginning of each quarter. Under no circumstance will a fixed fee be charged when the client pays more than \$1,200 six (6) months or more in advance of services being offered.

An engagement may be terminated at any time, by either party, for any or no reason by written notice. The effective date of termination will be the date the written notice is received by the recipient. Upon termination, any prepaid fees will be refunded to the client on a prorated basis using the unit of measure for which the fee is calculated. Likewise, any fee a client owes to Temperance Wealth Partners upon termination of the agreement will be invoiced to the client by Temperance Wealth Partners.

To help understand fee for services, here are a few examples of the negotiation for fixed fee engagements. If a client wants Temperance Wealth Partners to diagnose and assess a portfolio, prepare a retirement projection, and review some education financing alternatives as a one-time engagement, the fee could be between \$1,000 and \$3,000. Alternatively, a foundation with a \$100 million endowment with Temperance Wealth Partners providing investment direction and guidance as well other investment related services on a continuous basis, the fee could be between \$50,000 and \$150,000 annually. Lastly, a client with \$1 million who wishes to engage Temperance Wealth Partners on a continuous basis for all services should experience a fee of between \$8,000 and \$12,500. While these examples are purely hypothetical, it is to provide a basis for clients to understand Temperance Wealth Partners' estimation of fees.

3. Fees for Tax Return Preparations. Temperance Wealth Partners intends to charge a flat fee for the preparation of tax returns for clients. This fee is directly related to the

complexity of the tax return. The fee for tax returns generally will be between \$0 and \$2,500 and is paid upon delivery of the return itself.

While Temperance Wealth Partners only receives fees from its clients, Temperance Wealth Partners clients are charged fees from other sources. Clients can expect to be charged fees from the client's custodian and others. These fees include trade commissions, short term trading fees on mutual funds, custodian fees for certain retirement accounts, wire fees and others. Temperance Wealth Partners recommends that the clients read their account applications to gather a full range of information in regard to the fees each of their respective custodians charge. Furthermore, certain investments that Temperance Wealth Partners makes have fees imbedded in the instruments. For example, Mutual funds and ETFs all have expenses to operate and manage those funds. Most funds provide compensation in the form of loads (fees to buy or sell the funds themselves) and 12(b)-1 (marketing fees paid annually) fees to brokers who sell these funds. Temperance Wealth Partners does not receive any compensation from either loads or 12(b)-1 fees on funds purchased. When Temperance Wealth Partners does purchase mutual funds for clients, Temperance Wealth Partners only purchases load waived and no-load mutual funds.

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

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Temperance Wealth Partners does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

## Item 7: Types of Clients

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Temperance Wealth Partners generally intends to provide Investment services to individuals, families, trusts, foundations, charities, and company qualified plans. Our Financial and Life Planning Services are provided to individuals and families.

Temperance Wealth Partners typically requires a client to have \$1 million in investable assets. However, under certain circumstances, and at Temperance Wealth Partners' discretion, this requirement may be waived. For example, we will waive the minimum required assets when the prospective client is a relative or close friend of an existing client. Another example is when the client has complex planning issues (private business owner, executive of a public company, etc.) with investable assets less than the \$1 million.

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

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Under Item 4, we outlined our investment philosophy and investment strategy. Temperance Wealth Partners' investment philosophy is premised upon diversification and asset allocation across the Asset Categories and Classes. Within each Asset Class, Temperance Wealth Partners seeks to diversify the portfolio using predominantly ETFs and mutual funds. From time to time and when appropriate, Temperance Wealth Partners will purchase individual stocks and bonds. Item 4 further provide the terms and conditions under which private investments are recommended to clients.

### Risks

While research suggests well allocated and diversified portfolios experience less volatility during normal market conditions, during periods of extraordinary volatility, Asset Classes tend to behave similarly thus reducing the benefit of allocation and diversification. As a result, a client can experience losses should these conditions arise.

INVESTING DOES ENTAIL THE POSSIBILITY OF LOSS. ALL CLIENTS NEED TO BE AWARE THAT THEY CAN LOSE MONEY WITH ANY INVESTMENT, INCLUDING THEIR ENTIRE INVESTMENT.

Other risks are present through the strategy deployed by Temperance Wealth Partners as well as those inherent in ETFs and Mutual Funds, they include:

1. Asset Class Risk: Securities in the ETF or Mutual Fund and the ETFs and Mutual Funds themselves may underperform in comparison to the general securities markets or other asset classes.
2. Concentration Risk: To the extent that an ETF or Mutual Fund's investments are concentrated in a particular country, market, industry, or asset class, the fund may be susceptible to loss due to adverse occurrences affecting that concentration.
3. Credit Risk: The ETF or Mutual Fund could be subject to the risk that debt issuers and other counterparties fail to honor their obligations.
4. Income Risk: The ETF or Mutual Fund income might decrease if interest rates fall.
5. Interest Rate Risk: an increase in interest rates can cause the ETF or Mutual Fund principal to fall.
6. Issuer Risk: The ETF or Mutual Fund performance depends on the performance of the securities in which the fund invests. Changes to the financial conditions of company in which the investments are made can cause the underlying securities to decline in value.
7. Liquidity Risk: Exists when a particular investment becomes hard to buy or sell. This can reduce the value of the investment.
8. Management Risk: If within an ETF or Mutual Fund, the manager chooses to invest in securities outside an Index, the strategy deployed by the manager may not experience the intended results and reduce the value of the portfolio. Management risk can also arise if a manager were to leave a fund company that can materially impact the performance of that fund.

9. Market Risk: The ETF or Mutual Funds can lose money in due to market movements and downturns.
10. Market Trading Risk: This risk includes the potential lack of an active market for shares, losses from trading on secondary markets, and disruption in the creation and redemption of share units. The result is that that securities can trade at substantial premiums and discounts.
11. Non-Diversification Risk: There may be a concentrated position in securities, one or several, where performance depends on small number of issuers.
12. Passive Investment Risk: The ETF or Mutual Funds where the management does not take defensive positions in declining markets. This can have a negative impact on a portfolio.
13. Securities Lending Risk: The risk that borrowers of securities might fail to return the securities in a timely manner or at all. Or a loss might be incurred when the value of the collateral decreases as well.
14. Tracking Error Risk: The performance of a portfolio or fund can deviate from its intended target or index it was to track.
15. Equity Securities Risk: Equity securities might be volatile and deviate from the returns of other asset classes. This also includes the risk associated with certain equity asset classes. For example, Emerging Markets are more risky then Developed Markets. Small-cap companies are more risky then Mid-cap companies and Mid-cap are more risky than Large- cap.

## Item 9: Disciplinary Information

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There are no legal or disciplinary events to Temperance Wealth Partners or its management personnel to disclose.

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

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None of Temperance Wealth Partners' owners, managers, or advisors have any affiliation with any Broker/Dealer, future commission merchant, commodity pool operator, commodity trading advisor or person of the forgoing entities.

Temperance Wealth Partners does not typically select or recommend other investment advisers to its clients.



## **Item 11: Code of ethics, Participation or Interest in Clients Transactions and Personal Trading**

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### **Code of Ethics**

Temperance Wealth Partners has adopted a Code of Ethics (Code) which sets forth high ethical standards of business conduct that Temperance Wealth Partners requires of its employees, including compliance with applicable federal securities laws. It is to be reviewed and updated annually.

Temperance Wealth Partners' Code requires the prior approval of any acquisition of securities in a limited offering (e.g. private placement) or an initial public offering. Temperance Wealth Partners' Code also includes oversight, enforcement and recordkeeping provisions. A complete copy of Temperance Wealth Partners' Code is available to Temperance Wealth Partners' clients or prospective clients upon request.

### **Purchase or Sale of Securities also Recommended to Clients**

Temperance Wealth Partners or individuals associated with Temperance Wealth Partners may buy or sell securities identical to those recommended to clients for their personal accounts. It is the expressed policy of Temperance Wealth Partners that the firm and any employee by Temperance Wealth Partners may purchase or sell any security prior to, concurrently with, or after a transaction being implemented for an advisory account.

For the avoidance of any conflict of interest, Temperance Wealth Partners or any employees shall not recommend to a client any security in which Temperance Wealth Partners or an employee has a material interest, acts as general partner, or receives compensation for the sale of said security.

Temperance Wealth Partners or any employee may have an interest or position in a certain security which may also be recommended to a client. As these situations may represent a conflict of interest, Temperance Wealth Partners has established the following restrictions in order to ensure its fiduciary responsibilities:

1. An employee of Temperance Wealth Partners shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of their employment unless the information is also available to the investing public on reasonable inquiry. No person of Temperance Wealth Partners shall prefer his or her own interest to that of the advisory client.
2. Temperance Wealth Partners requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

3. Any individual deemed not in compliance of the above may be subject to termination.

## Item 12: Brokerage Practices

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### **Research and Other Soft Dollar Benefits**

Temperance Wealth Partners does not receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transaction, also known as soft-dollar benefits.

### **Brokerage for Client Referrals**

Temperance Wealth Partners does not receive client referrals from selecting or recommending a broker/dealer.

### **Directed Brokerage**

Clients may come to Temperance Wealth Partners with an existing brokerage relationship and direct us to execute their trades through that broker. Temperance Wealth Partners retains the right not to trade with a particular broker/dealer. Clients normally negotiate their commission rate directly with their broker. Temperance Wealth Partners will not seek better execution services or prices from other brokers or dealers and as a result, client could pay higher commissions, other transaction costs, greater spreads, or receive less favorable net prices on transactions for client's account than would otherwise be the case. If a client does not have an existing relationship with a broker, Temperance Wealth Partners may suggest the use of and request the client to authorize discretion on an account established through a variety of brokerage firms.

Temperance Wealth Partners does not recommend, request, or require that a client direct Temperance Wealth Partners to execute a transaction through a specific broker-dealer.

Temperance Wealth Partners may recommend clients use a custodian that is also a FINRA registered broker/dealer.

### **Trade Aggregation**

Trade aggregation is the act of trading a large block of a security in a single order. Shares of a purchased security are then allocated to the appropriate accounts in the appropriate proportion. The main purposes of order aggregation are (i) for ease of trading and (ii) to obtain a lower transaction cost associated with trading a larger quantity. Temperance Wealth Partners does not aggregate or block trades. As a result, clients purchasing securities around the same time may receive a lower or higher price than other clients. As to transaction costs, trades enacted on the platform of a certain custodian are charged transaction fees at the account level, therefore there would be no transaction cost benefit to block trading versus trading each account separately.

## **Item 13: Review of Accounts**

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### **Investment**

Client accounts will be reviewed by Portfolio Managers and the Advisors primarily charged with the client relationship. The accounts will be reviewed during the production of our quarterly reports. The quarterly review process focuses on:

- Comparing the portfolio to the clients' goals and objectives
- Evaluating the strategy, in light of any change in circumstances
- Monitoring the performance of the portfolio
- Addressing the need to rebalance as necessary

Account reviews may be triggered other than quarterly by any one or more of the following events:

- Specific client request
- Change in goals and objectives
- World, economic or market events
- Imbalance of portfolio asset allocation
- Annual review held between the client and the advisor and/or portfolio manager

### **Financial**

Financial plans may not be reviewed, due to the nature of the service, after the plan is delivered. Exceptions to this may apply, if an annual update is purchased or if the client requests periodic reviews of the plan.

### **Life Planning**

Due to the nature of the Life Planning Services, reviews are not applicable.

### **Reporting**

On a quarterly basis, Temperance Wealth Partners will produce performance reports using its portfolio management system. This report is typically an account or portfolio appraisal and may identify some or all of the following information: asset allocation, current positions, current market value, capital contributions and withdrawals from the portfolio. The report, which shows the portfolio rate of return, will be provided for the most recent quarter as well as other periods, which may include, Year-To-Date, 1 year, 3 year, 5 year, and since inception. Each period will be reported by Temperance Wealth Partners at its complete and absolute discretion and periods reported may change from one reporting period to the next. Reports are delivered via mail or electronically depending on each client's preferences.

## Item 14: Client Referrals and Other Compensation

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No one provides any economic benefit to Temperance Wealth Partners for providing investment advice or services to a client of Temperance Wealth Partners.

Temperance Wealth Partners may, from time to time, compensate, either directly or indirectly, a third person for client referrals. Such referral arrangements are generally governed by a written agreement between Temperance Wealth Partners and the particular third party that (1) complies with the SEC's "cash solicitation" rule (Rule 206(4)-3); (2) requires that clients be provided with copies of Temperance Wealth Partners' ADV Brochure (or a substitute Disclosure Brochure incorporating substantially the same information), separate disclosure of the nature of the referral arrangement (including compensation features) applicable to the client being referred, and any other document required to be provided under applicable state law; and (3) provides that the third party will not be paid compensation for any client referral unless it is registered as an investment adviser or investment adviser agent to the extent required under federal law and the law of the state in which the referred client resides. Clients do not pay any additional fees as a result of these relationships.

An example of this type of relationship is if an attorney refers a client to Temperance Wealth Partners, the attorney is required to disclose to the client that he is being paid by Temperance Wealth Partners, Temperance Wealth Partners discloses to the client that the attorney is getting paid by Temperance Wealth Partners, and Temperance Wealth Partners will pay the attorney directly for the referral. The client will incur no expense. The attorney, under this scenario does not provide any investment or financial planning advice to the client. Rather, Temperance Wealth Partners is exclusively responsible for those services.

Furthermore, no one besides those individuals who are investment advisory representatives of Temperance Wealth Partners provide advice to clients in exchange for a fee.

## Item 15: Custody

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### **Custody – Fee Debiting**

Clients may authorize Temperance Wealth Partners (in the client agreement) to debit fees directly from the client's account at the broker dealer, bank or other qualified custodian (custodian). Client investment assets will be held with a custodian agreed upon by the client and Temperance Wealth Partners. The custodian is advised in writing of the limitation of Temperance Wealth Partners' access to the account. The custodian sends a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to Temperance Wealth Partners.

### **Custody – Account Statements**

As described above and in Item 13, clients will receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Clients are urged to carefully review such statements and compare such official custodial records to the reports that Temperance Wealth Partners provides. Temperance Wealth Partners' reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## Item 16: Investment Discretion

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Temperance Wealth Partners generally accepts discretion over client's accounts. Regardless of where the client custodies his assets, within our engagement letter the client grants Temperance Wealth Partners limited power of attorney to place trades within a client's account. If the client custodies his/her assets at a certain custodian the authority is also provided for within the account application or Adviser Authorization Form. If the client chooses to custody the assets at another institution, a limited power of attorney form will have to be completed to empower Temperance Wealth Partners to trade within the account.

In addition to the power to trade, when the client custodies with a certain custodian, the client also authorizes Temperance Wealth Partners to withdraw the quarterly investment fee from the client's account. At the election of the client, the client can authorize Temperance Wealth Partners to move assets between like titled accounts held at the same custodian, have checks drawn from client accounts in the name of the owner of the account, or transfer funds between like and unlike titled accounts as long as the client has pre-established an electronic link between both accounts.

## Item 17: Voting Client Securities

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Temperance Wealth Partners may accept the authority to vote client proxies. Temperance Wealth Partners has adopted policies and procedures reasonably designed to ensure that proxies are voted in the best interest of clients. Temperance Wealth Partners' policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest. Clients may contact Temperance Wealth Partners for a copy of Temperance Wealth Partners' proxy voting policies and procedures and for information as to how proxies were voted with respect to their securities.

When a potential conflict of interest arises, Temperance Wealth Partners will identify any conflicts that exist between the interests of the adviser and the client by reviewing the relationship of Temperance Wealth Partners with the issuer of each security to determine if Temperance Wealth Partners or any of its employees has any financial, business or personal relationship with the issuer. If a material conflict of interest exists, the compliance officer will determine whether it is appropriate to disclose the conflict to the affected clients, to give the clients an opportunity to vote the proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third party voting recommendation. Temperance Wealth Partners will maintain a record of the voting resolution of any conflict of interest.

Clients may contact Paul Sorbara at (416) 817-2801 or by email at [paul.sorbara@temperancepartners.com](mailto:paul.sorbara@temperancepartners.com) for information about Temperance Wealth Partners' Proxy policies and information about how Temperance Wealth Partners voted any proxies on behalf of their account(s).



## **Item 18: Financial Information**

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Temperance Wealth Partners will not require or solicit prepayment of more than \$1,200 in fees per client, six (6) months or more in advance. Temperance Wealth Partners is not currently aware of any condition that is reasonably likely to impair Temperance Wealth Partners' ability to meet its contractual commitments to its clients.

Temperance Wealth Partners has not been the subject of a bankruptcy proceeding at any time.