

**MONOCOT WEALTH MANAGEMENT WRAP PROGRAM**

Sponsored by

**MONOCOT WEALTH MANAGEMENT, LLC**

*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of Monocot Wealth Management, LLC (hereinafter “Monocot Wealth Management” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

### **Item 2. Material Changes**

In this Item, Monocot Wealth Management is required to discuss any material changes that have been made to the brochure since the last annual amendment. There are no such material changes to disclose.

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## **Item 4. Advisory Business**

The Monocot Wealth Management Wrap Program (the “Program”) is an investment advisory program sponsored by Monocot Wealth Management. In addition to the Program, the Firm offers a variety of advisory services, which include financial planning, consulting, and investment management services under different arrangements than those described herein. Prior to Monocot Wealth Management rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with Monocot Wealth Management setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

Monocot Wealth Management has been registered as an investment adviser since 2016 and is wholly owned by Steven Carmandalian and Josephus Teurlings. As of the date of this filing, Monocot Wealth Management does not have any assets under management; however, the Firm reasonably expects to be eligible for registration with the SEC within 120 days of approval as an investment adviser.

While this brochure generally describes the business of Monocot Wealth Management, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on Monocot Wealth Management’s behalf and is subject to the Firm’s supervision or control.

### **Description of the Program**

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The Program is offered as a wrap fee program, which provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges. A wrap fee program is considered any arrangement under which clients receive investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions for a specified fee or fees not based upon transactions in their accounts. Clients must also open a new securities brokerage account and complete a new account agreement with Schwab Advisor Services™ (“Schwab”) or another broker-dealer that Monocot Wealth Management approves under the Program (collectively “Financial Institutions”).

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

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Monocot Wealth Management’ approach starts with the evaluation and review of its clients’ financial concerns, risks and objectives. The Firm guides its clients through a Wealth Simulation process where potential investment strategies are stress-tested for their impact on client’s financial wellbeing. As such, this process forms the basis for determining what investment strategy may be most appropriate for them.

Results and progress are evaluated on an ongoing basis. Additional planning and consulting services may include any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- Trust and Estate Planning
- Financial Reporting
- Investment Consulting
- Insurance Planning
- Real Estate Planning
- Retirement Planning
- Risk Management
- Distribution Planning
- Tax Planning
- Manager Due Diligence

In performing these services, Monocot Wealth Management is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Monocot Wealth Management may recommend clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents or registered representatives of a broker-dealer and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage Monocot Wealth Management or its affiliates to provide additional services for compensation. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Monocot Wealth Management under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Monocot Wealth Management's recommendations and/or services.

### **Investment Management Services**

Monocot Wealth Management manages client investment portfolios on a discretionary or non-discretionary basis. Monocot Wealth Management primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities, options, trust deeds, structured products, annuities and independent investment managers ("Independent Managers") in accordance with their stated investment objectives.

Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios. Clients may engage Monocot Wealth Management to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Monocot Wealth Management directs or recommends the allocation of client assets among the various investment options available with the product. These assets

are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

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

### **Use of Independent Managers**

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As mentioned above, Monocot Wealth Management may select certain Independent Managers to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an Independent Manager may be set forth in a separate written agreement with the designated Independent Manager. In addition to this brochure, clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets. The Independent Managers' fees are not included in the Program Fee, as described below.

Monocot Wealth Management evaluates a variety of information about Independent Managers, which may include the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. Monocot Wealth Management also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

Monocot Wealth Management continues to provide services relative to the discretionary or non-discretionary selection of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. Monocot Wealth Management seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

## Fees for Participation in the Program

The Program is offered on a fee basis, meaning participants pay a single annualized fee based upon assets under management (“Program Fee”).

This Program Fee generally varies between 20 and 250 basis points (0.20% – 2.50%), in accordance with the following fee schedule:

Assets	Market Timing Actively Managed Equity	Tax Free Income	Taxable Fixed Income	ETF Equity w/Tactical Overlay
\$300k - \$1mm	2.5%	1.0%	1.25%	0.75%
\$1mm - \$10mm	2.0%	0.9%	1.15%	0.50%
\$10mm - \$20mm	1.5%	0.6%	0.95%	0.35%
Above \$20mm	1.00%	0.5%	0.75%	0.20%

The annual fee is prorated and charged monthly, in advance, based upon the market value of the assets being managed by Monocot Wealth Management on the last day of the previous billing period. If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, concentrated stock positions, accommodation accounts, alternative investments, etc.), Monocot Wealth Management may negotiate a fee rate that differs from the range set forth above.

## Performance-Based Fees

Monocot Wealth Management may also offer investment management services to certain qualified clients for a performance-based fee in accordance with applicable laws, rules and regulations. Under this arrangement, the Firm charges a fee based upon the performance of a client account in addition to an annual fee based upon assets under management.

The performance fee is equal to 20% of the quarterly net gains achieved in a client's account, subject to a perpetual high water mark. The performance fee is charged quarterly in arrears, based upon the net portfolio gains achieved on a quarterly basis. The annual asset-based fee will be 40% of the amount that the assets would be subject to in the schedule above.

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

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In addition to the Program Fees described above, Monocot Wealth Management may charge a fixed fee for providing financial planning and consulting services. These fees are negotiable, but generally range from \$1,500 to \$5,000, depending upon the scope and complexity of the services and the professional rendering the financial planning and/or the consulting services. If the client engages the Firm for additional investment advisory services, Monocot Wealth Management may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement and Monocot Wealth Management generally requires one-half of the fee (estimated hourly or fixed) payable upon execution of the Advisory Agreement. The outstanding balance is generally due upon delivery of the financial plan or completion of the agreed upon services. The Firm does not, however, take receipt of \$1,200 or more in prepaid fees in excess of six months in advance of services rendered.

### **Fee Comparison**

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As referenced above, a portion of the fees paid to Monocot Wealth Management are used to cover the securities brokerage commissions and transactional costs attributed to the management of its clients' portfolios.

Services provided through the Program may cost clients more or less than purchasing these services separately. The number of transactions made in clients' accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Fees paid for the Program may also be higher or lower than fees charged by other sponsors of comparable investment advisory programs. Because the Firm is responsible for the costs of trading activity, there is an incentive for the Firm to limit trading activities in client accounts in order to keep those costs lower.

## **Fee Discretion**

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Monocot Wealth Management, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

## **Other Charges**

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In addition to the advisory fees paid to Monocot Wealth Management, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions. These additional charges may include fees attributable to alternative assets, reporting charges, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund Program Fees and other fund expenses), fees and commission for assets not held with Schwab (such as 401(k) or 529 plan assets) or not part of the Firm's investment management services, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees. In addition, fees charged by the Independent Managers is outside of the Program Fee and is a separate charge to the client.

## **Direct Fee Debit**

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Clients generally provide Monocot Wealth Management and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Monocot Wealth Management. Alternatively, clients may elect to have Monocot Wealth Management send a separate invoice for direct payment.

## **Use of Margin**

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Monocot Wealth Management may be authorized to use margin in the management of the client's investment portfolio. In these cases the fee payable will be assessed net of margin such that the market value of the client's account and corresponding fee payable by the client to Monocot Wealth Management will not be increased.

## **Account Additions and Withdrawals**

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Clients may make additions to and withdrawals from their account at any time, subject to Monocot Wealth Management's right to terminate an account. Additions may be in cash or securities provided that the Firm

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

### **Commissions and Sales Charges for Recommendations of Securities**

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Clients can engage certain persons associated with Monocot Wealth Management (but not the Firm directly) to render securities brokerage services under a separate commission-based arrangement outside of the Program. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with Monocot Wealth Management.

Under this arrangement, the Firm's Supervised Persons, in their individual capacities as registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), may provide securities brokerage services and implement securities transactions under a separate commission based arrangement. Supervised Persons may be entitled to a portion of the brokerage commissions paid to PKS, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. Monocot Wealth Management may also recommend no-load or load-waived funds, where no sales charges are assessed. Prior to effecting any transactions, clients are required to enter into a separate account agreement with PKS.

A conflict of interest exists to the extent that Monocot Wealth Management recommends the purchase or sale of securities where its Supervised Persons receive commissions or other additional compensation as a result of the Firm's recommendation. The Firm has procedures in place to ensure that any recommendations made by such Supervised Persons are in the best interest of clients. For certain accounts covered by the Employee Retirement Income Security Act of 1974 ("ERISA") and such others that Monocot Wealth Management, in its sole discretion, deems appropriate, Monocot Wealth Management may provide its investment advisory services on a fee-offset basis. In this scenario, Monocot Wealth Management may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by the Firm's Supervised Persons in their individual capacities as registered representatives of PKS.

### **Compensation for Recommending the Program**

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Monocot Wealth Management has no internal arrangements in place whereby persons recommending the Program are entitled to receive additional compensation as a result of clients' participation. A person

recommending the Program will not earn more compensation than he or she would otherwise receive if a client elected another investment management program.

## **Item 5. Account Requirements and Types of Clients**

Monocot Wealth Management offers services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

Monocot Wealth Management does not impose a stated minimum fee or minimum portfolio value for starting and maintaining an investment management relationship. Certain Independent Managers may, however, impose more restrictive account requirements and billing practices from the Firm. In these instances, Monocot Wealth Management may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Managers.

## **Item 6. Portfolio Manager Selection and Evaluation**

Other than a rare allocation to an Independent Manager, Monocot Wealth Management acts as the sponsor and sole portfolio manager under the Program. Where Monocot Wealth Management provides services outside of the Program, there is no difference in how assets are managed other than those non-wrap clients paying transaction fees separately.

### **Side-By-Side Management**

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As stated in Item 4, Monocot Wealth Management may provide advisory services to qualified clients for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets). Although Monocot Wealth Management believes that this fee arrangement best aligns the interests of the Firm and its clients, it may raise conflicts of interest. The performance fee may be an incentive for the Firm to make or recommend investments that are riskier or more speculative than would be the case absent a performance fee arrangement. In addition, where Monocot Wealth Management charges performance-based fees and also provides similar services to accounts not being charged performance-based fees, there is an incentive to favor accounts paying a performance-based fee. Monocot Wealth Management has procedures in place to ensure that any decisions are made in the best interest of clients regardless of the applicable fee structure.

### **Methods of Analysis**

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Monocot Wealth Management utilizes a combination of fundamental and technical methods of analysis.

Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For Monocot Wealth Management, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Monocot Wealth Management will be able to accurately predict such a reoccurrence.

### **Investment Strategies**

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Investment Management is implemented as part of the client's overall plan and as a result of the Wealth Simulation process that clients go through, where their life plan is stress-tested for different investment outcomes.

The Wealth Simulation process provides clients with risk/return parameters for their investment plan. Monocot Wealth Management uses an active portfolio management approach with a variety of asset types and investment solutions to build portfolios with the objective of staying within those risk/return guidelines. The ultimate goal is to help clients reach their financial goals.

#### *Discretionary Portfolios*

Monocot Wealth Management sees active investment management as its core business. The Firm believes that it can enhance returns and/or reduce the risk of client's portfolios by actively deciding where and when to invest their monies.

Monocot Wealth Management offers five core types of portfolios that are managed on a discretionary basis. These portfolios are building blocks for client's overall allocations and clients typically may be invested in one or more of these portfolios at any given time:

1. Tax exempt fixed income portfolio. This portfolio consists of individual municipal bonds, complemented with tax-exempt bond mutual funds. The primary objective is generating tax-exempt income.

2. Taxable fixed Income portfolio. This portfolio consists primarily of fixed income mutual funds chosen from the entire universe of global bonds. The primary objective is capital preservation. The secondary objective is income.
3. Low cost ETF equity portfolio with tactical overlay. A globally diversified equity portfolio consisting of Exchange Traded Funds. Tactical changes are made periodically for changes in the global market environment. Primary objective is growth in line with global equity markets.
4. Actively managed, high turnover portfolios with an emphasis on short term trading. These portfolios aim to do well in different market environments by opportunistically buying and selling ETFs and stocks. The portfolios may hold large positions of cash periodically to allow for focused short term trading.
5. Actively managed, high turnover portfolio using option strategies. This portfolio aims to do well in different market environments through the implementation of option strategies. The portfolio may hold large positions of cash periodically.

These are the Firm's core portfolios. Monocot Wealth Management will utilize other portfolios where the Firm see opportunities and based upon specific client needs.

### *Alternative Solutions*

Monocot Wealth Management offers several investment solutions that do not lend themselves for discretionary portfolio management but which may be attractive to clients because they have unique risk/return profiles and/or built in guarantees. A few examples of these alternative solutions include:

1. Variable Annuities
2. Structured Products
3. Trust Deeds

### **Risk of Loss**

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#### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Monocot Wealth Management's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that Monocot Wealth Management will be able to predict those price movements accurately or capitalize on any such assumptions.

#### *Mutual Funds and ETFs*

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

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

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

#### *Use of Independent Managers*

As stated above, Monocot Wealth Management may select certain Independent Managers to manage a portion of its clients' assets. In these situations, Monocot Wealth Management continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, Monocot Wealth Management generally may not have the ability to supervise the Independent Managers on a day-to-day basis.

#### *Options*

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

*Use of Margin*

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

**Voting of Client Securities**

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Monocot Wealth Management generally does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

**Item 7. Client Information Provided to Portfolio Managers**

In this Item, Monocot Wealth Management is required to describe the type and frequency of the information it communicates to the Independent Managers, if any, managing its clients' investment portfolios. In situations where the Firm will be utilizing Independent Managers, clients will grant Monocot Wealth Management the authority to discuss certain non-public information with the Independent Managers engaged to manage their accounts. Depending upon the specific arrangement, the Firm may be authorized to disclose various personal information including, without limitation: names, phone numbers, addresses, social security numbers, tax identification numbers and account numbers. Monocot Wealth Management may also share certain information related to its clients' financial positions and investment objectives in an effort to ensure that the Independent Managers' investment decisions remain aligned with its clients' best interests. This information is communicated on an initial and ongoing basis, or as otherwise necessary to the management of its clients' portfolios.

**Item 8. Client Contact with Portfolio Managers**

In this Item, Monocot Wealth Management is required to describe any restrictions on clients' ability to contact and consult with the portfolio managers managing their investment portfolios. There are no

restrictions on clients' ability to correspond with Monocot Wealth Management. Clients can generally contact the Independent Managers managing their portfolios through Monocot Wealth Management by providing the Firm with written request and identification of the questions or issues to be discussed with the Independent Managers. After receiving the client's written request, Monocot Wealth Management, at its sole discretion, may contact the Independent Managers for the client or arrange for the Independent Managers and the client to communicate directly.

## **Item 9. Additional Information**

### **Disciplinary Information**

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

### **Other Financial Industry Activities and Affiliations**

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This item requires investment advisers to disclose certain financial industry activities and affiliations.

#### *Registered Representatives of a Broker/Dealer*

Certain of the Firm's Supervised Persons are registered representatives of PKS and may provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length in Item 5.

#### *Licensed Insurance Agents*

A number of the Firm's Supervised Persons are licensed insurance agents and may offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that Monocot Wealth Management recommends the purchase of insurance products where its Supervised Persons may be entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

#### *Real Estate Broker*

Certain of the Firm's Supervised Persons are real estate brokers and may receive fees for referring clients to others for real estate purchase/sales services or mortgages. A conflict of interest exists for Monocot Wealth Management or its Supervised Persons to refer clients to parties that pay such a fee to the Supervised

Persons. The Firm will disclose the fee relationship when making such a referral and will only make the referral when the Firm believes it is in the best interest of the client.

## **Code of Ethics**

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

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

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

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

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

Clients and prospective clients may contact Monocot Wealth Management to request a copy of its Code of Ethics.

## **Account Reviews**

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Monocot Wealth Management monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by the Firm's Principals. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Monocot Wealth Management and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

## **Account Statements and General Reports**

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

## **Client Referrals**

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The Firm does not currently provide compensation to any third-party solicitors for client referrals.

## **Receipt of Economic Benefit and Brokerage Practices**

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Monocot Wealth Management requires that clients utilize the custody, brokerage and clearing services of Schwab for investment management accounts in the Program.

Factors which Monocot Wealth Management considers in recommending Schwab or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service.

In seeking best execution in recommending Schwab, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research products and/or services which assist Monocot Wealth Management in its investment decision-making process. The receipt of investment research products and/or services poses a conflict of interest because Monocot Wealth Management does not have to produce or pay for the products or services.

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

Specifically, Monocot Wealth Management may receive the following benefits from Schwab:

- Credits to be used toward qualifying third-party service providers used in connection with the initial set up of the Firm’s research, technology and software platforms;
- Access to third party providers at favorable pricing;
- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

### **Trade Aggregation**

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Transactions for each client generally will be effected independently, unless Monocot Wealth Management decides to purchase or sell the same securities for several clients at approximately the same time. Monocot Wealth Management may (but is not obligated to) combine or “batch” such orders to obtain best execution or to allocate equitably among the Firm’s clients differences in prices that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Monocot Wealth Management’s clients pro rata to the purchase and sale

orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which Monocot Wealth Management's Supervised Persons may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Monocot Wealth Management does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

### **Financial Information**

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Monocot Wealth Management is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.