

# TC Wealth Partners<sub>LLC</sub>

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Date of Disclosure Brochure: August 2016

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This disclosure brochure provides information about the qualifications and business practices of TC Wealth Partners, LLC. (also referred to as we, us and TC Wealth Partners throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact Reed Murphy at (630) 545-2200. The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about TC Wealth Partners is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for TC Wealth Partners, LLC. or our firm's CRD number 283644

\*Registration as an investment adviser does not imply a certain level of skill or training.

## Item 2 – Material Changes

TC Wealth Partners is a newly registered investment adviser and this disclosure brochure dated August 2016 is the first disclosure brochure prepared by our firm. In the future, this item will discuss only specific material changes that are made to the disclosure brochure and provide readers with a summary of such changes. We will also reference the date of the last annual update of this disclosure brochure.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## Item 4 – Advisory Business

### **INTRODUCTION**

TC Wealth Partners is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) and is a corporation formed under the laws of the State of Illinois. TC Wealth Partners is wholly owned by TCI Holdings and the primary owner (with a 25% or greater interest) of TCI Holdings is Trust Company of Illinois ESOP. TC Wealth Partners filed its initial application to become registered as an investment adviser in August 2016.

The roots of TC Wealth Partners are from our affiliate trust company, which has over two decades of experience handling the affairs of our clients, their families and businesses. That culture of trust follows through to TC Wealth Partners. Hence, the trust and confidence you place in us, and the idea that TC Wealth Partners acts as your partner, is taken very seriously. We strive to continually reaffirm the trust you place in us and are committed to placing your interests above our own.

TC Wealth Partners is built on our service offering pillars; wealth management, family office services, fiduciary trust services through our affiliate, institutional management and consulting, certain retirement plan services as explained below, investment management and advice and operational support. To that end, this brochure provides detailed and important information about our organization, our service offerings, our business affiliations, information about our processes, our fees and any potential conflicts of interest.

We take pride in our legacy of trusted advice, the talent and passion of our employees, our entrepreneurial spirit and the independence provided by our employees being significant owners of our organization. This translates to our commitment to: 1) provide exceptional advice and service to our clients, 2) act in their best interests, and 3) make a difference. To this end, the goal of every TC Wealth Partners employee is to treat you with respect and fairness in all dealings.

### **DESCRIPTION OF ADVISORY SERVICES**

The investment advisory services of TC Wealth Partners are provided to you through an appropriately licensed and qualified individual who is an investment adviser representative of TC Wealth Partners (referred to as your investment adviser representative throughout this brochure).

The following are descriptions of the primary advisory services of TC Wealth Partners. Please understand that a written agreement, which details the exact terms of the service, must be signed by you and TC Wealth Partners before we can provide you the services described below.

## INDIVIDUAL INVESTORS

- 1) **Investment Management Services (IMS)** - Under this engagement, you appoint TC Wealth Partners as your investment advisor of record for specified accounts. Investment implementation tends to be in the form of a diversified and balanced account held by a qualified custodian. The account is managed by TC Wealth Partners, generally in a discretionary manner, based on your financial situation, investment objectives and risk tolerance. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however, we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We will be available to consult with you relative to the status of your accounts. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities. We will actively monitor the account and provide advice relating to buying, selling, reinvesting or holding securities, cash or other investments in the account. Financial planning as part of this service is usually limited to risk profiling and asset allocation guidance based on goals. More extensive financial planning is offered on an additional fee basis with a minimum fee and hourly rate as explained below.
- 2) **Wealth Management Services (WMS)** - Under this engagement, you appoint TC Wealth Partners as your investment advisor of record for specified accounts held by a qualified custodian. Investment implementation tends to be in the form of a diversified and balanced account. The account is managed by TC Wealth Partners, generally in a discretionary manner, based on your financial situation, investment objectives and risk tolerance. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however, we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We will be available to consult with you relative to the status of your accounts. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities. Additional investment vehicles may be considered including, individual equity and bond portfolios. This may include the use of external investment manager model portfolios or the hiring of external investment managers on a discretionary basis. Financial planning usually includes more extensive planning, including retirement planning, cash flow planning, tax and income planning and estate planning. In this arrangement, TC Wealth Partners may often work with several other financial advisors for an integrated financial planning solution. More extensive financial planning is offered on an additional fee basis with a minimum fee and hourly rate.
- 3) **Family CFO Services (FCFO)** - Under this engagement, you appoint TC Wealth Partners as your investment advisor of record for specified accounts. Investment implementation tends to be in the form of a diversified and balanced account held by a qualified custodian. The account is managed by TC Wealth Partners, generally in a discretionary manner, based on your financial situation, investment objectives and risk tolerance. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however, we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We will be available to consult with you relative to the status of your accounts. You have the ability to impose reasonable restrictions on the management of your

accounts, including the ability to instruct us not to purchase certain securities. Additional investment vehicles may be considered including, qualified or accredited investor vehicles such as limited partnerships. FCFO clients will generally have a designated portfolio manager in addition to a wealth advisor and account executive. FCFO services include all wealth management services and may also include bill payment, special asset management and trustee administration through our affiliate trust company. Other services many include charitable planning, insurance planning, family gifting, college planning and business succession planning. In this arrangement, TC Wealth Partners may often work with several other professionals. More extensive financial planning is offered on an additional fee basis with a minimum fee and hourly rate.

- 4) **Financial Planning Services** - TC Wealth Partners offers financial planning services rooted in a goals based framework, which involve preparing a written financial plan covering specific or multiple topics. We provide comprehensive financial plans, which typically address the following topics: investment planning, retirement planning, insurance planning, tax planning, education planning, charitable planning, social security planning, cash flow planning, estate planning portfolios review, and asset allocation assistance. When providing financial planning services, the role of your investment adviser representative is to find ways to help you understand your overall financial situation and help you set financial objectives. We also provide modular written financial plans which only cover those specific areas of concern mutually agreed upon. A modular written financial plan is limited or segmented and does not involve the creation of a comprehensive financial plan. You should be aware that there are important issues that may not be taken into consideration when your investment adviser representative develops his or her analysis and recommendations under a modular written financial plan. Written financial plans prepared by us do not include specific recommendations of individual securities.

Financial planning services provided on a stand-alone basis do not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or accounts. Unless we agree otherwise in writing, you have the sole responsibility for determining whether to implement our financial planning recommendations. To the extent that you would like to implement any of our investment recommendations through TC Wealth Partners or retain TC Wealth Partners to actively monitor and manage your investments, you must execute a written agreement with TC Wealth Partners for our asset management services.

Should you engage the Trust Company for wealth management services within twelve months from delivering your customized financial plan, the financial planning fee may be applied toward the first year asset management fee assessed. Payment is due at the time you engage the Trust Company for financial planning services.

## **INSTITUTIONAL INVESTORS**

**Institutional Management & Consulting (IMC)** - Under this engagement, you appoint TC Wealth Partners as your investment advisor of record for specified accounts. Investment implementation tends to be in the form of a diversified and balanced account held by a qualified custodian. The account is managed by TC Wealth Partners, generally in a discretionary manner, based on your organization's financial situation, investment objectives and risk tolerance. Your organization will be responsible for notifying us of any updates regarding its financial situation, risk tolerance or investment objective and whether it wishes to impose or modify existing investment restrictions;

however, we will contact you at least annually to discuss any changes or updates regarding your organization's financial situation, risk tolerance or investment objectives. We will be available to consult with you relative to the status of your organization's accounts. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities. Investment vehicles considered include mutual funds, ETFs, individual equity and bond portfolios, and qualified and accredited investor vehicles. This may include the use of external investment manager model portfolios or the hiring of external investment managers on a discretionary basis. Asset allocation assistance may include spending policy considerations, stress test modeling and ongoing dynamic asset allocation recommendations. Since TC Wealth Partners can serve as a comprehensive consultant, we can provide investment policy statement creation and monitoring.

With respect to all of the above services for individuals and institutional investors, it is important that you understand that we manage investments in a client centric manner and, therefore, may give other clients advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts. Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

## **RETIREMENT PLAN SERVICES**

TC Wealth Partners offers retirement plan services to retirement plan sponsors, the plan's other named fiduciaries, and to individual participants in retirement plans. For an employer that is a sponsor of a retirement plan, and for the plan's other named fiduciaries, our retirement plan services can include, but are not limited to, the following services:

### **1) Fiduciary Consulting Services**

TC Wealth Partners can provide the following Fiduciary Retirement Plan Consulting Services:

- Investment Policy Statement Preparation. TC Wealth Partners will help the plan sponsor or other named fiduciary develop the plan's investment policy. The investment policy statement establishes the investment policies and objectives for the plan. The plan's sponsor or other named fiduciary will have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the investment policy statement.
- Non-Discretionary Investment Advice. TC Wealth Partners will provide the plan sponsor or other named fiduciary with general, non-discretionary investment advice regarding asset classes and investment options consistent with the Plan's investment policy statement.

- Investment Selection Services. TC Wealth Partners will provide the plan sponsor or other named fiduciary with recommendations of investment options consistent with ERISA section 404(c).
- Investment Monitoring. TC Wealth Partners will assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformation to the guidelines set forth in the investment policy statement, and TC Wealth Partners will make recommendations to maintain or remove and replace investment options.
- Default Investment Alternative Advice. TC Wealth Partners will provide the plan sponsor or other named fiduciary with non-discretionary investment advice to assist with the development of qualified default investment alternative(s) ("QDIA"), as defined in DOL Reg. Section 2550.404c-5(e)(4)(i), for participants who are automatically enrolled in the Plan or who otherwise fail to make an investment election. The plan administrator or other named fiduciary will retain the sole responsibility to provide all notices to participants required under ERISA section 404(c)(5).
- Individualized Participant Advice. Upon request, TC Wealth Partners will provide one-on-one advice to Plan participants regarding their individual situations such as their specific investment risk tolerance, investment time frame and investment selections.

For Fiduciary Consulting Services, all recommendations of investment options and portfolios will be submitted to the plan sponsor or other named fiduciary for ultimate approval or rejection. For retirement plan Fiduciary Consulting Services, the retirement plan sponsor client or the plan participant who elects to implement any recommendations made by us is solely responsible for implementing all transactions.

Fiduciary Consulting Services are not investment management services.

TC Wealth Partners acknowledges that in performing the Fiduciary Consulting Services listed above that it is acting as a "fiduciary" as such term is defined under Section 3(21)(A)(ii) of Employee Retirement Income Security Act of 1974 ("ERISA") for purposes of providing non-discretionary investment advice only. TC Wealth Partners will act in a manner consistent with the requirements of a fiduciary under ERISA when providing Fiduciary Consulting Services.

## **2) Fiduciary Management Services**

In addition to, or in lieu of the Fiduciary Consulting Services listed above, TC Wealth Partners can provide clients with the following Fiduciary Retirement Plan Management Services:

- Investment Policy Statement Preparation. TC Wealth Partners will help the plan sponsor or other named fiduciary develop the plan's investment policy. The investment policy statement establishes the investment policies and objectives for the Plan. The plan sponsor or other named fiduciary will have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the investment policy statement.



- Act as an ERISA 3(38) Investment Manager. To the extent delegated by the plan sponsor or other named fiduciary, TC Wealth Partners has the discretion to select investment alternatives made available to plan participants and to make changes to the plan's investment alternatives in compliance with the plan's Investment Policy Statement.
- Default Investment Alternative Management. TC Wealth Partners will either select or develop an actively managed qualified default investment alternative(s) ("QDIA"), as defined in DOL Reg. Section 2550.404c-5(e)(4)(i), for participants who are automatically enrolled in the Plan or who otherwise fail to make an investment election.
- Investment Management via Model Portfolios. TC Wealth Partners will provide discretionary management via model portfolios (aka 'asset allocation portfolios' or 'guided portfolios'). TC Wealth Partners manages Guided Portfolios which are investment options available to Plan participants. If a Plan has elected to include TC Wealth Partners' Guided Portfolios as available options for the qualified retirement plan, then each Plan participant will have the option to elect or not elect the Guided Portfolios managed by TC Wealth Partners.

If the plan's named fiduciary, such as a discretionary trustee or plan sponsor, elects to utilize any of TC Wealth Partners Fiduciary Management Services, then TC Wealth Partners will be acting as an Investment Manager to the Plan, as defined by ERISA section 3(38), with respect to our Fiduciary Management Services and with respect to specific investments designated by the named fiduciary and in accordance with the plan's investment policy, and TC Wealth Partners hereby acknowledges that it is a fiduciary with respect to its Fiduciary Management Services.

### **3) Non-Fiduciary Services**

Although an investment adviser is considered a fiduciary under the Investment Advisers Act of 1940 and required to meet the fiduciary duties as defined by the Advisers Act, the services listed here as non-fiduciary should not be considered fiduciary services for the purposes of ERISA since Advisor is not acting as a fiduciary to the Plan as the term "fiduciary" is defined in Section 3(21)(A)(ii) of ERISA.

TC Wealth Partners provides clients with the following Non-Fiduciary Retirement Plan Consulting Services:

- Participant Education. TC Wealth Partners will provide education services to Plan participants about general investment principles and the investment alternatives available under the Plan. Education presentations will not take into account the individual circumstances of each participant and individual recommendations will not be provided. Plan participants are responsible for implementing transactions in their own accounts.
- Participant Enrollment. TC Wealth Partners will assist the plan sponsor or other named fiduciary with group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees.
- Fiduciary File Set-up and Support. TC Wealth Partners will help the plan sponsor or other named fiduciary establish a "fiduciary file" for the Plan which contains trust documents, custodial/brokerage statements, investment performance reports, services

agreements with investment management vendors, the investment policy statement, investment committee minutes, asset allocation/asset liability studies, due diligence on funds/money managers and monitoring procedures for funds and/or money managers.

- Benchmarking. At least annually, TC Wealth Partners will provide the plan sponsor or other named fiduciary benchmarking services and will provide analysis concerning the operations of the Plan.

The exact suite of services provided to a client will be listed and detailed in the retirement plan services agreement with TC Wealth Partners.

Our Fiduciary Consulting Services and Fiduciary Management Services include or cover self-directed brokerage accounts or brokerage windows in a participant-directed plan only to the extent that we recommend brokerage accounts/windows as an investment alternative. However, TC Wealth Partners is not responsible or liable for the investments selected by a plan participant within the self-directed brokerage account/window unless we recommend a specific investment be made by a participant within the self-directed brokerage account/window.

Securities and other types of investments all bear different types and levels of risk. Those risks are typically discussed with clients in defining the investment policies and objectives that will guide investment decisions for their qualified plan accounts. Upon request, we can discuss those investments and investment strategies that we believe may tend to reduce these risks for a particular client's circumstances and plan participants.

Clients and plan participants must realize that obtaining higher rates of return on investments typically entails accepting higher levels of risk. Based upon discussions with the client, we will attempt to identify the balance of risks and rewards that is appropriate and comfortable for the client and other employees. It is still the clients' responsibility to ask questions if the client does not fully understand the risks associated with any investment. All plan participants are strongly encouraged to read prospectuses, when applicable, and ask questions prior to investing.

We strive to render our best judgment for clients. Still, TC Wealth Partners cannot assure that investments will be profitable or assure that no losses will occur in their portfolios. Past performance is an important consideration with respect to any investment or investment advisor, but it is not necessarily an accurate predictor of future performance.

TC Wealth Partners will disclose, to the extent required by ERISA Regulation Section 2550.408b-2(c), to the plan sponsor or other named fiduciary any change to the information that we are required to disclose under ERISA Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable, but no later than sixty (60) days from the date on which we are informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable).

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), we will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary or Plan Administrator (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable) all information related to the Qualified Retirement Plan Agreement and any compensation or fees received in

connection with the Agreement that is required for the Plan to comply with the reporting and disclosure requirements of Title 1 of ERISA and the regulations, forms and schedules issued thereunder.

If we make an unintentional error or omission in disclosing the information required under ERISA Regulation Section 2550.408b-2(c)(1)(iv) or (vi), we will disclose to you the correct information as soon as practicable, but no later than thirty (30) days from the date on which we learn of such error or omission.

## **NEWSLETTERS**

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

## **LIMITS ADVICE TO CERTAIN TYPES OF INVESTMENTS**

TC Wealth Partners provides investment advice on the following types of investments:

- Mutual Funds
- Exchange-listed Securities
- Securities Traded Over-the-Counter
- Foreign Issues
- Certificates of Deposit
- Municipal Securities
- Options Contracts on Securities
- Alternative Investments
  - Interests in Partnerships Investing in Real Estate
  - Interests in Partnerships Investing in Oil and Gas Interests
  - Hedge Funds
  - Private Equity

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low cost basis holdings, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

*(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)*

## **TAILOR ADVISORY SERVICES TO INDIVIDUAL NEEDS OF CLIENTS**

TC Wealth Partners' advisory services are provided based on your individual needs. This means, for example, that when we provide asset management services, you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information. When providing financial planning services, we work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

#### **CLIENT ASSETS MANAGED BY TC WEALTH PARTNERS**

As a newly registered investment adviser, TC Wealth Partners has no assets under management to report as of the date of this Brochure.

### **Item 5 – Fees and Compensation**

In addition to the information provided in *Item 4 – Advisory Business*, this section provides additional details regarding each service's fees and compensation arrangements. It should be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the agreement between you and TC Wealth Partners.

#### **INDIVIDUAL INVESTORS AND INSTITUTIONAL INVESTORS**

Fees charged for our asset management services for individual investors and institutional investors described below are charged based on a percentage of assets under management, billed in arrears (at the end of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the previous billing period. Those market values are generally provided by the qualified custodian as of that date for publicly traded securities and less liquid limited partnerships. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period.

The asset management services continue until terminated by either party (i.e., TC Wealth Partners or you) by giving thirty (30) days written notice to the other party. We will charge a pro-rated final fee should services terminate intra-quarter. Closed accounts may be subject to termination fees.

Fees charged for our asset management services may vary based on, but not limited to, the investment adviser representative providing the services, the type of client, the complexity of the client's situation, the composition of the client's account (i.e., equities versus mutual funds), the potential for additional account deposits, the relationship of the client with the investment adviser representative, and the total amount of assets under management for the client.

TC Wealth Partners believes that its annual fee is reasonable in relation to the services provided and fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., management and other fund expenses).

Investment advisory fees will be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account.

You must authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to TC Wealth Partners.

You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

Except for mutual fund transactions for account(s) held at Fidelity as described below, brokerage commissions and/or transaction ticket fees charged by the qualified custodian are billed directly to you by the qualified custodian. TC Wealth Partners does not receive any portion of such commissions or ticket fees from you or the qualified custodian. Under certain circumstances, you may incur certain charges imposed by third parties other than TC Wealth Partners in connection with investments made through your account including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, IRA and qualified retirement plan fees, and charges imposed by the qualified custodian(s) of your account. Management fees charged by TC Wealth Partners are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses is available in each investment company security's prospectus.

TC Wealth Partners has negotiated an asset based pricing structure for accounts held at Fidelity as the qualified custodian. The execution costs for all mutual fund transactions at Fidelity are not passed through to the client but are paid by us.

The following are illustrative fee schedules and the terms for each service and an indication below as to whether financial planning is typically included as part of the asset based fee for such service. You should refer to your agreement for the exact fee schedule and services which applies to your situation.

### **INDIVIDUAL INVESTORS**

#### **Investment Management Services (IMS):**

##### *Example Fee Schedule:*

<u>Assets under Management</u>	<u>Annual Fee</u>
First \$1,000,000	1.10%
Next \$2,000,000	0.70%
Next \$2,000,000	0.50%
Next \$5,000,000	0.35%
Over \$10,000,000	Negotiable

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TC Wealth Partners, LLC.

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*Financial Planning Fees:* More extensive financial planning is offered for an additional hourly fee.

TC Wealth Partners will take into consideration relationship pricing and special circumstances when calculating fee levels. The minimum annual fee is \$550.

**Wealth Management Services (WMS):**

*Example Fee Schedule:*

<u>Assets under Management</u>	<u>Annual Fee</u>
First \$3,000,000	0.70%
Next \$2,000,000	0.50%
Next \$5,000,000	0.35%
Over \$10,000,000	Negotiable

*Financial Planning Fees:* More extensive financial planning is offered for an additional hourly fee.

The total fee will also include a separate \$4,000 base fee. TC Wealth Partners will take into consideration relationship pricing and special circumstances when calculating fee levels. The minimum annual fee is \$18,000.

**Family CFO Services (FCFO):**

*Example Fee Schedule:*

<u>Assets under Management</u>	<u>Annual Fee</u>
First \$5,000,000	0.60%
Next \$5,000,000	0.40%
Over \$10,000,000	Negotiable

*Financial Planning Fees:* More extensive financial planning is offered for an additional hourly fee.

The total fee will also include a separate \$4,000 base fee. Other customized ala carte services and the corresponding fees are negotiable. TC Wealth Partners will take into consideration relationship pricing and special circumstances when calculating fee levels. The minimum annual fee is \$25,000.

**Financial Planning Services** (which includes the additional financial planning services discussed above):

TC Wealth Partners provides financial planning services under an hourly fee arrangement. Financial planning services often include gathering and analysis of financial information, preparation of the customized financial plan, any research required and recommendations for plan implementation. An hourly fee of \$200 to \$250 per hour is generally charged by TC Wealth Partners for financial planning services under this arrangement. This hourly rate is not pro-rated into increments smaller than one hour units. Before commencing financial planning services, TC

Wealth Partners provides an estimate of the approximate hours needed to complete the requested financial planning services; however, the minimum fee for our financial planning services is \$2,000. The average total planning and meeting time is 8 hours. If TC Wealth Partners anticipates exceeding the estimated amount of hours required, TC Wealth Partners will contact you to receive authorization to provide additional services. Any unpaid hourly fees are due immediately upon completion and delivery of the financial plan.

Financial planning services terminate upon delivery of the plan unless TC Wealth Partners is retained to implement the plan and provide ongoing investment management. The scope of the engagement will be defined in the financial planning agreement signed by you and TC Wealth Partners. Either party may terminate the agreement upon providing written notice delivered to the other. A retainer fee is due at the time of the engagement equal to the minimum fee. If you terminate the financial planning services after entering into an agreement with us, you will be responsible for immediate payment of any financial planning services performed by TC Wealth Partners prior to the receipt by TC Wealth Partners of your notice of termination. You will pay TC Wealth Partners for any hourly fees incurred at the rates described above. In the event there are additional fees due, you will be invoiced and agree to pay those based on the hourly rate. If there are funds from the retainer due to you at the conclusion of the financial planning engagement, TC Wealth Partners agrees to return those to you.

Should you engage TC Wealth Partners for wealth management services within twelve months from delivering your customized financial plan, the financial planning fee may be applied toward the first year wealth management fee assessed. Payment is due at the time you engage TC Wealth Partners for financial planning services.

You may pay the investment advisory fees owed for the financial planning services by submitting payment directly (for example, by check).

You should notify TC Wealth Partners within ten (10) days of receipt of an invoice if you have questions about or dispute any billing entry.

To the extent TC Wealth Partners engages an outside professional (i.e. attorney, independent investment adviser or accountant) while providing financial planning services to you, TC Wealth Partners will be responsible for the payment of the fees for the services of such an outside professional, and you will not be required to reimburse TC Wealth Partners for such payments. To the extent that you personally engage such an outside professional, you will be responsible for the payment of the fees for the services of such an outside professional, and TC Wealth Partners will not be required to reimburse Client for such payments. Fees for the services of an outside professional (i.e. attorney, independent investment adviser or accountant) will be in addition to and separate from the fees charged by TC Wealth Partners, and you will be responsible for the payment of the fees for the services of such an outside professional. In no event will the services of an outside professional be engaged without your express approval.

All fees paid to TC Wealth Partners for financial planning services are separate and distinct from the commissions charged by a broker-dealer or asset management fees charged by an investment adviser to implement such recommendations.

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

## **INSTITUTIONAL INVESTORS**

### **Institutional Management & Consulting (IMC):**

#### *Example Fee Schedule:*

Assets under Management	Annual Fee
First \$1,000,000	1.10%
Next \$2,000,000	0.70%
Next \$2,000,000	0.50%
Next \$5,000,000	0.35%
Over \$10,000,000	Negotiable

TC Wealth Partners will take into consideration relationship pricing and special circumstances, and the annual fees will typically range when calculating fee levels. The minimum annual fee is \$15,000.

## **RETIREMENT PLAN SERVICES**

For retirement plan sponsor clients, TC Wealth Partners charges an annual fee that is calculated as a percentage of the value of plan assets. TC Wealth Partners does not charge a fixed fee nor a per-participant fee. The fee arrangements may vary among our clients depending upon the complexity of the plan, the size of the plan assets, the actual services requested and the potential for additional deposits.

The following is an example fee schedule for fiduciary consulting, fiduciary management and non-fiduciary services combined. For fiduciary consulting or management services only, we will provide a custom fee quote on a case-by-case basis. This fee schedule assumes that the client has hired Trust Company of Illinois for recordkeeping, administration and trustee services. If a client chooses a separate recordkeeping service provider, our fees will be quoted on a case-by-case basis.

<u>Plan Assets</u>	<u>Annual Fee</u>
\$0 - \$500,000	0.850%
\$500,001 - \$1,500,000	0.700%
\$1,500,001 - \$3,000,000	0.550%
\$3,000,001 - \$5,000,000	0.500%
\$5,000,001 - \$7,000,000	0.450%
\$7,000,001 - \$10,000,000	0.400%
\$10,000,001 - \$15,000,000	0.350%
\$15,000,001 & Over	Customized Fee Quote

The above referenced annual fees do not include the fees of Trust Company of Illinois.

TC Wealth Partners typically does not charge a fee for plan set-up, conversion or implementation.

The above fee schedule is for illustrative purposes only. Please refer to the client retirement plan services agreement with us for the exact annual fee.

For retirement plan sponsors and participants, fees are billed in arrears (at the end of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the prior billing period. Fees are prorated based on the number of days



service is provided during the billing period if services are commenced or terminated other than the first day or last day of the billing period.

Clients can elect to have the fee deducted from plan assets or participant accounts or billed directly to the plan sponsor and due upon receipt of the billing notice. If clients elect to have the fee automatically deducted from an existing account, they are required to provide the custodian with written authorization to deduct the fees from the account and pay the fees to TC Wealth Partners. We will provide the custodian with a fee notification statement.

The services will terminate upon thirty (30) days following either party providing the other party with written notice.

TC Wealth Partners does not reasonably expect to receive any other compensation, direct or indirect, for its services. If we receive any other compensation for such services, we will (i) offset that compensation against our stated fees, and (ii) will disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation.

### **NEWSLETTERS**

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

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. *Item 6* is not applicable to this Disclosure Brochure because we do not charge or accept performance-based fees.

## **Item 7 – Types of Clients**

TC Wealth Partners generally provides investment advice to the following types of clients:

- Individuals
- Banks or thrift institutions
- Pension and profit sharing plans
- Trusts, estates, or charitable organizations

You are required to execute a written agreement with TC Wealth Partners specifying the particular advisory services in order to establish a client arrangement with TC Wealth Partners.

### **MINIMUM INVESTMENT AMOUNTS REQUIRED**

The following are the minimum account sizes that TC Wealth Partners generally requires in order to provide the applicable advisory services: the account minimum for Individual Management Services is \$50,000; the account minimum for Wealth Management Services is \$2,000,000; the account minimum for Family CFO Services is \$5,000,000; the account minimum for Institutional Management & Consulting (IMC) is \$2,000,000; and the minimum for retirement plan services is \$500,000 in plan assets. There is no minimum account size for financial planning services; however, the minimum fixed fee generally charged for financial planning services on a fixed fee basis is \$2,000. TC Wealth Partners reserves the right to make exceptions to the minimum account sizes described above.

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

TC Wealth Partners believes in goals based investing. Our best advice is offered when the implementation of investments are aligned with a client's life goals, risk and return tolerances and timelines. As a means of offering client based solutions, our investment advice can be best described as a multi-tiered approach whereby asset allocation is the most important decision. Once this has been established, the next tier is portfolio construction, which is best described as the interaction of asset classes and sub-styles within asset classes. The final decision is the utilization of investment vehicles.

When providing Fiduciary Consulting Services and/or Fiduciary Management Services to an ERISA covered retirement plan, TC Wealth Partners will adhere to the Investment Policy Statement of such retirement plan.

### **Investment Committee**

The investment components and other investment considerations are governed by the TC Wealth Partners Investment Committee. This committee generally meets monthly and is chaired by our Chief Investment Officer, Mr. J. Reed Murphy. Mr. Murphy has over two decades of experience building and managing investment platforms at some of the nation's largest investment firms. The Investment Committee also includes several internal and external investment professionals. We believe this collection of professionals and our access to several research and investment partners provides us with a sophisticated and global investment capability.

### **Asset Allocation**

We believe that asset allocation is the most important decision in constructing an investment portfolio. As such, we provide a variety of asset allocation based portfolios (aka "guided portfolios") that are based on varying levels of risk and return expectations (i.e., investment objectives). The asset classes that we include are thoughtfully selected based on the contributions that they can provide to a broadly diversified portfolio over short- and long-term perspectives. While we constantly review the relative attractiveness of a variety of asset classes, we periodically forecast 10-year return expectations for various asset classes. The combination of these return expectations at the asset class level with historical risk and correlations considerations allows us to forecast expected returns for asset allocation based portfolios. These capital market assumptions are utilized in our financial planning and asset

allocation modeling services.

There are a variety of factors that go into our asset allocation decisions. They include, but are not limited to, valuation levels, fundamentals and market sentiment. We also consider the global economic environment and the role of central banks in our decision making process. We believe that these forward looking perspectives allow us to provide differentiated investment advice compared to others that may only consider historical return perspectives.

### **Portfolio Construction**

We categorize asset classes into three broad groups – equities, fixed income and complementary strategies. These three groups have various risk, return and correlation profiles. Each asset allocation portfolio (i.e., investment objective) may have varying exposures to each of these categories.

- **Equities** – Equities are generally considered for their growth profile. They generally have higher return and risk characteristics than fixed income. Some of the sub-style asset classes we utilize include domestic large cap, domestic small/mid cap, international developed equities, emerging market equities and sector specific asset classes (e.g., MLPs, REITs). The actual weighting to each and the type of investment vehicle utilized may depend on the client objective. For example, for clients that only want asset class exposure with the same level of return, risk and yield/income characteristics as an index, we may implement with passive or index strategies. Alternatively, clients that desire more or less income, more or less risk or socially responsible investments may utilize other active investment vehicles. We often propose a Core and Satellite allocation, whereby we may utilize lower cost, passive investment strategies in more efficient asset classes (i.e., Core) and active management solutions in less efficient asset classes (i.e., Satellite).
- **Fixed Income** – Fixed Income is generally considered for its income profile. Fixed income generally has lower return and risk characteristics than equities. Some of the sub-style asset classes we utilize include municipal bonds, core fixed income, corporate high yield, floating rate (bank loans), international and emerging market debt. The actual weighting to each and the type of investment vehicle utilized may depend on the client objective. For example, clients that only want asset class exposure with the same level of return, risk and yield/income characteristics as the index for the asset class, then we may implement with passive or index strategies. Alternatively, clients that desire more or less income, more or less risk or socially responsible investments may utilize other active investment vehicles. We generally propose a Core and Satellite allocation, whereby we may utilize lower cost, passive investment strategies in efficient asset classes (i.e., Core) and more active management solutions in less efficient asset classes (i.e., Satellite). For taxable clients, the Core exposure may include municipal securities for their tax benefits.
- **Complementary Strategies** – Complementary strategies can be wide ranging in their definitions. We often define these strategies based on the desired outcome of either lower, medium or higher levels of return and risk. We generally utilize these investments for their low correlation properties to equities and fixed income. The level of usage may be dictated by our views on valuations, fundamentals and sentiment for equities and fixed income. Some of the strategies that may be included in this group include multi-strategy funds, managed futures, tactical allocators and hedge funds. We generally utilize daily traded mutual funds (i.e., liquid alternatives) for implementation. Qualified and accredited investors may utilize less liquid investment vehicles. These strategies are often considered or defined as alternative strategies.

### **Investment Vehicles – Strategies, Selection and Monitoring**

TC Wealth Partners uses a variety of investment vehicles in client portfolios, including mutual funds, exchange traded funds, individual bonds, individual equities, separate account managers and accredited or qualified investor limited partnerships. The latter four investment options are generally relegated for our Family Office and Institutional clients. The Investment Committee is responsible for creating an approved list of securities within various asset classes (and sub-styles).

The approved list is monitored continuously and more formally on a monthly basis in our investment committee meetings. TC Wealth Partners utilizes a variety of research tools, economic strategists and other partners, including but not limited to Morningstar, Bloomberg, BCA Research and Conway Investment Research. TC Wealth Partners and Conway often visit with the providers of our approved list strategies.

### **Client Portfolios**

TC Wealth Partner advisors utilize the asset allocation, portfolio construction and approved list framework to implement client portfolios. Our advisors consider a variety of client circumstances, including goals, return and risk tolerances, timelines, income needs, estate and tax circumstances when managing portfolios. Client portfolios are monitored and rebalanced based on client circumstances and investment committee recommendations.

### **METHODS OF ANALYSIS**

TC Wealth Partners uses the following methods of analysis in formulating investment advice:

Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although many analysts use fundamental analysis to value stocks, this method of valuation can be used for multiple types of securities.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.

There are risks involved in using any analysis method.

To conduct analysis, TC Wealth Partners may gather information from sources including financial newspapers and magazines, inspection of corporate activities, research materials prepared by others,

corporate rating services, timing services, annual reports, prospectuses and filings with the SEC, and company press releases.

### **INVESTMENT STRATEGIES**

TC Wealth Partners uses the following investment strategies when managing client assets and/or providing investment advice:

Long term purchases. Investments held at least a year.

Short term purchases. Investments sold within a year.

Option writing including cover options, uncovered options or spreading strategies. Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

### **PRIMARILY RECOMMEND ONE TYPE OF SECURITY**

We do not primarily recommend one type of security to clients. Instead, we recommend securities or products that may be suitable for each client relative to that client's specific circumstances and needs.

### **RISK OF LOSS**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, bonds, etc.) involves risk of loss. Further, depending on the different types of investments, there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (Stock) Market Risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk - When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred

to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that a company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

- Fixed Income Risk - When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk - Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When investing in a an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment may decrease.

#### Item 9 – Disciplinary Information

*Item 9* is not applicable to this Disclosure Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

## Item 10 – Other Financial Industry Activities and Affiliations

TC Wealth Partners is not and does not have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a real estate broker or dealer, or a sponsor or syndicator of limited partnerships.

We are an investment adviser and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives may recommend the services of our affiliated trust company described below.

### Trust Company of Illinois

TC Wealth Partners and Trust Company of Illinois are under common ownership and control. Trust Company of Illinois is chartered as a trust company by the State of Illinois, Department of Financial & Professional Regulation for fiduciary and trust services. Many of the associated persons of TC Wealth Partners are also employees of Trust Company of Illinois, and therefore, TC Wealth Partners and its associated persons may have an economic incentive to recommend the services of Trust Company of Illinois which may be considered a conflict of interest. TC Wealth Partners and its associated persons may recommend clients utilize Trust Company of Illinois for record-keeping services, administration services, and/or trustee services, but TC Wealth Partners will only recommend Trust Company of Illinois when in the best interest of clients, beneficiaries and plan participants. We believe that clients benefit from the combined and aligned services offered through our affiliate organizations. Clients retain the right to direct TC Wealth Partners to use another trust company. As a further element of our fiduciary role, the primary executive team is the same for TC Wealth Partners and Trust Company of Illinois. This allows our organization to set the strategic vision and our activities in alignment with our clients' best interests.

## Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

### **CODE OF ETHICS SUMMARY**

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary and has a fiduciary duty to all clients. TC Wealth Partners has established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. The Code of Ethics covers all individuals that are classified as "supervised

persons". All employees, officers, directors and investment adviser representatives are classified as supervised persons. TC Wealth Partners requires its supervised persons to consistently act in your best interest in all advisory activities. TC Wealth Partners imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. This standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of TC Wealth Partners. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

#### **AFFILIATE AND EMPLOYEE PERSONAL SECURITIES TRANSACTIONS DISCLOSURE**

TC Wealth Partners or associated persons of the firm may buy or sell for their personal accounts investment products identical to those recommended to clients. While this creates a potential conflict of interest, we believe that the magnitude of any employee or client trade is immaterial relative to the average trading volume of any security. It is the express policy of TC Wealth Partners that all persons associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. TC Wealth Partners and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an "insider".
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted by the Chief Compliance Officer of TC Wealth Partners.

Any associated person not observing our policies is subject to sanctions up to and including termination.



## Item 12 – Brokerage Practices

Clients are under no obligation to act on the planning recommendations of TC Wealth Partners. If the firm assists in the implementation of any recommendations, we are responsible to ensure that the client receives the best execution possible. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, we look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back office services, technology and pricing of services offered.

### **DIRECTED BROKERAGE**

Clients are allowed to select the broker-dealer that will be used for their accounts. Clients directing the use of a particular broker/dealer or other custodian must understand that we may not be able to obtain the best prices and execution for the transaction. Under a client-directed brokerage arrangement, clients may receive less favorable prices than would otherwise be the case if the client had not designated a particular broker/dealer or custodian. Directed brokerage account trades are generally placed by TC Wealth Partners after effecting trades for other clients of TC Wealth Partners. In the event that a client directs TC Wealth Partners to use a particular broker or dealer, TC Wealth Partners may not be authorized to negotiate commissions and may be unable to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct TC Wealth Partners to use a particular broker or dealer versus clients who do not direct the use of a particular broker or dealer.

TC Wealth Partners currently pays Fidelity for the costs of executing mutual fund transactions in a managed account held at Fidelity; if a client establishes an account at another qualified custodian, Client will not receive such a benefit from TC Wealth Partners and the other qualified custodian may charge a separate brokerage commissions and/or transaction ticket fee for each mutual fund transaction in addition to the investment advisory fee paid by Client to TC Wealth Partners. See Item 5 of this disclosure brochure for additional details.

If you elect to utilize our management services, we may recommend that you establish a brokerage account at Fidelity. Fidelity provides TC Wealth Partners with access to their institutional trading and custody services, which are typically not available to retail investors. The services from Fidelity include

brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Fidelity also makes available to TC Wealth Partners other products and services that we benefit from but may not benefit your accounts. Some of these other products and services assist us in managing and administering client accounts. These include software and other technology that:

- Provide access to client account data (such as trade confirmation and account statements)
- Facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts)
- Provide research, pricing information and other market data
- Facilitate payment of our fees from client accounts
- Assist with back-office functions, recordkeeping and client reporting

Many of these services may generally be used to service all or a substantial number of our accounts. Fidelity also makes available other services intended to help us manage and further develop our business. These services may include:

- Consulting, publications and conferences on practice management
- Information technology
- Business succession
- Regulatory compliance
- Marketing

In addition, Fidelity may make available, arrange and/or pay for these types of services rendered to TC Wealth Partners by independent third-parties providing these services to us. As a fiduciary, we endeavor to act in your best interest. Our requirement that you maintain your assets in accounts at Fidelity may be based, in part, on the benefit to us of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Fidelity. This creates a potential conflict of interest.

You are under no obligation to act on our recommendations. You may select a broker/dealer or account custodian other than Fidelity, acknowledging we may not be able to assist you with asset management services.

### **SOFT DOLLAR BENEFITS**

An investment adviser receives soft dollar benefits from a broker-dealer when the investment adviser receives research or other products and services in exchange for client securities transactions or maintaining an account balance with the broker-dealer.

TC Wealth Partners does not have a soft dollar agreement with a broker-dealer or a third-party.

### **HANDLING TRADE ERRORS**

TC Wealth Partners has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of TC Wealth Partners to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client is responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any

gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and any loss resulting from the trade error is absorbed by TC Wealth Partners if the error is caused by TC Wealth Partners. If the error is caused by the broker-dealer, the broker-dealer will be responsible for handling the trade error. If an investment gain results from the correcting trade, the gain remains in the client's account unless the same error involved other client account(s) and caused a loss in such account(s). TC Wealth Partners may also confer with a client to determine if the client should forego the gain (e.g., due to tax reasons). TC Wealth Partners will never benefit or profit from trade errors.

### **BLOCK TRADING POLICY**

We may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when TC Wealth Partners believes such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates, or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

TC Wealth Partners uses the average price allocation method for transaction allocation.

Under this procedure, TC Wealth Partners will calculate the average price and transaction charges for each transaction included in a block order and assign the average price and transaction charge to each allocated transaction executed for the client's account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which TC Wealth Partners or our associated persons may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our associated persons receive any additional compensation as a result of block trades.

### **AGENCY CROSS TRANSACTIONS**

Our associated persons are prohibited from engaging in agency cross transactions, meaning we cannot act as brokers for both the sale and purchase of a single security between two different clients and cannot receive compensation in the form of an agency cross commission or principal mark-up for the trades.

## Item 13 – Review of Accounts

### **ACCOUNT REVIEWS AND REVIEWERS**

Managed accounts are reviewed at least quarterly. While the calendar is the main triggering factor, reviews can also be conducted at your request. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by assigned investment adviser representative of record, with reviews performed in accordance with your investment goals and objectives.

Our financial planning services terminate upon the presentation of the written plan. Our financial planning services do not include monitoring the investments of your account(s), and therefore, there is no ongoing review of your account(s) under such services.

### **STATEMENTS AND REPORTS**

For our asset management services, the client is provided with transaction confirmation notices and regular quarterly account statements in writing directly from the qualified custodian. For retirement plan services, the client will also receive statements from the recordkeeper and/or administrator of the plan.

Financial planning clients do not receive any report other than the written plan originally contracted for and provided by TC Wealth Partners.

You are encouraged to always compare any reports or statements provided by us against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

## Item 14 – Client Referrals and Other Compensation

TC Wealth Partners does not directly or indirectly compensate any person for client referrals. The only compensation received from advisory services is the fees charged for providing investment advisory services as described in *Item 5* of this Disclosure Brochure. TC Wealth Partners receives no other forms of compensation in connection with providing investment advice.

*Please see Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations and Item 12, Brokerage Practices, for additional discussion concerning other compensation.*

## Item 15 – Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

For accounts in which TC Wealth Partners is deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from TC Wealth Partners. When clients have questions about their account statements, they should contact TC Wealth Partners or the qualified custodian preparing the statement.

To the extent that TC Wealth Partners is deemed to have custody because TC Wealth Partners forwards third-party checks to the qualified custodian or has bill paying authority over a client's account, TC Wealth Partners will obtain an annual surprise verification examination report from an independent public accountant which is subject to the Public Accounting Oversight Board.

To the extent that TC Wealth Partners is deemed to have custody because its affiliate, Trust Company of Illinois, provides trust services to investment adviser clients, TC Wealth Partners will obtain an annual surprise verification examination report from an independent public accountant which is subject to the Public Accounting Oversight Board.

## Item 16 – Investment Discretion

When providing Investment Management Services, Wealth Management Services, Family CFO Services and Institutional Management & Consulting, TC Wealth Partners maintains trading authorization over your account and can provide management services on a discretionary basis. When discretionary authority is granted, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction.

If you decide to grant trading authorization on a non-discretionary basis, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if we are not able to contact you or you are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your account. You may also place reasonable limitations on the discretionary power granted to TC Wealth Partners so long as the limitations are specifically set forth or included as an attachment to the client agreement.

Under our Fiduciary Management Services for a retirement plan, TC Wealth Partners offers three different types of discretionary investment services for retirement plans: (a) selection of the specific investment options available in a retirement plan's line-up; (b) discretion to select and manage the qualified default investment alternatives for participants who fail to make an investment election; and (c) model portfolios (asset allocations or guided portfolios) based upon the investment options available to Plan participants for those participants electing the model portfolio services. Please see Item 4 of this disclosure brochure for additional details.

## Item 17 – Voting Client Securities

### Proxy Voting

Clients are given the option to vote proxies themselves or have TC Wealth Partners vote proxies on their behalf.

Proxies will be voted in your best interest. The proxy voting policy of TC Wealth Partners is to cast proxy voting in favor of proposals that are anticipated to enhance the long-term value for the shareholders and the company. Generally, this will mean voting “for” proposals that are to improve the management of a company, increase the rights or preferences of the voted securities, and/or increase the chance that a premium offer would be made for the company or for the voted securities. The decision by TC Wealth Partners to vote in support or opposition of a proposal will always depend on the specific circumstances described in the proxy statement and other available information. You may request a complete copy of the proxy voting policies and procedures of TC Wealth Partners as well as information on how your proxies were voted by contacting TC Wealth Partners at the address or phone number indicated on Form ADV Part 2A, Page 1 of this disclosure document.

### Class Action Lawsuits

You retain the right under applicable securities laws to individually initiate a lawsuit or join a class-action lawsuit against the issuer of a security that was held, purchased or sold by or for you. TC Wealth Partners does not initiate such a legal proceeding on behalf of clients and does not provide legal advice

to clients regarding potential causes of action against such a security issuer and whether the client should join a class-action lawsuit. "We recommend that you seek legal counsel prior to making a decision regarding whether to participate in such a class-action lawsuit. Our services do not include monitoring or informing you of any potential or actual class-action lawsuits against the issuers of the securities that were held, purchased or sold by or for you.

## Item 18 – Financial Information

This *Item 18* is not applicable to this brochure. TC Wealth Partners does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, TC Wealth Partners has not been the subject of a bankruptcy petition at any time.

### **NO ARRANGEMENT WITH ISSUER OF SECURITIES**

TC Wealth Partners and its management do not have any relationship or arrangement with any issuer of securities.

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