



SEASONS  
*of* ADVICE®  
WEALTH MANAGEMENT

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**Wrap Fee Program Brochure**  
**February, 2017**

**This wrap fee program brochure provides information about the qualifications and business practices of Seasons of Advice Wealth Management. If you have any questions about the contents of this brochure, please contact us at (212) 977-3111 and/or [info@soawealth.com](mailto:info@soawealth.com).**

**The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Seasons of Advice Wealth Management also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)**

## Item 2 Material Changes

Disclosure of Assets Under Management was added to Item 9.

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## Item 4 Services, Fees and Compensation

The SOAWM Wealth Management Program (the “Wealth Management Program”) is a “wrap fee” investment advisory program utilizing the SOAWM approach to asset management. This Wrap Fee Brochure describes the business of SOAWM as it relates to clients receiving services through the Wealth Management Program. Certain sections also describe the activities of the Firm’s Supervised Persons, which refer to any officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees, or other persons who provide investment advice on behalf of SOAWM.

### **What is a “wrap fee” Program?**

A wrap fee program allows our clients to pay a specified fee for investment advisory services and the execution of transactions. The advisory services includes portfolio management and the fee is not based directly upon transactions in your account. Your fee is bundled with our costs for executing transactions in your account(s). This results in a higher advisory fee to you. We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we are charged for executed trades. By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the executing broker.

### **Description of the SOAWM Wealth Management Program**

We address your finances according to the seasonal flow of your life — and your money. The Seasons of Advice® process has a natural rhythm, one that aligns with the way you experience life. By creating a context that is constant and reliable, all financial matters receive proper consideration, so you can make more effective choices.

At the onset of the Program, clients complete an investor policy statement describing their individual investment objectives, liquidity and cash flow needs, time horizon and risk tolerance, as well as any other factors pertinent to their specific financial situations. After an analysis of the relevant information, SOAWM assists its clients in developing an appropriate strategy for managing their assets.

We emphasize continuous and regular account supervision. SOAWM generally creates a portfolio consisting of individual stocks or bonds, exchange traded funds (“ETFs”), options, mutual funds and other public and private securities or investments. The client’s individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client’s circumstances. SOAWM also offers individually managed portfolios utilizing additional asset classes such as REITs and MLPs for certain clients based on the client’s particular needs and risk tolerances.

Clients in the SOAWM Wealth Management Program may authorize SOAWM to automatically rebalance their investments on a quarterly basis. For these clients SOAWM will make appropriate adjustments by buying and selling portfolio securities if the client’s asset allocation deviates by 5% or more from the desired model. SOAWM will also periodically revise the model portfolios and make corresponding adjustments to client portfolios.

Clients may impose reasonable restrictions or mandates on the management of their accounts if we determine, in our sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to the Firm's management efforts.

#### **SOAWM Wealth Management Program Fees**

The fee for assets in the SOAWM Wealth Management is generally based on the level of assets under management, calculated on a monthly basis, according to the following schedule:

<b><u>Management Fee Schedule</u></b>	
<b><u>Asset Range</u></b>	<b><u>Annual Management Fee (%)</u></b>
<u>\$0-\$99,999</u>	<u>Negotiated</u>
<u>\$100,000-\$499,999</u>	<u>1.50%</u>
<u>\$500,000-\$999,999</u>	<u>1.25%</u>
<u>\$1,000,000-\$3,499,999</u>	<u>1.00%</u>
<u>\$3,500,000-\$5,999,999</u>	<u>0.85%</u>
<u>\$6,000,000-\$7,499,999</u>	<u>0.75%</u>
<u>\$7,500,000-\$9,999,999</u>	<u>0.65%</u>
<u>\$10,000,000-\$49,999,999</u>	<u>0.50%</u>
<u>\$50,000,000-\$149,999,999</u>	<u>0.40%</u>
<u>\$150,000,000-\$249,999,999</u>	<u>0.30%</u>
<u>\$250,000,000 +</u>	<u>0.20%</u>

The fee for individually managed portfolios is generally based on the level of assets under management, calculated on a monthly basis, according to the following schedule:

<b><u>Management Fee Schedule</u></b>	
<b><u>Asset Range</u></b>	<b><u>Annual Management Fee (%)</u></b>
<u>\$0-\$999,999</u>	<u>2.0%</u>
<u>\$1,000,000-\$1,999,999</u>	<u>1.50%</u>
<u>\$2,000,000 +</u>	<u>1.0%</u>

All fees are negotiable.

The fee is payable in arrears and will be debited directly from the client's account(s) unless the client has made other payment arrangements with SOAWM. The fee will be calculated based upon the client's

account average asset value for the prior calendar month and will be debited from the client's account on the first business day of the following month. If the client has multiple accounts in their household, the asset-based fee will be based on the market value of assets in the client's household.

An initial fee will be charged for new accounts that are not open a full month. The initial billing period begins when the client signs the SOAWM fee agreement and SOAWM accepts the fee agreement. The initial billing period is adjusted for the number of days remaining in the initial month and will run from the date the fee agreement is accepted through the last business day of the initial month.

Fees will be first debited from any free credit cash balance or money market in the client's account and if there is not enough available, SOAWM has the discretion to sell securities in order to make cash available for the fee.

To calculate the tiered household fee, SOAWM will use the market value of all assets under management for the client's household and multiply that amount by the fee % applicable to that tier. The result is then multiplied by an amount equal to the number of calendar days in the applicable month divided by the number of calendar days in the year (365 or 366). Arrangements can be made to deduct one account's fee portion from another account (i.e. pay the fee for a retirement account from a non-retirement account).

The fee for the SOAWM Wealth Management Program is negotiable and in some cases SOAWM may agree to a flat fee. As mentioned above, SOAWM may also agree to waive the fee or combine it with the financial planning fee.

If SOAWM or the client terminates the fee arrangement, a pro-rated refund from the date of termination through the end of the applicable billing period will be credited to the client's account.

The client's SOAWM advisor will receive compensation as a result of the client's participation in the Wealth Management Program. The amount of this compensation may be more than the advisor would receive if the client participated in other SOAWM programs or paid separately for investment advice, brokerage, and other services. The advisor, therefore, may have a financial incentive to recommend the Wealth Management Program over other programs or services.

### **Brokerage Fees and Commissions**

As described above, clients do not pay brokerage commissions or other fees to their Wealth Management Custodian in connection with the SOAWM Wealth Management Program. The Custodian may, however, receive other revenues in connection with the Wealth Management Program. Brokerage arrangements are further described below in Item 12 Brokerage Practices of the SOAWM Brochure. In addition, you may charges imposed directly by a mutual fund, index fund, or exchange traded fund, which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, step-out fees, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap-fee you are charged by our firm.

### **Other Compensation**

As described in Item 9, CS&Co also provides SOAWM products and services that benefit us but may not directly benefit the client or its account. CS&Co may discount or waive its fees for some services or pay all or a part of a third party's fees. CS&Co also provides us with other benefits such as occasional business entertainment of our personnel and a credit facility to assist our business operations.

### **Account Additions and Withdrawals**

Clients may make additions to and withdrawals from their account at any time, subject to SOAWM'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 SOAWM, subject to the usual and customary securities settlement procedures. However, SOAWM designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. SOAWM 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 (i.e. contingent deferred sales charge) and/or tax ramifications.

## Item 5 Account Requirements and Types of Clients

SOAWM generally provides its services to individuals, high net worth individuals, trusts, small business owners, professionals, traditional and nontraditional families and small businesses. Although there is no minimum account size, a typical client relationship will have at least \$100,000.

## Item 6 Portfolio Manager Selection and Evaluation

### **SOAWM Wealth Management Program**

SOAWM acts as the sponsor and sole portfolio manager of the Wealth Management Program. Clients' investment portfolios are managed directly by SOAWM on a discretionary basis and nondiscretionary basis. As SOAWM is the sole portfolio manager a conflict of interest exists because SOAWM receives the entire management fee and is therefore has an incentive to manage the client's entire portfolio rather than utilize the services of one or more sub-advisors. SOAWM, however, believes it can provide overall portfolio management services at a lower price than if it were to utilize the services of one or more sub-advisors.

SOAWM currently maintains multiple model portfolios that are used as the basis for implementing a client's investment plan. The models range from conservative, moderately conservative, moderate, moderately aggressive and aggressive and include taxable and non-taxable strategies. Each portfolio has varying degrees of asset categories and is reviewed with the client prior to implementation and periodically thereafter.

The models include investment in individual stocks, bonds, exchange traded funds, closed end funds, preferred and convertible securities, limited partnerships as well as no-load and low-load mutual funds and private investments. The mutual funds which we employ invest in a variety of asset classes including the following: equity securities; corporate bonds; government bonds; notes and bills; commercial paper; and cash equivalents, such as money market accounts and certificates of deposit. Each model can be customized for the client depending on the client's instructions and risk tolerance.

SOAWM's Investment Committee meets monthly to review investment policy and strategy. During the investment committee meeting there is a review of each investment model that may result in tactical adjustments to each model determined by market and economic conditions. The committee also reviews

our core recommendation list of investments analyzing each individual asset class that supports our investment models.

SOAWM analyzes each recommended investment using a variety of tools and services including, but not limited to, Naviplan, Morningstar, Fiduciary Analytics, Investor's Business Daily, Bloomberg, Black Diamond and Schwab Advisor Services research tools. The investments are benchmarked for comparison to an appropriate category index, assigned a fiduciary score as determined by Fiduciary Analytics and monitored with star ranking based on Morningstar analysis.

### **Risk of Loss**

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

We do not represent to any client, either directly or indirectly, any level of performance or any representation that our professional services will not result in a loss to the Client's invested assets. We do our very best as an investment adviser to manage risk exposures and to prevent losses; however, losses cannot be prevented in all cases. Below are certain additional risks associated when investing in securities through our investment management program.

- **Market Risk** – Any market, whether stocks, bonds, or other asset classes goes up and down as a result of overall market conditions. When markets go down, this can result 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.
- **Fixed Income Risk** – When investing in bonds, there is the risk that 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.
- **Interest Rate Risk** - The value of fixed income investments tends to decline as interest rates rise. As a result, investors who own fixed income investments through pooled vehicles such as ETFs or mutual funds, and investors who seek to sell fixed income investments prior to maturity, may incur losses.
- **ETF and Mutual Fund Risk** – When our firm invests in an ETF or mutual fund, it will bear additional expenses based on its pro rata share of the ETFs 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 held by the ETF or mutual fund, including equities, fixed income, commodities, and derivatives on such securities. In addition, EFTs and closed-end mutual funds may trade at a premium or discount to the net asset value of their



underlying portfolio securities. As a result, there is a risk that an investment in an ETF or a closed end mutual fund may result in the client paying more for, or selling for less, the portfolio securities, than a direct investment in the underlying securities. This risk, however, is offset by the additional costs of investing directly in the underlying securities.

- Master Limited Partnerships (“MLPs”) - MLPs are collective investment vehicles, the partnership interests in which are publicly traded on national securities exchanges. MLPs invest primarily in companies within the energy sector that engage in qualifying lines of business, such as natural resource production and mineral refinement. MLPs are therefore subject to the underlying volatility of the energy industry and may be adversely affected by changes to supply and demand, regional instability, currency spreads, inflation and interest rate fluctuations, and environmental risks among other such factors. In addition, MLPs operate as pass-through tax entities, meaning that investors are liable for their pro rata share of the partnership taxes, regardless of the types of accounts where the interests are held.
- Real Estate Investment Trusts (“REITs”) - REITs are collective investment vehicles, the interests in which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle’s shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.
- Liquidity Risk – High volatility and/or the lack of deep and active liquid markets for a security may prevent a Client from selling their securities at all, or at an advantageous time or price because SOAWM and the Client’s broker may have difficulty finding a buyer and may be forced to sell at a significant discount to market value. Some securities (including ETFs) that hold or trade financial instruments may be adversely affected by liquidity issues as they manage their portfolios.
- Concentration Risk – Portfolios managed by SOAWM may from time to time be concentrated in a single security, geographic region, or asset class. The value of Client accounts will vary considerably in response to changes in the market value of that individual security, region or asset class. This may result in higher volatility.
- Foreign Investing and Emerging Markets Risk – Foreign investing involves risks not typically associated with U.S. investments, and the risks may be exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social and economic developments affecting one or more foreign countries. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be

inadequate or irregular.

- Inflation, Currency, and Interest Rate Risks – Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by SOAWM may be affected by the risk that currency devaluations affect Client purchasing power.
- Legislative and Tax Risk – Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment advisor or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations (particularly for ETF securities dealing in natural resources). In certain circumstances a Client may incur taxable income on their investments without a cash distribution to pay the tax due.
- Counterparty Risk – Counterparty risk is the risk to SOAWM that the counterparty to a services contract will not fulfill its contractual obligations. Should the counterparty fail to fulfill its obligations to SOAWM, clients could potentially incur significant losses and may have access to their accounts and investments limited or restricted.
- Advisory Risk – There is no guarantee that SOAWM's judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results. SOAWM's judgment may prove to be incorrect, and a Client might not achieve her investment objectives. In addition, it is possible that we fail to manage our business such that SOAWM remains a going concern which would be disruptive to our Clients as they would need to find a new investment advisor.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in any or all of the strategies managed by SOAWM. Prospective Clients should read this entire Form ADV and all accompanying materials provided by SOAWM before deciding whether to invest with us. In addition, as our investment philosophy develops and changes over time, an investment with SOAWM may be subject to additional and different risk factors. SOAWM will promptly amend this Brochure if and when any information regarding its investment risks becomes materially inaccurate.**

### **Methods of Analysis**

SOAWM generally utilizes a combination of fundamental and technical methods of analysis. Fundamental analysis involves an evaluation of an issuer's fundamental financial condition and competitive position. SOAWM generally analyzes the financial condition, capabilities of management, earnings capacity, new products and services, as well as the company's markets and position amongst its industry competitors in order to determine the recommendations made to clients. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific company 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 SOAWM will be able to accurately predict such a reoccurrence.

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

SOAWM does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

#### **Voting of Client Securities**

SOAWM does not accept the authority to vote clients' securities (i.e., proxies) on their behalves. Clients receive proxies directly from their custodian and may contact the SOAWM with any questions by calling the number on the cover of this Wrap Fee Brochure.

### Item 7 Client Information Provided to Portfolio Managers

We are required to describe the information about you that we communicate to your portfolio manager(s), and how often or under what circumstances we provide updated information.

SOAWM, as the portfolio manager, for the SOAWM Wealth Management Program and the SOAWM ETF Management Program, encourages clients to promptly notify the firm if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. SOAWM communicates with clients on a regular basis as needed to ensure your most current investment goals and objectives are understood and reflected in your portfolio. In most cases, we will communicate such information as part of our regular investment management meetings, which are scheduled quarterly for clients in the SOAWM Wealth Management Program and periodically for clients in the SOAWM ETF Management Program.

### Item 8 Client Contact with Portfolio Managers

Clients are always free to directly contact SOAWM, their portfolio manager, with any questions or concerns they have about their portfolios or other matters.

### Item 9 Additional Information

#### Brokerage Practices

SOAWM generally recommends that clients utilize the custody, brokerage and clearing services of Schwab Advisor Services. The factors which SOAWM considers includes the respective financial strength, reputation, execution, pricing, research and overall service provided by Schwab Advisor Services.

The commissions paid by SOAWM's clients comply with SOAWM's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where SOAWM determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, 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, if any, execution capability, commission rates, and responsiveness. SOAWM seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

SOAWM periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

The client may direct SOAWM in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution, and SOAWM will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by SOAWM (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, SOAWM may decline a client's request to direct brokerage if, in SOAWM's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless SOAWM decides to purchase or sell the same securities for several clients at approximately the same time. SOAWM may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among SOAWM's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among SOAWM's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that SOAWM determines to aggregate client orders for the purchase or sale of securities, including securities in which SOAWM's Supervised Persons may invest, SOAWM 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. SOAWM does not receive any additional compensation or remuneration as a result of the aggregation. In the event that SOAWM 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, SOAWM 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.

In addition to our portfolio management and other services, the SOAWM ETF Management Program includes the brokerage services of CS&Co, a broker-dealer registered with the Securities and Exchange Commission and a member of FINRA and SIPC. While clients are required to use CS&Co as custodian/broker to enroll in the SOAWM ETF Management Program, the client decides whether to do so and opens its account with CS&Co by entering into an account agreement directly with CS&Co. We do not open the account for the client. If the client does not wish to place his or her assets with CS&Co, then we cannot manage the client's account through the SOAWM ETF Management Program. As described in the Schwab Program Disclosure Brochure, SWIA may aggregate purchase and sale orders for ETFs across accounts enrolled in the SOAWM ETF Management Program, including both accounts for our clients and accounts for clients of other independent investment advisory firms using the Schwab Program.

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. Through Schwab Advisor Services, CS&Co provides us and our clients, both those enrolled in the SOAWM ETF Management Program and our clients not enrolled in the SOAWM ETF Management Program, with access to its institutional brokerage services – trading, custody, reporting and related services – many of which are not typically available to CS&Co retail customers. CS&Co also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. CS&Co's support services described below are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. The availability to us of CS&Co's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients. Here is a more detailed description of CS&Co's support services:

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

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

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and

- assist with back-office functions, recordkeeping and client reporting. CS&Co also offers other services intended to help us manage and further develop our business enterprise. These services include:
  - educational conferences and events
  - technology, compliance, legal, and business consulting;
  - publications and conferences on practice management and business succession; and
  - access to employee benefits providers, human capital consultants and insurance providers.

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

The availability of services from CS&Co benefits us because we do not have to produce or purchase them. We don't have to pay for these services, and they are not contingent upon us committing any specific amount of business to CS&Co in trading commissions or assets in custody. With respect to the SOAWM ETF Management Program, as described above under Item 4 Advisory Business, we do not pay SWIA fees for its services in connection with the Program so long as we maintain \$100 Million in client assets in accounts at CS&Co that are not enrolled in the Program. In light of our arrangements with Schwab Advisor Services, we may have an incentive to recommend that our clients maintain their accounts with CS&Co based on our interest in receiving services from Schwab Advisor Services' that benefit our business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a potential conflict of interest. We believe, however, that our selection of CS&Co as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of CS&Co's services and not the services from Schwab Advisor Services that benefit only us. We have adopted policies and procedures designed to ensure that our use of these services is appropriate for each of our clients.

#### **Credit Facility**

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CS&Co has provided a loan to SOAWM to assist our business operations, and the loan is guaranteed by Charles Hamowy, Christopher Conigliaro and Matthew Woolf, the principal(s) of SOAWM. The terms of the loan require that management fees to SOAWM be paid to an account at CS&Co for deduction of interest and principal payments on the loan before SOAWM may access such management fees. The loan agreement contains various representations and covenants by SOAWM including, among others, that Advisor will have at all times at least \$300,000,000 in end client net assets under Advisor's management at Schwab ("Assets Under Management at Schwab"), and that SOAWM will comply with all applicable laws, regulations, and agreements, and obtain all necessary licenses, consents and permits. Upon the occurrence and during the continuance of an event of default under the loan agreement, CS&Co may terminate and/or accelerate the loan, which may have a material adverse effect on the SOAWM's ability to perform services for you.

Some of the products, services and other benefits provided by CS&Co, including the loan noted above, benefit SOAWM and may not benefit SOAWM's client accounts. SOAWM's recommendation or

requirement that a client place assets in CS&Co's custody may be based in part on benefits CS&Co provides to SOAWM, or SOAWM's agreement to maintain certain Assets Under Management at CS&Co, and not solely on the nature, cost or quality of custody and execution services provided by CS&Co.

SOAWM places trades for its clients' accounts subject to its duty to seek best execution and its other fiduciary duties. SOAWM may use broker-dealers other than CS&Co to execute trades for client accounts maintained at CS&Co, but this practice may result in additional costs to clients so that SOAWM is more likely to place trades through CS&Co rather than other broker-dealers. CS&Co's execution quality may be different than other broker-dealers.

#### Disciplinary Information

SOAWM is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. SOAWM does not have any required disclosures for this Item.

#### Other Financial Industry Activities and Affiliations

As discussed in Item 4 above, SOAWM is affiliated with Seasons of Advice Insurance Services, LLC, an insurance agency that offers insurance products including life insurance; long term care insurance, disability insurance, group health, fixed annuities and business interruption insurance. In such capacity Seasons of Advice Insurance Services may offer for sale, insurance-related products to investment advisory clients of SOAWM to be included in a client's managed portfolio or on a commission basis. In addition, certain of SOAWM's representatives, in their individual capacities, serve as licensed insurance agents with various insurance companies, and may, in such individual capacities, recommend the purchase of certain insurance-related products on a commission basis SOAWM's advisory clients.

The recommendation by SOAWM or SOAWM's representatives that a client buy an insurance commission product from Seasons of Advice Insurance Services, LLC and/or SOAWM's representatives presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. As a result, SOAWM has procedures in place to ensure that any recommendations made by such Supervised Persons are in the best interest of its clients. In addition, no client is under any obligation to purchase any commission products from SOA Insurance Services, LLC and/or SOAWM's representatives. Clients are reminded that they may purchase insurance products recommended by SOAWM through other non-affiliated insurance agents.

SOAWM is affiliated with HCA Consulting, Inc. (d/b/a Seasons of Advice Consulting). Seasons of Advice Consulting provides business and marketing consulting services to other advisers based on the Seasons of Advice approach to client services. Seasons of Advice Consulting structures workflow to reduce time and effort and operate with enhanced efficiency and provides the tools, training, marketing strategies, and coaching necessary to deliver the Seasons of Advice client experience.

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

SOAWM and persons associated with SOAWM ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with SOAWM's policies and procedures.

SOAWM has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics"). SOAWM's Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by SOAWM or any of its associated persons. The Code of Ethics also requires that certain SOAWM personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

When SOAWM is engaging in or considering a transaction in any security on behalf of a client, no Access Person may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the Access Person) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Access 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.

This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by Access Persons to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated above.

Clients and prospective clients may contact SOAWM to request a copy of its Code of Ethics.

### **Account Reviews**

SOAWM monitors its clients' investment management portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. Where SOAWM provides advisory and/or consulting services, reviews are conducted on an "as needed" basis. Such reviews are conducted by the Partners of SOAWM. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with the firm and to keep SOAWM informed of any changes thereto. The firm contacts ongoing investment advisory clients at least annually to review its previous services and recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### **Account Statements and General Reports**

Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for their accounts. Clients may also receive reports from SOAWM that includes relevant account and/or market-related information such as an inventory of account holdings and account performance on a monthly basis or as otherwise agreed upon with the client. Clients should compare the account statements they receive from their custodian with any supplemental reports they receive from SOAWM and/or the Independent Managers.



### **Client Referrals and Other Compensation**

SOAWM is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, SOAWM is required to disclose any direct or indirect compensation that it provides for client referrals. SOAWM does not have any required disclosures to this Item.

SOAWM does not have any formal relationship or arrangement requiring disclosures to for this Item, however the firm may occasionally refer clients to members of the community such as lawyers and accountants who have made, or may make, referrals to the firm. Consequently, there is the potential for a conflict of interest where SOAWM makes such referrals.

### **Financial Information**

SOAWM is not required to disclose any financial information pursuant to this Item 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;
- 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.

### **Assets Under Management**

As of February 17, 2017 SOAWM managed \$ 340,920,000 in client assets on a discretionary basis and \$1,780,000 of client assets on a non-discretionary basis.

