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## ADV Part 2A Firm Brochure

July 6, 2018

*This brochure provides information about the qualifications and business practices of Benjamin F. Edwards Wealth Management, LLC (EWM). If you have any questions about the contents of this brochure, please contact us at (855) 825-6885 or e-mail to: [ADV@bfewealth.com](mailto:ADV@bfewealth.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 Benjamin F. Edwards Wealth Management also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

*Please note that references throughout this brochure to EWM as being "registered" is not intended to reflect that the firm or its representatives have a certain level of skills or training; it is used only to reflect the status of the firm with respect to Section 203 of the Investment Advisers Act of 1940.*

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*Section headings are keyed to SEC form ADV 2A. If sections of the form are not applicable, this document will so state.*

## Item 4 Advisory Business

Benjamin F. Edwards Wealth Management (EWM) is a registered investment adviser. EWM became registered as an investment adviser subject to the jurisdiction of the Securities and Exchange Commission [in xxx of 2018](#).

EWM's principal owner is its holding company, Benjamin Edwards, Inc., which owns 100% of EWM. EWM offers the following advisory services:

- Investment Management Services
- Financial Planning
- Consulting Services

Throughout this brochure the term "Advisor" will refer to the individuals serving as the client's account registered representatives and "Affiliated Adviser" or "BFE" refers to Benjamin F. Edwards and Co. a dually registered broker dealer/investment adviser which is also 100% owned by the holding company, Benjamin Edwards, Inc.

### Investment Management Services

#### **Discretionary Advisory**

In a Discretionary Advisory relationship, EWM provides portfolio management services to the client on a discretionary basis. As a discretionary account, the Advisor is not required to contact the client prior to each transaction. The Advisor and client will work together to develop or select an investment strategy. The financial advisor will monitor the account to ensure it remains consistent with the investment strategy and that the strategy remains appropriate. In a Discretionary account, either the Advisor will act as the portfolio manager of the account, making all the investment decisions and trading in the account, or the Advisor will use an investment solution run by EWM with EWM making the investment decision and trading the account or EWM will choose to delegate the portfolio management and trading to a third-party money manager.

Clients can access unaffiliated third-party money managers who offer specialized asset management expertise or services that EWM uses to manage all or a portion of the client assets in appropriate cases. Such third-party money manager's expertise ranges from research and selection of investment options, to monitoring the assets and deciding when to buy or sell them. Once selected, these third-party money managers have discretion, for the portion of assets placed with them, to choose and manage investments prudently for the client, including the development of an appropriate investment strategy, and buying and selling securities to meet those goals (subject to restrictions imposed by the client). EWM has no ability to affect the trading decisions of the third-party money managers once a client decides to participate in these programs and can only choose whether to engage or terminate the third-party money manager. EWM retains the right to replace (i.e., "hire or fire") third-party money managers on behalf of clients that have given discretionary authority to EWM. Discretionary authority allows EWM to choose or change any third-party money manager approved for a given platform, without additional approvals from the client. For example, EWM can, at its discretion, fire XYZ Large Cap Value manager and hire ABC Large Cap Value manager as its replacement. EWM and/or its delegates performs initial and ongoing due diligence of the individual third-party money managers' performance and management, reviews the client's account for adherence to objectives outlined with the manager, and will reallocate assets among managers if necessary.

In some instances, clients will have a contract directly with the third-party money manager in addition to the advisory agreement with EWM. This is known as a dual contract arrangement because there is an agreement between the client and EWM as well as a contract between the client and the third-party money manager. In cases, of a dual contract arrangement with the manager the services provided by EWM and the third-party money manager will be outlined in each agreement, and EWM can make recommendations to replace a third-party manager but does not have the discretion to do so.

Each third-party money manager maintains a separate disclosure document that they provide to clients, outlining their investment process. In addition, EWM and third parties administering wrap fee programs maintain additional disclosure documents that specifically pertain to the wrap fee programs that they administer. Clients should carefully review these disclosure documents for important and specific details including, among other things, fees, experience, investment objectives and risk guidelines, and disclosure of the third-party money manager's potential conflicts of interest.

#### **Non-Discretionary Advisory**

In a Non-Discretionary Advisory relationship, EWM provides investment advisory services to the client on a non-discretionary basis. As a non-discretionary account, the client retains final decision-making authority with respect to all transactions. The Advisor and client will work together to identify an appropriate investment strategy. The Advisor will monitor the account and make recommendations to ensure it remains consistent with the agreed upon strategy.

**Note about Fees (see Item 5 for further information)**

Fees for the above Investment Management Services may be either “bundled,” or “unbundled.” When unbundled, Clients pay separately for the following:

- custodial and transaction fees,
- EWM’s advisory fee (the portion EWM retains for our services), and
- managed account platform fee, if applicable.

When choosing a bundled fee, also known as a “wrap fee,” clients pay one fee that covers all associated account fees (custodial fees, EWM advisory fee (the portion EWM retains for our services) and/or third party manager fees).

The fee structure decision is made between the Client and Advisor and is based on factors such as a) the types of securities the Client will be investing in and the fees associated with those investments, b) the volume of trading expected given the investment strategy selected and c) the Clients overall preference on how they would like their fee to be structured. Whether a bundled fee or a wrap fee arrangement ultimately costs more depends on the extent to which individual unbundled fees are actually incurred. For example, the amount of transaction costs will vary depending on the level of transaction activity in the account. In an unbundled account, there is a point at which the amount of transaction costs, together with all other unbundled costs that are incurred, will cause the overall fee paid by the client to be greater than a given wrap fee amount. Thus, up to that point, a client account with lower levels of transaction activity will pay more in relative terms in a wrap account than an unbundled account; however, beyond that point a client account with more transactions will pay more in the unbundled arrangement.

The fee structure selected has no bearing on how the accounts are managed.

Financial Planning

EWM offers Financial Planning services on a comprehensive or a la carte (limited focus) basis. Financial planning services are individually customized for each client’s needs, and services to be provided are based on a negotiated scope of services for each Client. This can be provided either on an ad-hoc or ongoing basis. EWM will not actually manage client assets as part of Financial Planning Services. Financial plans will encompass all or some of the following areas:

- Cash management
- Estate Planning Goals
- Asset Allocation Review and Recommendations
- Investments
- Education Planning
- Insurance Planning/Risk Management
- Retirement Planning

Consulting Services

EWM offers consulting services to various types of clients including but not limited to:

- Individuals
- High Net Worth Individuals
- Charitable Organizations
- Corporations
- State or Municipal Government Entities
- Pension and Profit Sharing Plans
- Plan Participants

Consulting services are individually customized for each client’s needs, and services to be provided are based on a negotiated scope of services for each Client. Consulting services can be provided either on an ad-hoc or ongoing basis. EWM will not actually manage client assets as part of Consulting Services. Types of services include but are not limited to:

- review and/or monitor an Investment Policy Statement (IPS)
- search and evaluate investment alternatives
- perform ongoing monitoring and due diligence of investment managers
- perform ongoing performance monitoring
- review past performance of the client’s investments
- provide fee-billing services
- provide performance monitoring reports
- participate in periodic meetings as needed

EWM may also negotiate other services based on the needs of the client.

If providing Consulting Services to a plan participant in a qualified retirement plan, EWM will enter into an agreement with the retirement plan participants to provide investment advice for ERISA or other types of participant-directed plans. Advisors will review the investment options available to the plan participant within the employer-sponsored retirement plan. Advisors will then work with clients to identify their needs, objectives and risk tolerance. From the information obtained, the Advisor will provide a written security level asset allocation recommendation. This service may be performed for a one-time fee or on an ongoing basis. If an ongoing service is the option selected in the agreement, the Advisor will have subsequent meetings (at least annually) with the client to discuss whether changes to the initial recommendation may be appropriate. It is the sole responsibility of the client whether or not to implement the advice provided.

### **Restrictions**

Clients can place reasonable restrictions on the types of investments that will be made on their behalf. EWM reserves the right to not accept, or to terminate an account, if EWM believes the restrictions imposed are not reasonable or prohibit effective management of the account. EWM is not obligated to implement other investment selections if it believes such investments are inconsistent with a client's risk tolerance or EWM's management style.

As of July 2018, EWM has \$0 managed on a discretionary basis and \$0 managed on a non-discretionary basis.

## **Item 5 Fees and Compensation**

Depending upon the type of advisory service to be provided, clients generally have a choice regarding the way fees will be charged for such services and hence how EWM is compensated for advisory services. Options for how the client/Advisor can structure the fee to be charged are as follows:

- Based on assets under management (AUM) - the client will be charged a pre-determined percentage of the AUM with EWM
- Hourly charges – the client will be charged an hourly fee for services
- Set Fees – the client will be charged a stated fee on a pre-determined frequency

Fees are negotiable and are customized to the specific type of services (Investment Management, Financial Planning and/or Consulting Services) and the extent of such services that EWM provides to that client. Due to this customization there is no set fee schedule to provide, however, the services provided and the fee will be outlined in the agreement with the client. The Advisor is responsible for determining the fee for each client based on the services provided. An EWM supervisory principal will supervise to make sure the fee is fair and reasonable.

Depending on the type of fee a client is paying, bundled or unbundled, there may be other fees including but not limited to third party fees such as reporting fees, custodial fees, brokerage and transaction fees and third-party money manager fees. If unbundled, these fees will be paid directly by the client as charged by the Custodian/Broker Dealer and the Advisory fee will not be reduced by the amount of this cost. If bundled, these fees will be paid by EWM out of the Advisory fee paid by the client.

Additionally, if the portfolio manager "steps out" a trade to another broker dealer there could be an additional cost of trading on that security's trade. The Advisory fee will not be reduced by the amount of this cost.

EWM does not impose a minimum account size or a minimum annual fee for its investment management services. Some services and fee structures may not be suitable for accounts or portfolios of all sizes due to the impact that operating costs would have on performance. EWM negotiates fees on a client-by-client basis. The fee charged will be stipulated within each client's advisory agreement, and applies to the assets covered by the agreement (it may cover only one account or a household of accounts).

If Investment Management fees are charged based on AUM, then clients must pay the fee monthly in arrears based on the average daily value of the account. The market value of the clients' margin balance is typically used when calculating EWM's fees. As a result, clients would be paying both a fee and margin interest on the margin balance.

The total value on which fees are based may vary from the value on the custodian statement (the valuation may be higher or lower) due to such factors as the timing and posting of dividends, settlement dates for trades, etc. In some cases, clients may provide EWM with pricing for securities or real assets that cannot be (or are not) verified by EWM (i.e., either cost basis information is no longer readily available, value of real assets such as a client's home or art collection, etc.). These will be shown on client reports as "excludable assets"

and will not be used when calculating the client's management fees for the quarter.

For Consulting Services or Fee Based Planning, clients have the option to purchase investment products that EWM recommends either with EWM or through other brokers or agents not affiliated with EWM. In either case, clients will pay additional costs associated with implementing the recommendations.

### **Fee Payment**

EWM's payment method is for the custodian to deduct the investment management fee from client accounts on a monthly in arrears basis. For Financial Planning and Consulting Services, when no assets are under management the client will be invoiced for the agreed upon fee at the agreed upon frequency.

Certain platforms charge an "unbundled" fee, meaning fees for execution, custodial, reporting, and/or administrative services are not combined with the third-party money manager fees and/or EWM's fees. Also, certain platforms will charge execution costs in the form of an asset-based fee. Depending upon the platform selected there may not be an option for "householding" (combining multiple accounts) your accounts to obtain fee breakpoints. Whether a bundled or unbundled relationship results in more (or less) compensation to the advisor will vary among individual client accounts. An Advisor faces a conflict of interest in recommending a particular compensation arrangement if it would result in higher compensation to him or her. EWM has adopted policies and procedures designed to ensure that aggregate fees and transaction expenses incurred by Clients are reasonable under the circumstances, but it is the Client's responsibility to monitor fee and expenses levels and to discuss any questions with their Advisor.

In the event the account is terminated mid-month, EWM will charge only the pro-rata share of the client's fees for that month upon termination of the client advisory agreement; however, if an advisory wrap account is terminated within the first 12 months, EWM reserves the right to charge a minimum client fee to cover the costs of opening, positioning, maintaining and terminating the account.

### **Additional Fees and Costs**

All fees paid to EWM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds, REITs, exchange traded products, (ETPs such as ETFs and ETNs), alternative investments (including hedge funds and private equity/debt funds) and other collective investment vehicles to their shareholders. These fees and expenses are described in each applicable investment vehicle's prospectus or private placement memorandum. Virtually all such products have internal fees that are borne by the client that are separate from and in addition to any account level trading, execution, or EWM advisory fees. As part of EWM's Share Class Policy, EWM seeks to use the lowest available fee class for which clients' accounts on the EWM platform are eligible. In some cases, the share class used may include internal expenses for distribution (known in the industry as 12b-1 fees), or shareholder services, that are paid by the issuer or their affiliates to EWM. If such fees are received in an advisory account they will be rebated back to the client. See Item 12 for more information on Brokerage Practices.

### **Additional Compensation**

An advisor who is affiliated with EWM may act as a registered representative under Benjamin F. Edwards & Co., an affiliated broker dealer. When acting as such, the affiliated advisor will receive compensation for services provided. Benjamin F. Edwards and Co. broker dealer will also receive economic benefit in the form of commissions for business such as insurance transactions and group annuities.

### **Investment Adviser Representatives**

EWM offers investment management and advisory services through a network of investment adviser representatives ("Advisors" or "IARs"). The branch office locations for these IARs are listed on Schedule D of the Form ADV Part 1 (available at <https://www.adviserinfo.sec.gov/Firm/145323>). Certain advisory practices may have specific branding and marketing specific to their practice – their affiliation and relationship with EWM is further described in the Advisor's/Team's Form ADV Part 2B.

Advisors who affiliate with EWM or are owned in part by EWM, receive additional individual compensation when joining EWM. This compensation is designed to ease the transition to EWM and includes, but is not limited to equity ownership in Benjamin Edwards, Inc., small business loans, and/or restricted cash payments. The amount of compensation is determined prior to the advisor affiliating with EWM and is based on the business model of the advisor. In addition, during their transition to EWM, an Advisor will receive certain services from one or more custodians. These services include support assistance with onboarding new clients as well as financial support for startup costs related to direct business expense such as transition support, technology or marketing reimbursement.

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

Not applicable; none of EWM's supervised persons accept performance-based fees.

## Item 7 Types of Clients

EWM provides advice to a wide variety of clients including but not limited to:

- Individuals
- Pension and profit sharing plans
- Trusts, estates and charitable organizations
- Corporations and other business entities
- Public entities and other governmental organizations
- Educational Institutions
- Foundations and other charitable or fraternal organizations
- Investment Clubs

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

A variety of methods of analysis and investment strategies are used by portfolio managers affiliated with or used by EWM including but not limited to charting, fundamental analysis, technical analysis and quantitative analysis. Within each method of analysis, portfolio managers may employ a variety of time-horizon outlooks, including long-term strategic, intermediate cyclical or short-term tactical.

Regardless of the method of analysis and investment strategy, the clients' account will be invested in securities which contain a risk of loss of principal that the client should be prepared to bear. All securities are subject to risk, and there is no assurance that any investment program or strategy will be successful.

In addition to the risks associated with investing in securities, no method of analysis will always yield positive results. For example, while fundamental analysis might indicate that a company is "fairly valued," market sentiment may nevertheless result in unexpected investment performance. Similarly, while technical analysis or charting might suggest that a company presents a good buying opportunity, its financial performance might cause investors to view the security differently. Depending on the portfolio manager, adherents to each method of analysis will look only to the information relevant to his or her method of analysis, to the exclusion of other information.

Investment strategies that employ diversified models may involve investing in multiple market sectors or asset classes. This diversified approach to investing has the potential to take advantage of the fact that different sectors or asset classes often perform in different ways at different times. This characteristic may yield either positive or negative results, depending on market conditions, or the overall breadth of the market's impact on multiple asset classes or sectors.

In addition, some investment styles focus on market sectors or classes of securities and carry additional risks. Even models that are more broadly diversified in their exposure to market sectors or asset classes are exposed to the underlying risks associated with those sectors or classes.

It is not possible to enumerate all possible risks associated with each of the asset classes and market sectors. Clients should refer to the investment advisory disclosure brochure prepared by specific third-party money managers under consideration for a detailed explanation of the nature and risks of the program being evaluated, including the use of any of the asset classes and market sectors above.

Some models are based on use of mutual funds and/or Exchange Traded Funds (ETFs). These financial instruments are securities that are sold by prospectus. While particular funds will be selected by the portfolio manager, investors should read carefully the prospectus, and summary prospectus if available, to fully understand the various risks, investment objectives, charges/expenses and other information about the fund company associated with the investment.

Higher-frequency trading strategies increase the likelihood that tax consequences may be short-term in nature, and result in a higher tax cost and hence, lower net performance.

## Item 9 Disciplinary Information

EWM does not have any legal or disciplinary events to report.



## Item 10 Other Financial Industry Activities and Affiliations

EWM has arrangements that are material to its advisory business with Benjamin F. Edwards & Co (BFE), a “related person” of EWM. EWM is affiliated through common ownership with BFE. BFE is a dually registered broker-dealer registered with the Securities and Exchange Commission and is a member of FINRA; it is also a Guaranteed Introducing Broker and member of the National Futures Association. Benjamin F. Edwards & Co is also a licensed general insurance broker and agency, and a member of FINRA, the MSRB, and SIPC, registered in various states as required. EWM’s advisors will be permitted to carry individual securities licenses with BFE, and would be an employee of BFE for that purpose. Any brokerage business would be conducted through BFE and would not be an investment advisory service of EWM. Several of EWM’s management persons are also registered representatives of BFE. In addition, individual EWM advisors conduct their business with clients through their own business entities, although they carry their individual investment advisory representative licenses through EWM. BFE does not have an ownership interest in those business entities, but BFE maintains contractual relationships with both the individual advisors and their business entities with respect to providing (and receiving) certain services, and performing supervisory roles in satisfaction of EWM’s regulatory obligations.

BFE will also provide services for compensation to EWM that are important to the business of EWM’s advisors, and to EWM’s management and oversight of its representatives’ business activities. BFE will be compensated for the professional services it provides to the advisors who are affiliated with EWM. Charges to affiliated advisors will be based on assets under management and/or on time and materials basis. Without limitation, some of the services that will be provided to EWM by BFE includes compliance & supervision, risk management, operational support, and investment management.

Please see Item 5 Fees and Compensation, for additional information regarding transition and onboarding compensation to Advisors.

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

### Code of Ethics

EWM has adopted an ethics policy that applies to all supervised persons of EWM with the exception of items specifically identified as being applicable only to access persons. All employees, officers and directors of EWM (or any person performing similar functions) are subject to EWM’s supervision and control and are considered Supervised Persons. This includes registered and non-registered persons, as well as affiliated advisors. Certain categories of associated persons are considered under the policy to be “access persons” within the meaning of Rule 204A-1 of the Investment Adviser’s Act of 1940.

The policy requires all supervised persons of EWM to conduct themselves according to the highest ethical standards, in accordance with the firm’s culture and in accordance with the standard of care that advisors owe to their clients. The policy further requires all supervised persons of the firm to adhere to applicable securities laws, regulations and rules. The policy further requires all supervised persons to be vigilant with respect to any actual or potential conflict of interest that could affect one’s judgment or decision-making. All supervised persons are required to maintain their securities accounts at EWM, unless an exception is specifically approved in writing. In addition, no access person is permitted to invest in any private placement or initial public offering (IPO) unless an exception is specifically approved in writing in advance. Access persons also are required to periodically disclose all securities accounts and holdings other than with respect to accounts held at EWM. Access persons are further required to periodically disclose all securities transactions other than with respect to accounts held at EWM. Access persons are further required to provide a consolidated annual holdings report of all securities accounts, including those held at EWM. Supervised persons are permitted to participate in the same advisory programs that are offered to public clients on the same terms.

It should be noted that access persons servicing clients who are participating in Investment Management Services may engage in equity or fixed income transactions contrary to those of their clients on the same trading day (e.g., may sell a stock that is being purchased for clients). In such situations, a conflict of interest arises if a financial advisor engages in transactions on behalf of clients that would benefit the financial advisor, such as when he or she might purchase a large quantity of securities for clients, potentially causing the price of those securities to increase, and then sells his or her own securities. EWM addresses this situation by limiting such transactions to situations involving unanticipated extraordinary expenses, transactions necessary to fund large purchases (such as a car or home), or



purchase transactions contrary to unsolicited client sell orders. In appropriate circumstances, the firm may approve other contrary transactions upon individual review. In addition, an Advisor may engage in equity or fixed income transactions that they simultaneously or subsequently recommend to clients (i.e., may purchase or sell a stock at the same time a client is purchasing or selling). In such situations, the larger quantity of securities being purchased or sold could impact on the price clients receive. Depending on market conditions, this could have either a positive or negative impact. EWM addresses this situation by generally requiring an Advisor to not receive a better price than any solicited client trades on the same trading day. In appropriate circumstances, EWM will approve exceptions upon individual review.

**Review and Oversight of Securities Holdings and Transactions**

Accounts, holdings and transactions are required to be supervised by the access persons' supervisory principal. Oversight of such reviews is conducted by the Compliance Department.

**Requirement to Report Violations of Ethics Policy**

All supervised persons are required to report violations of the ethics policy to their supervisory principal or the Compliance Department. If a report is made to a supervisory principal or Compliance Department personnel other than the Chief Compliance Officer, the person receiving the report must ensure the violation is brought to the attention of the Chief Compliance Officer.

**Provision of Policy to Supervised Persons; Requirement to Certify Receipt of Ethics Policy**

The ethics policy, as well as any amendments or updates, must be provided to all supervised persons, who must attest having received it. Periodic re-certification may be required by the Compliance Department with respect to receiving any amendments of the policy.

A copy of EWM's Code of Ethics will be provided to the client or prospective client upon request.

## **Item 12 Brokerage Practices**

EWM has entered into and will enter into a limited number of relationships with other firms to provide custody and execution services for client accounts.

The client will work with their Advisor to select a custodian and will authorize EWM to direct trades to the selected Custodian in the investment advisory agreement. If the client requests EWM to recommend a Custodian for execution and/or custodial services, EWM will recommend Custodians with whom EWM has an existing relationship. EWM has chosen to establish relationships with selected Custodian(s) based on their financial strength, reputation, execution capabilities, pricing, research and service, and recommends their use to clients based upon these factors, consistent with EWM's fiduciary obligations, including the duty to seek best execution. Although EWM has found the use of these Custodians to be consistent with its obligation to seek best execution and that the fees (including but not limited to commissions and/or transaction fees) charged by each is reasonable in relation to the value and services provided, a client can nonetheless pay a fee for services that is higher than another qualified Custodian might charge to effect the same transaction.

There is no single determinative factor in recommending a Custodian, and a recommended Custodian will not necessarily be the one that has the lowest cost. Key factors taken into consideration include whether the advisor has a pre-existing relationship with the Custodian; whether the Custodian can provide the best qualitative execution, taking into consideration the full range of services it offers and the overall benefit to all clients.

Though EWM does not exercise discretion over the selection of the Custodian, it may recommend the Custodian(s) to Clients for custody and execution services. Clients are not obligated to use the recommended Custodian although costs will likely fluctuate from Custodian to Custodian. In addition, EWM and your Advisor may be limited in the services they can provide if the recommended Custodian is not used. For additional information, please see Item 14.

EWM will place trades within the established account(s) at the designated Custodian. The Advisor will not engage in any principal transactions (i.e. trade any security from or to EWM's own account) or cross transactions with other Client accounts (i.e. purchase of a security into one Client account from other Client's account). EWM will not be obligated to

select competitive bids on specific securities transactions and does not have an obligation to seek the lowest available transaction costs. This process is performed, as applicable, by the selected Custodian.

EWM has negotiated transaction related costs with one or more Custodians. Transaction costs include costs associated with execution, clearing, custody and related services necessary to effect and process transactions on behalf of clients. Transaction costs will either be absorbed by the advisor or will be separately charged to the client. Whether such charges are absorbed or charged separately is fully negotiable between the client and the advisor. If the transaction costs charged by the Custodian will be passed to the client, it will be spelled out as such in the investment advisory agreement. Please note in the case of step out trades not executed by the designated broker dealer, additional transaction charges are always paid by the client as they are in the price paid or received for the security.

#### **Research and Other Benefits and Payments to EWM**

Although not a material consideration when determining whether to recommend that a client use the services of a custodian, EWM receives certain support services or products, from Custodians without cost or at a discount, that assist EWM in monitoring and/or servicing client accounts. These services include but are not limited to investment-related research, pricing information and market data, compliance and/or practice management-related publications, discounted or free consulting services, discounted or free attendance at conferences, meetings, and/or educational or social events, marketing support, computer hardware and/or software and/or other products and services used by, or useful to, EWM in providing investment advisory services to its clients. This is a benefit to EWM because if these additional services were not provided to EWM by the recommended custodians, EWM would need to purchase the same or similar services at its own expense.

EWM receives support service payments from one or more Custodian(s) and additionally EWM participates in back office and support programs sponsored by each of these brokers/custodians. These programs and the services provided, including trading capabilities, are essential to EWM's service arrangements. EWM does not, as a general matter, routinely accept clients who direct EWM to use other broker-dealers/custodians. As part of its participation in these programs, EWM receives benefits that it would not receive if it did not offer investment advice.

- As a result of receiving services described above at a reduced cost (or at no additional cost), EWM has an incentive to continue to use or to expand the use the services of its chosen Custodians. EWM examined this conflict of interest when choosing to enter the relationship with these firms, in addition to the other criteria articulated above regarding the selection of custodians, and determined that each relationship with a recommended custodian is appropriate for its clients and that EWM is able to satisfy its obligations to clients, including its duty to seek best execution, through the use of such recommended custodians.
- Some custodians charge commissions/transaction charges that are higher than another qualified broker/dealer might charge to effect the same transaction. Nevertheless, in connection with evaluating the fees and services offered by its recommended custodians, EWM has determined in good faith that the commissions and other fees charged by each are reasonable in relation to the value of the brokerage and research services received.
- Such services are used to service all of EWM's client accounts. EWM does not seek to allocate services received proportionately to the accounts that generated the support service payment or service.

EWM does not receive client referrals in connection with selecting or recommending a Custodian.

Under normal circumstances, purchase or sale orders of the same security being traded at the same time for more than one discretionary account will be combined by the portfolio manager for the accounts involved. Orders will normally not be combined for transactions involving nondiscretionary accounts.

When purchasing mutual funds for client investments, EWM will use the lowest cost share class available. However, in some cases, a custodian will charge EWM an additional fee if the lowest cost share class is selected, each time a transaction is completed. Where the advisor serves as portfolio manager (instead of EWM serving as portfolio manager),

those transaction fees are passed to the advisor. An advisor has the choice whether to pass the fees along to the client, or to absorb the expense themselves, and this choice is negotiable with the client. When the advisor absorbs the fees, clients should expect that their overall advisory fee will be higher than it otherwise would be in order to compensate for the added expense.

## **Item 13 Review of Accounts**

### Investment Management Services

As part of the client/advisor relationship, a client is expected to meet with their advisor on a regular basis, but no less frequently than annually. When appropriate, reviews will be conducted more frequently through various means, including telephone calls, in-person meetings, overall strategy reviews, and/or the review of monthly and quarterly statements or reports. Reviews are based on objectives and parameters established between the client and advisor, which are generally memorialized through individual advisory agreements, investment policy statements, or other suitability and investment objectives documentation.

Periodic reviews and face-to-face meetings or conference calls may be triggered by events such as client requests, a change in financial goals or objectives, and significant world, economic or market events.

While EWM will typically evaluate the continued suitability of investment management services being provided during account reviews, the administrators of such platforms and programs (which may be EWM, a Custodian, or another third-party) may also perform their own reviews of managers and strategies appearing on the platforms and programs. Any such reviews will be disclosed in the manager's separate disclosure documents sent at account opening, after material changes and/or annually and are maintained by the administrators of applicable platforms and programs.

EWM's supervisory principals perform periodic reviews of client accounts to determine adherence with the client's account suitability, risk tolerance and goals, among other things.

### Financial Planning Services

Financial plans may not be reviewed, depending on the nature of the service, after the plan is delivered (in the case of a written plan), or after the service is provided. Whether or how often a plan will be updated or reviewed will be dependent on the agreement terms. Those reviews will revisit the initial plan and determine if any adjustments need to be made to the objectives. Financial Planning, by its nature, does not require periodic review; it is not an asset management service, – an advisor offers input and advice for different financial objectives without actively managing the account(s).

EWM will use a software tool to assist or generate the financial plan. EWM will verify the assumptions and outputs being generated from the system are appropriate to meet the needs of the client.

## Regular Reports Provided to Clients

EWM will provide investment management clients with regular performance reports, including an account appraisal that will identify some or all the following information: current positions, security cost basis and current market value, and capital contributions and withdrawals from the account. Other report examples include a summary performance analysis report which shows the portfolio rate of return or a realized gain and loss report for tax purposes. These reports are customizable to deliver what EWM or the client deems pertinent. All reports are in addition to custodial statements and transaction confirmations received from the client's custodian; **they in no way replace the custodial statements** (which should always be reviewed by the client). These reports will often be provided electronically or presented in face-to-face meetings.

Additional reporting may also be provided by third-party money managers, depending on the third-party money manager selected. Any such additional reporting will be disclosed in the separate disclosure documents maintained by third-party money managers and the administrators to applicable platforms and programs.

No on-going financial planning reports are provided for financial planning clients unless a financial plan update or additional services are negotiated. EWM will update a plan as needed and when objectives or financial situation change.

Clients participating in EWM's Consulting Services will negotiate a tailored scope of services. Depending on the services that are desired, written reports will be prepared, customized or developed for the client as needed and agreed upon.

## Item 14 Client Referrals and Other Compensation

### Aggregate Compensation Policy

EWM, or its affiliates, receive compensation from third parties in respect of a client account in addition to the investment advisory fee paid to EWM by the Client. Such compensation includes asset-level fees as described in Item 12 above, commissions and other transaction-based fees as described in Item 5 above, and other compensation as more fully described below. Advisory fees and other compensation from third parties for some EWM clients may be higher than those charged by other advisers who provide the same or similar services.

### Economic Benefits Received from Non-Client, Third-Parties for Providing Services to Clients

Please see Item 12 of this Brochure above for further information on services and products EWM receives from non-clients, including the Firm's procedures for addressing conflicts of interest that arise from such practices.

EWM policies prohibit our supervised persons from accepting any form of compensation, including cash, sales awards or other prizes, in conjunction with the advisory services we provide to our clients.

EWM does not currently compensate non-affiliated third parties for investment advisory client referrals.

### Third-party Managers and Alternative Products

Where it does not disadvantage the client on pricing or investment quality, EWM seeks to enter into revenue sharing arrangements with sponsors, managers, underwriters and advisors of certain third-party managed accounts, mutual funds and alternative products (including hedge funds and private equity/debt funds). EWM's receipt of such compensation presents a conflict of interest because it provides an incentive for EWM to invest assets with a particular third-party manager or fund in order to generate additional income for EWM. EWM has adopted policies and procedures for the purpose of mitigating this conflict, including its policy to seek the lowest available fee class for which a Client is eligible, as discussed more fully in Item 12 above.

### Event Sponsorship

Periodically EWM holds meetings or industry conferences which may be firm-only or include external attendees. These meetings provide sponsorship opportunities for our vendors and other third-party providers. Sponsorship fees allow these companies access to our Advisors and employees to discuss ideas, products or services. Such meetings are valuable for EWM and its Advisors to better understand current market, financial and regulatory conditions as well as specific features, risks and potential benefits associated with the products offered by the sponsor of the meetings.

Sponsorship fees from vendors and other third-party providers go to assist in the payment of the meeting or future meetings. This creates a conflict of interest, as EWM has an incentive to refer business to vendors due to their attendance and sponsorship. EWM attempts to mitigate the conflict by having the fees go towards only offsetting the costs of such meetings and not be retained for other purposes. Sponsorship fees are not dependent on assets placed with any specific provider, or the revenue generated by asset placement.

## Item 15 Custody

EWM is deemed to have custody of client funds in accordance of Adviser Act Rule 206(4)-2, due to its ability to calculate and directly debit client accounts for investment advisory fees. Clients receive quarterly statements from a qualified custodian indicating the amount of such fees. Clients should carefully review their statements from their custodian. Additionally, clients are urged to compare any reports received from EWM against the official statements received from the Custodian.

## Item 16 Investment Discretion

For most clients, EWM is contractually given investment discretionary authority (i.e. authority to act without first obtaining specific client consent to each investment transaction) to determine the securities to be bought or sold, and the amount and timing of the securities to be bought or sold. This discretionary authority also allows EWM to determine the right investment approach to be used for client account(s) through its investment management services. The discretionary authority is granted by the client through execution of the investment management agreement, and through the grant of investment POA in the custodial account documents.

Clients may impose reasonable restrictions on this authority, (i.e., no defense stocks, no tobacco, etc.). All such restrictions must be documented in writing. Clients may modify the imposed restrictions by providing the change to EWM in writing. EWM reserves the right to refuse to open an account or to terminate an account if it is believed, in EWM's sole opinion, that the restrictions placed are excessive and would limit its abilities to manage the account effectively and prudently. Clients should also understand that the imposition of portfolio restrictions is likely to affect performance of the investment portfolio(s), either positively or negatively depending on the performance of the non-restricted components.

## Item 17 Voting Client Securities

EWM does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the issuer of the security or the Custodian. Clients should direct all proxy questions to the issuer of the security. In some instances, the Client will be able to delegate proxy voting authority to the third-party money manager.

## Item 18 Financial Information

EWM does not foresee any financial condition that would impair our ability to meet contractual commitments to clients.

## Item 19 Requirements for State-Registered Advisers

Not applicable; EWM is registered at the federal level with the SEC as an Investment Adviser, and makes appropriate notice filings to various states as required. Please note that references to EWM as being "registered" is not intended to reflect that the firm or its representatives have special skills or training; it is used only to reflect the status of the firm with respect to Section 203 of the Investment Advisers Act of 1940.