

Item 1: Cover Page

Motley Fool Wealth Management, LLC

2000 Duke Street, Suite 175
Alexandria, Virginia 22314
(844) 408-4390
<http://www.foolwealth.com>
help@foolwealth.com

FORM ADV PART 2A

FIRM BROCHURE December 23, 2020

This brochure provides information about the qualifications and business practices of Motley Fool Wealth Management, LLC. (“MFWM”) a registered investment adviser. **Registration does not imply a certain level of skill or training but only indicates that MFWM has registered its business with state and federal regulatory authorities, including the United States Securities and Exchange Commission (our SEC number is 801-77616).** 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. If you have any questions about the contents of this brochure, please contact us by email at help@foolwealth.com.

Item 2

Material Changes

This amendment to the Motley Fool Wealth Management, LLC (“MFWM”, “us”, “we”, or “our”) Brochure is dated December 23, 2020 and replaces the brochure, which was filed December 17, 2019. Items 4, 5, 7, 8, 10, 11, 13 and 14 have been revised or updated to reflect the following material changes:

- Clients that invest less than \$500,000 in our separately managed accounts or “*Personal Portfolio*” program do not have access to a financial planner. While these clients may open a *Personal Portfolio* account(s), they may not have access to all MFWM’s model portfolio strategies. Certain model portfolio strategies employ investment techniques and utilize financial instruments that require higher investment minimums. The investment minimum for a *Personal Portfolio* account is \$15,000.

Clients investing less than \$500,000 in our *Personal Portfolio* program but who have combined investable assets of \$500,000 or more are encouraged to schedule time with a MFWM financial planner to discuss how our *Personal Portfolios* fit into their overall portfolio. Clients investing \$500,000 or more in our *Personal Portfolio* program may elect to speak with a MFWM financial planner, who will provide financial review and counseling services in connection with their *Personal Portfolio*. Clients investing \$1,000,000 or more in our *Personal Portfolio* program are eligible for MFWM’s financial planning services.

All of a client’s *Personal Portfolio* accounts and all eligible accounts in a client’s household (generally in a family member’s name) will be aggregated for purposes of determining eligibility for planning assistance with *Personal Portfolio* construction and access to our financial planning services. In addition, for purposes of eligibility for financial planning services, clients that have at least \$100,000 of assets invested in our *Personal Portfolio* program are permitted to count (towards the \$1,000,000 minimum assets under management requirement) their investments in products and services offered by certain of our affiliated investment advisory entities (“Affiliated Products”). Clients are also permitted to aggregate the assets of certain members of their household that are invested in Affiliated Products. Eligibility for account aggregation with respect to financial review, counseling, and financial planning services will be determined in the same manner that we determine eligibility for fee breakpoints. One important difference, however, is that clients are permitted to combine stock-based and index-based *Personal Portfolio* accounts for determining eligibility for financial review, counseling and financial planning services (but not fee breakpoints).

Notwithstanding a client’s ability to aggregate *Personal Portfolios* and Affiliated Products (as described above), financial planning services are generally limited to

one client per household. Clients are responsible for notifying us of their eligibility to aggregate *Personal Portfolio* and Affiliated Product assets.

Financial review, counseling and planning services are provided on a complementary basis to those clients that qualify (as described above).

- MFWM no longer separately offers financial planning services for an additional fee. These services are provided on a complementary basis to clients with \$1,000,000 or more invested in our *Personal Portfolio* program. Similarly, MFWM no longer separately offers its financial counseling services on a retainer basis. Only clients investing \$500,000 or more in our *Personal Portfolio* program have access to these services, which are only provided in connection with their *Personal Portfolio* account(s).
- Risks Disclosure in Item 8 has been enhanced to describe risks associated with the COVID 19 pandemic, along with risks associated with climate change.
- From time to time, MFWM could offer compensation to current clients who recommend MFWM's services. In addition, MFWM may enter into agreements to pay third parties to solicit and/or refer prospective clients who may need or find value in the investment services provided by MFWM.
- Clients that have access to our counselling services may request that MFWM invest deposited funds on a monthly basis over a period of time ("Dollar Cost Averaging"). Funds that are deposited but marked for Dollar Cost Averaging will be held in cash in the client's account pending investment. Clients must specify the overall amount they wish to Dollar Cost Average and the amount to be invested each month.
- As of November 30, 2020, MFWM had \$2,237,972,890 under management.

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Item 4 **Advisory Business:**

A. The Firm - Motley Fool Wealth Management, LLC

Motley Fool Wealth Management, LLC (“MFWM”, “us”, “we”, or “our”) is an investment adviser registered with the United States Securities and Exchange Commission since February 12, 2013.

MFWM is a wholly-owned subsidiary of Motley Fool Investment Management LLC (“MFIM”). In turn, MFIM is wholly-owned by The Motley Fool Holdings Inc. (“TMF Holdings”). MFWM has two indirect owners, David H. Gardner and Thomas M. Gardner, who each own 30% or more of TMF Holdings.

B. Advisory Services Offered

MFWM provides nondiscretionary advice and discretionary account management services. Our nondiscretionary advice consists of: (i) financial review and counseling services for clients investing \$500,000 or more in our separately managed account or “*Personal Portfolio*” program (“Counseling Services”); and (ii) financial planning services for Clients with \$1,000,000 or more invested in our *Personal Portfolio* program (“Financial Planning Services,” and together with our Counseling Services, our “Planner Services”). MFWM’s discretionary management services are delivered exclusively through our *Personal Portfolio* program.

Our Planner Services and *Personal Portfolio* asset allocations are based upon Clients’ responses to an online questionnaire regarding their financial and portfolio information, risk tolerance levels, time to retirement, need to access assets, and the Client’s plans to add funds to or withdraw funds from their *Personal Portfolio* account(s) (the “Profile”). Our Planner Services also incorporate additional information we receive from Clients, through their interaction with a financial planner, regarding their personal financial situation. With respect to MFWM’s *Personal Portfolio* program, our proposed asset allocations for Clients investing \$500,000 or more may be adjusted as part of our Counseling Services.

Clients investing less than \$500,000 in our *Personal Portfolio* program but who have combined investable assets of \$500,000 or more are encouraged to schedule time with a MFWM financial planner to discuss how our *Personal Portfolios* fit into their overall portfolio.

Our Planner Services and *Personal Portfolios* are provided to Clients pursuant to an Investment Advisory Agreement, which permits either the Client or MFWM to terminate the agreement with notice. We do not separately charge eligible Clients for our Planner Services.

1. Planner Services

MFWM’s Planner Services are based upon the Client’s personal situation and goals, as communicated to MFWM through the Profile and any information provided by the Client in emails, telephone calls or face-to-face meetings. **Since these services rely heavily on the**

information provided to us by the Client, if the Client provides inaccurate or incomplete information at any point, MFWM's advice may not be fully tailored to that Client's needs.

a. Counseling Services. Clients that have invested \$500,000 or more in our *Personal Portfolios* are eligible to receive financial review and counseling services, which include one or more of the following:

- Meetings and consultations with a financial planner;
- Reviewing the Client's online questionnaire inputs and advising on possible changes;
- Assisting the Client in determining which Model Portfolios (as defined below) in MFWM's *Personal Portfolio* program to follow and providing related asset allocation advice, taking into consideration, among other things, Client portfolio holdings that are not currently under our management;
- Answering specific questions that a Client may have about financial goals and circumstances, including meeting retirement goals and the suitability of current investments; and/or
- Counseling on tax efficiency and general tax considerations.

Counseling Services are generally ancillary services provided in connection with our *Personal Portfolio* program and are offered free of charge. We may also offer Counseling Services (free of charge) to Clients that are evaluating investments in Private Funds (as defined below) sponsored and managed by affiliated advisory entities, even though these Clients may not meet the \$500,000 *Personal Portfolio* investment minimum. Please see Item 11.B. below for a discussion of the conflicts of interest associated with Counseling Services provided in connection with affiliated Private Funds.

Consultations are generally conducted via telephone or email, but a Client may also request to meet with MFWM in-person. Face-to-face meetings are by appointment.

b. Financial Planning Services. Clients that have invested \$1,000,000 or more in our *Personal Portfolio* program are eligible to receive complimentary financial planning services. For purposes of eligibility, Clients that have at least \$100,000 invested in our *Personal Portfolio* program are also permitted to count (towards the \$1,000,000 minimum) their investments in products and services offered by certain of our affiliated investment advisory entities ("Affiliated Products").

"Affiliated Products" include funds managed by 1623 Capital LLC, Motley Fool Ventures Management LLC and Lakehouse Capital Pty Ltd. Mutual funds and exchange-traded funds ("ETF") managed by Motley Fool Asset Management (or "MFAM") and publication products and services offered by The Motley Fool (or any other publishing, non-regulated affiliate) are excluded from the definition of "Affiliated Products" and, therefore, are not counted for purposes of Financial Planning Services eligibility. Clients that qualify for our Financial Planning Services will continue to have access to these services even if they cease to be an investor in or client of an Affiliated Product.

If an adult member of the Client's household (as described below under Item 5.A.1.) is an investor in or client of an Affiliated Product, their assets will be aggregated for purposes of determining eligibility for our Financial Planning Services; however, Financial Planning Services are limited to one Client per household (unless, of course, each Client separately qualifies without the need for aggregation). **Clients that are investors in or clients of Affiliated Products (or have an eligible member of their household who is an Affiliated Product investor or client) are responsible for notifying us of their eligibility, which can be done by emailing support@foolwealth.com, speaking with a financial planner or other customer services representative.**

Financial Planning Services include one or more of the following nondiscretionary services:

- Retirement savings and income planning;
- Investment planning;
- Estate planning;
- Tax planning;
- Risk management and insurance planning; and
- Education planning.

Each Client that is eligible for Financial Planning Services is paired with a financial planner, who is available for regular consultations. Consultations primarily take place via telephone, but video chat or in-person visits to MFWM's offices may also be accommodated. Client may also elect to receive a detailed financial plan.

2. Discretionary Account Management

- a. Model Portfolios & Asset Allocation. MFWM's *Personal Portfolio* Program or "Program" enables Clients to own individually tailored portfolios that employ a mix of strategies and asset classes (the "Model Portfolios"). Each Model Portfolio focuses on a particular investment strategy (such as long term buy and hold), type of security (such as growth stocks) or asset class (such as international equities). The Model Portfolios represent different investing strategies and asset classes that allow Clients to hold balanced and diverse portfolios through various stages in their lives. Rather than choosing a portfolio comprised primarily of our traditional stock-based Model Portfolios, Clients may elect a portfolio comprised exclusively of ETFs. We refer to our Model Portfolios that exclusively utilize ETFs as "Index-Based Model Portfolios." **Currently, MFWM does not offer clients blended portfolios consisting of both Index-Based Model Portfolios and stock-based Model Portfolios (except that this limitation does not apply to Fixed Income Model Portfolios, which are ETF-based and can be utilized in most Client portfolios).** Unless we make an explicit exception below, all references to "Model Portfolios" in this Brochure include Stock-Based and Index-Based Model Portfolios. MFWM may on

occasion modify, revise or discontinue Model Portfolios when it feels it is in the best interests of our Clients.

Using a Client's Profile, MFWM will recommend (for each account) an allocation of assets across Stock-Based Model Portfolios or, based on a Client's election, Index-Based Model Portfolios (the "Allocated Approach"). The exact allocations will be based on the Client's risk tolerances, needs and goals. As part of our Counseling Services available to Clients investing \$500,000 or more in our *Personal Portfolio* Program, proposed allocations for Clients may be adjusted.

A Client may choose to reject MFWM's Allocated Approach. Instead, a Client may choose an account following one Model Portfolio, with an optional allocation to the Fixed Income Model Portfolio (for ease of reference, these account structures, which may or may not have an allocation to Fixed Income, are referred to as "Single Strategy Accounts"). Not all the Model Portfolios are made available in Single Strategy Accounts. Generally, a Client cannot create a Single Strategy Account following an Index-Based Model Portfolio. Clients may also choose to adjust the allocations within our Allocated Approach, but generally will not be able to remove a Model Portfolio entirely from the Allocated Approach unless the Client chooses a Single Strategy Account (subject to the restriction discussed above with respect to Index-Based Model Portfolios in Single Strategy Accounts).

For temporary defensive purposes in times of adverse or unstable market, economic or political conditions, or if MFWM does not believe, in its exclusive investment discretion, that there are suitable investments for the Model Portfolios at that time, a portion of a Client's account may consist of un-invested cash. In addition, the various short strategies utilized by our Hedged Equity Model Portfolio may generate cash. Although permitted to do so at the portfolio manager's discretion, MFWM generally does not create leverage in Client Accounts by reinvesting the cash proceeds of short sales and, as a consequence, Clients may see a cash balance in their Account after MFWM executes a short sale. The cash balances associated with short sales that are not reinvested act as collateral for the short position, and Clients do not earn interest on it.

Depending on the account size and Model Portfolio strategies, amounts of un-invested cash may be significant. Holding significant amounts of cash may be inconsistent with the account's investment strategies, and the account might not achieve its investment objective.

- b. Basis of Advice. MFWM performs its own research by obtaining information from a wide variety of sources, including research prepared and distributed by its affiliates as part of investment newsletter services ("Affiliated Research"). AFFILIATED RESEARCH DOES NOT REPRESENT THE SOLE BASIS OF MFWM'S ADVICE, AND ALL INVESTMENT DECISIONS FOR CLIENT ACCOUNTS ARE MADE INDEPENDENTLY BY THE PORTFOLIO MANAGERS AT MFWM. ACCORDINGLY, MODEL PORTFOLIOS AND CLIENT ACCOUNTS MAY DIVERGE COMPLETELY FROM OUR AFFILIATES' STRATEGIES AND RECOMMENDATIONS.

Selection of individual securities is not personally tailored for Client accounts. Rather, the individual securities purchased and sold for Client accounts are based upon and track the holdings in the Model Portfolio.

- c. Account Monitoring, Rebalancing & Advice Updates. MFWM periodically reviews its asset allocation advice. As part of its annual rebalancing program, we may, in our sole discretion, modify allocations to Model Portfolios within a Client's Account to reflect, among other things, the need for reduced market risks, lower portfolio volatility, or for other reasons that MFWM believes are in a Client's best interest. While adjustments to allocations during rebalancing may result in the addition and/or removal of Model Portfolios from a Client's account, MFWM will only adjust a Client's allocation within the constraints of their current risk score or objective. For example, a moderate portfolio may be reallocated based on our capital market expectations, but will remain a moderate portfolio. Clients will receive advance notice (typically via email) of allocation changes five to ten business days prior to rebalancing. Clients that do not wish to participate in the MFWM's rebalancing program may opt-out at any time. **Unless initiated by the Client (through a Profile update as described below or otherwise), we do not periodically monitor and adjust Client allocations beyond our annual rebalancing program.**

In order to further ensure that our advice remains properly tailored, Clients are encouraged to promptly update their Profile should any information change with respect to their risk tolerance, needs or goals. MFWM will annually seek Client confirmation that the information in their Profile remains accurate.

- d. Discretionary Authority & Fiduciary Status. MFWM has a fiduciary duty that requires us to act in the best interests of Clients and to place the interests of Clients before ours own. MFWM acts as the Program's sponsor and manages the accounts for Clients on a discretionary basis, meaning that Clients have granted MFWM full and exclusive authority to manage their accounts in accordance with MFWM's asset allocation and securities selection determinations (including deviations from original allocations associated with MFWM's rebalancing program as described above) and the chosen Model Portfolios.

With respect to Retirement Accounts (defined below), MFWM reasonably expects to provide services as a "fiduciary" (as that term is defined in Section 3(21)(A) of Employee Retirement Income Security Act of 1974 ("ERISA") and/or Section 4975 of the Internal Revenue Code (the "Code"), and MFWM will act in a manner consistent with the requirements of a fiduciary under ERISA and the Code. For purposes of this Brochure, the term "Retirement Account" covers: (i) "employee benefits plans" (as defined under Section 3(3) of ERISA), which include pension, profit sharing or welfare plans sponsored by private employers; and (ii) individual retirement accounts ("IRAs") (as defined in Section 4975 of the Code).

- e. Brokerage, Trading & Custody. Brokerage and custody services for the Program are provided exclusively by Interactive Brokers, LLC ("IB").

When a *Personal Portfolio* account is funded with securities (via an Automated Customer Account Transfer Service or “ACATS”) or the Client moves an existing IB account to our *Personal Portfolio* Program, MFWM generally refrains (unless instructed otherwise by the Client), from trading securities in a Client’s *Personal Portfolio* account until the Client transfers or deposits at least 95% of the amount he or she has indicated in their account application (the “Anticipated Funding Amount”). This delay in trading is intended to minimize the transaction and tax costs associated with configuring a Client’s *Personal Portfolio* account to our Model Portfolios. If a Client transfers an existing portfolio into their *Personal Portfolio* account, MFWM will sell the holdings that are not part of the Model Portfolios being followed by the Client and the proceeds will be reallocated accordingly. Similarly, MFWM may add to or reduce the size of transferred positions to align the weightings of those positions to the weightings in our Model Portfolios.

Upon receiving the required percentage of the Anticipated Funding Amount (and assuming that the account has been properly configured by the Client for trading at IB), MFWM will generally begin placing trades for that Client account within five (5) business days.

After this initial investment period, additional investments are subject to a \$500 minimum. Additional investment amounts will be invested weekly according to MFWM’s cash sweep schedule. **As such, these additional amounts may remain un-invested (in cash) for a period of up to five (5) business days.** Clients desiring to have additional amounts invested prior to MFWM’s cash sweep schedule may contact MFWM to request expedited investment.

Clients that have access to our Counselling Services may request that MFWM invest deposited funds on a monthly basis over a period of time (“Dollar Cost Averaging”). Funds that are deposited but marked for Dollar Cost Averaging will be held in cash in the Client’s account pending investment. Clients must specify the overall amount they wish to Dollar Cost Average and the amount to be invested each month. If a Client deposits more or less than initially specified, Dollar Cost Averaging will continue at the specified monthly amount until all funds are invested. During the time that a Client’s account is subject to Dollar Cost Averaging, no additional investment amounts will be invested in the weekly cash sweep (as described above). **In addition, MFWM’s management fee will accrue and be payable with respect to cash balances held in a Client’s account pending investment pursuant to the Dollar Cost Averaging program. Clients will not earn interest on those cash balances.**

C. Tailored Advice and Investment Restrictions

1. Planner Services

Our Planner Services include general asset allocation advice and, with respect to Financial Planning Services, guidance on goal modeling and other financial-related matters such as retirement, estate, tax, education and risk management and insurance planning. Our advice is based on the information conveyed to us by the Client. **We do not, and cannot, verify that**

such information is accurate or complete. It is the Clients' responsibility to update their information if their situations change.

2. *Personal Portfolio Program*

Using the Profile, MFWM will generate a proposed asset allocation across the Model Portfolios, along with the appropriate investment minimums associated with each account. Proposed allocations for Clients investing \$500,000 or more in our *Personal Portfolios* may be adjusted as part of our Counseling Services.

A Client may disagree with the proposed allocation and open an account by first acknowledging receipt of such advice and willingness to nonetheless participate in the Program with revised, Client-directed allocations and/or open a Single Strategy Account.

A Client may impose reasonable restrictions on the management of his or her account at any time. The Client must communicate such restriction(s) to a member of MFWM's planning or client-services team. The MFWM representative will communicate the restriction to IB, but the processing of such restrictions can take two to four business days. Consequently, there could be a delay between when a restriction is entered and when it is implemented, resulting in trades made on a Client's behalf. In the event a Client requests that we restrict a security that is currently held in his or her account, MFWM will refrain from all trading activity in that security. We will not sell any shares that have subsequently been placed on restriction. **In addition, if a Client is paying an asset-based fee for access to the Program, the fee will continue to accrue and be payable with respect to assets restricted by the Client. For this reason and potential operational issues, MFWM encourages Clients to transfer restricted assets out of their account at IB.**

MFWM reserves the right to decline or cease management of an account if it deems a Client's restrictions to be unreasonable.

WITH RESPECT TO ALL THE ADVISORY SERVICES WE OFFER, MFWM DOES NOT GUARANTEE OR ENSURE THE SUCCESS OF ANY FINANCIAL PLAN OR INVESTMENT. ALTHOUGH WE TAKE POSSIBLE TAX CONSEQUENCES INTO CONSIDERATION WHEN PROVIDING OUR NONDISCRETIONARY ADVICE, MFWM DOES NOT PROVIDE LEGAL OR TAX ADVICE. CLIENTS WHO NEED SUCH ADVICE SHOULD CONSULT LEGAL AND TAX PROFESSIONALS.

D. Wrap Fee Programs

Not applicable.

E. Assets Under Management

As of November 30, 2020, MFWM had \$2,237,972,890 under management.

Item 5 Fees and Compensation:

A. MFWM Compensation for Advisory Services

1. Discretionary Management

Clients pay an annual asset-based fee (the “Asset-Based Fee”) that is calculated as a percentage of the market value of the assets in the Client’s accounts. The Asset-Based Fees paid to MFWM vary based on the type of strategy and offering made available to the Client.

- a. Stock-Based Portfolios. The calculation of the Asset-Based Fee for our stock-based portfolios is detailed in the chart below.

Client’s Aggregate Assets	Annual Fee
First \$1,000,000	0.95% of aggregate assets
Amounts over \$1,000,000	0.75% of aggregate assets

- b. Index-Based Portfolios. The calculation of the Asset-Based Fee for our index-based portfolios is detailed in the chart below.

Client’s Aggregate Assets	Annual Fee
First \$1,000,000	0.40% of aggregate assets
Amounts over \$1,000,000	0.30% of aggregate assets

From time to time, and under agreed upon specific situations (which may involve investment strategy, account servicing requirements and other material aspects of a Client’s overall relationship with MFWM and its affiliates), MFWM may agree to a lower Asset-Based Fee. MFWM may change its fee rate (or introduce new fee structures) for new Clients from time to time, and MFWM is under no obligation to adjust existing Client fees and/or provide refunds.

The accounts that are eligible to be combined for breakpoint purposes (“Aggregate Assets”) are those accounts in the name of the Client or accounts having the same address as the Client. If an account is in the name of an adult member of the Client’s household, that individual generally must be: (1) the Client’s spouse; (2) the Client’s parents, grandparents and great-grandparents; (3) the Client’s children, grandchildren, greatgrandchildren and their spouses; (4) the Client’s siblings and their spouses; and (5) an individual whose relationship to the Client, while not listed in the foregoing, is similar to one of the enumerated relationships. The adjusted Asset-Based Fee will be applied to all combined accounts. **Clients are responsible**

for notifying MFWM of their eligibility for breakpoints or “household” billing, which can be done by emailing support@foolwealth.com, speaking with a financial planner or other customer services representative. Clients are not permitted to combine stock-based and index-based accounts for purposes of calculating breakpoints. Also, to avoid any doubt, Clients are not permitted to aggregate the assets that they, or any adult member of their household, have invested in Affiliated Products (as defined in Item 4.B.2.b above) for breakpoint purposes.

Clients paying an Asset-Based Fee agree to allow IB to deduct the applicable fee directly from the Client’s account. Fees are calculated and accrued daily (based on the daily closing balances of Client accounts). MFWM charges the Asset-Based Fee in the subsequent calendar month, which is debited directly from Client accounts.

The Asset-Based Fee will begin accruing on the day the Client’s account begins trading. With respect to Clients converting from a flat advisory fee to an Asset-Based Fee, the Asset-Based Fee begins accruing on the latter of: (i) the day after the Client’s flat advisory fee term expires and (ii) the date on which the Client accepts the Asset-Based Fee disclosures through IB’s portal.

The Asset-Based Fee will accrue and be payable with respect to all assets included in *Personal Portfolio* accounts, even those restricted by a Client.

2. Fee Disclosure for Retirement Accounts

In accordance with applicable law, MFWM is required to provide certain information regarding our services and compensation to assist fiduciaries and plan sponsors of those Retirement Accounts that are subject to the requirements of ERISA in assessing the reasonableness of their plan’s contracts or arrangements with MFWM, including the reasonableness of MFWM’s compensation. This information (the services provided as well as the fees) is provided to Retirement Account Clients at the outset of the advisory relationship and is set forth in this Brochure and in the Client Investment Advisory Agreement (including any fee table and other exhibits, and then at least annually to the extent that there are changes to any investment-related disclosures for services provided as a fiduciary under ERISA).

3. Fees for Planner Services

- a. Counseling Services. Clients investing \$500,000 or more in our *Personal Portfolio* Program are eligible to receive Counseling Services free of charge. Counseling Services are ancillary services provided in connection with investments in our *Personal Portfolio* Program and are not independently offered for a separate fee.
- b. Financial Planning Services. Clients with \$1,000,000 or more invested in our *Personal Portfolio* Program are eligible to receive complimentary financial planning services. MFWM does not offer Financial Planning Services as a stand-alone service for a separate fee.

- c. Eligibility. Eligibility for Planner Services is determined based on Aggregate Assets as described above with respect to fee breakpoints. One important difference, however, is that Clients are permitted to combine stock-based and index-based accounts for purposes of calculating eligibility for Planner Services (but not fee breakpoints). Also, Financial Planning Services are generally limited to one Client per household.

MFWM reserves the right to waive the above investment minimums with respect to Planner Services, and in so doing, we may consider, among other things, a Client's overall relationship with MFWM and its affiliates.

B. Underlying Fund Fees & Expenses

Certain Model Portfolios in MFWM's *Personal Portfolio* Program utilize ETFs that are subject to fees and expenses that are passed along to the Client. Index-Based Model Portfolios that exclusively utilize ETFs will have higher fund-related fees and expenses. In addition, stock-based portfolios that include allocations to the International, Fixed Income and Hedged Equity Model Portfolios will have higher fund-related fees and expenses. The fund-related fees and expenses associated with Client accounts utilizing these Model Portfolios may be significant, and could range from 0.10 to 0.15% of assets under management.

C. Other Fees

MFWM does not offer any brokerage or custodian services. Clients bear any custodian, brokerage, insurance, mutual fund, ETF, and other fees related to transactions they choose to execute after receiving any nondiscretionary advice from MFWM.

Clients participating in the *Personal Portfolio* Program must open an IB account, or move their existing IB account into the Program. Clients will pay IB's transaction fees, account fees and other miscellaneous charges.

D. Compensation for the Sale of Securities

MFWM and its personnel do not accept compensation for the sale of securities or other investment products.

Item 6 Performance-Based Fees and Side-by-Side Management:

MFWM does not charge performance-based fees.

Item 7 Types of Clients & Account Minimums:

Our Clients may include individual investors, trusts, business entities (such as limited partnerships, limited liability companies and corporations), pension and profit sharing plans, plan participants, charitable organizations and other entities. Pursuant to our Investment Advisory Agreement, Clients must consent to receiving all notices and information about MFWM's services electronically, including amendments to the Investment Advisory Agreement.

To participate in the *Personal Portfolio* Program, a Client must have an IB account. MFWM will establish the minimum investment amount for each Client account, which is determined by: (i) the recommended Allocation Approach; and (ii) applicable Model Portfolio holdings and strategies. Account minimums start at \$15,000. Model Portfolios following more sophisticated strategies may require higher minimums.

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

A. Methods of Analysis and Investment Strategies

1. Financial Plans

Eligible Clients utilizing MFWM's Financial Planning Services may elect to receive a report that may include, depending on the scope of services, one or more of the following: (a) risk management assessments, (b) retirement sufficiency calculations, (c) investment reviews, (d) estate and tax planning, and (e) educational planning. The main source of information used by MFWM advisors in preparing the plan is the information provided by the Client. We may also use third party financial planning software to help create financial plans and answer specific financial planning questions.

2. Personal Portfolio Program

Several of our Model Portfolios share the same investment philosophies as certain real money portfolio services published by our affiliate, The Motley Fool, LLC ("TMF"). However, MFWM's Model Portfolios do not attempt to track these (or any) TMF services and, as such, Model Portfolios and Client accounts may diverge completely from TMF's services. Each of these Model Portfolios embody a specific strategy or area of focus. They are as follows:

- Long term buy and hold
- Growth investing
- Stable income (dividends)
- Hedged equity investing and equity substitutes
- Domestic stocks
- Domestic small/mid-cap stocks
- International stocks and Depositary Receipts (such as ADRs)
- Fixed income

Clients may also own portfolios consisting exclusively of Index-Based Model Portfolios. Index-Based Model Portfolios focuses on the following asset classes:

- Domestic large-cap stocks
- Domestic mid-cap stocks
- Domestic small-cap stocks
- International developed market stocks
- International emerging market stocks
- REITS
- Domestic bonds
- Treasury Inflation Protected Securities (TIPS)
- Municipal bonds

Using the Allocated Approach, MFWM will invest a Client's assets across the Model Portfolios to match the Client's risk profile, financial needs and goals. Currently, MFWM does not offer Clients blended portfolios consisting of both Index-Based Model Portfolios and stock-based Model Portfolios.

B. Risk of Loss

All investments, include government debt, involve risk. MFWM does not guarantee the results of any of its advice or account management. Significant losses can occur from investing in securities, or by following any investment strategy, including those recommended or applied by MFWM. The financial markets may change, sometimes rapidly and unpredictably, and Clients (or MFWM acting on behalf of Clients) may not have the ability to avoid or prevent losses.

Clients participating in the *Personal Portfolio* Program should also be aware that their individual account results may not exactly match the performance of the Model Portfolios. Such variance is due to a number of factors, including without limitation differences in trade prices, transaction fees, market activity, any restrictions they have imposed on their accounts, and the amount and the timing of deposits or withdrawals a Client makes to an account.

If a Client transfers an existing portfolio into their account, MFWM will sell the holdings that are not part of the Model Portfolios being followed by the Client and the proceeds will be reallocated accordingly. Similarly, MFWM may at times be required to sell or reduce positions in Client accounts in order to maintain allocations that are similar to those of the Model Portfolios. **These transactions may generate unwanted tax consequences. Clients should consult with their personal tax advisors regarding the possible consequences of MFWM's recommendations and security trades.**

C. Asset Allocation Risk

MFWM allocates its Clients' assets across one or more Model Portfolios, each of which embody a specific strategy or area of focus. As a result, Client assets are generally invested in a combination of strategies and securities. Whether Clients achieve their investment objective depends largely upon MFWM selecting the best mix of strategies and investments. There is the risk that the MFWM's evaluations and assumptions regarding its Allocated Approach may be incorrect, and the performance of a Client's account may be adversely affected by MFWM's asset allocation decisions. Client accounts more heavily invested in stocks may make it more difficult to preserve principal during periods of stock market volatility.

D. Model Portfolio Risk

A Model Portfolio's use of a particular investment style might not be successful when that style is out of favor. Furthermore, any imperfections, limitations, or inaccuracies in Model Portfolios could affect the viability of the Model Portfolio, and the data and research used to manage the Model Portfolios may be inaccurate and/or may not include the most current information available.

E. Operational & Trading Risk

Operational risk, such as breakdowns or malfunctioning of essential systems and controls can impact our ability to perform key functions, including managing Client accounts. Personnel and organizational changes can materially affect such risks.

Similarly, disruptions in the electronic trading and other systems at IB (resulting from system upgrades or other reasons) and troubles at the exchanges through which orders are executed (resulting from, among other things, extreme market volatility) could interrupt trading and availability of timely execution could diminish substantially. If this occurs during periods of volatility, substantial losses may be incurred.

F. Market Risk

General market and economic factors may adversely affect securities markets generally and could, in turn, adversely affect the value of Model Portfolio investments in stocks, regardless of the performance or expected performance of companies in which we invest. Periods of unusually high financial market volatility and restrictive credit conditions, at times limited to a particular sector or geographic area, have occurred in the past and may be expected to recur in the future.

Some countries, including the United States, have adopted or have signaled protectionist trade measures, relaxation of the financial industry regulations that followed the financial crisis, and/or reductions to corporate taxes. The scope of these policy changes is still developing, but the equity and debt markets may react strongly to expectations of change, which could increase volatility, particularly if a resulting policy runs counter to the market's expectations. The outcome of such changes cannot be foreseen at the present time. In addition, geopolitical and other risks, including

environmental (e.g., climate change) and public health risks, may add to instability in the world economy and markets generally.

As a result of increasingly interconnected global economies and financial markets, the value and liquidity of a Model Portfolio's investments may be negatively affected by events impacting a country or region, regardless of whether the Model Portfolio invests in issuers located in or with significant exposure to such country or region.

A recent outbreak of respiratory disease caused by a novel coronavirus was first detected in China in December 2019 and has spread internationally. The outbreak has resulted in closing borders and quarantines, enhanced health screenings, cancellations, disrupted supply chains and customer activity, and has produced general concern and uncertainty. The impact of this coronavirus, and other epidemics and pandemics that may arise in the future, could affect national and global economies, individual companies and the market in general in a manner that cannot be foreseen at the present time. Health crises caused by the recent outbreak may heighten other pre-existing political, social and economic risks in a country or region. In the event of a pandemic or an outbreak, there can be no assurance that the Model Portfolios and their service providers (including MFWM and IB) will be able to maintain normal business operations for an extended period of time or will not lose the services of key personnel on a temporary or long-term basis due to illness or other reasons. The full impacts of a pandemic or disease outbreaks are unknown, resulting in a high degree of uncertainty for potentially extended periods of time.

G. Climate Change Risk

Climate change and regulations intended to control its impact may affect the value of Model Portfolio investments. Our current evaluation is that the near-term effects of climate change and climate change regulation on Model Portfolio investments are not material, but we cannot predict the long-term impacts on Model Portfolio investments from climate change or related regulations. The ongoing political focus on climate change has resulted in various treaties, laws and regulations which are intended to limit carbon emissions. MFWM believes these laws being enacted or proposed may cause energy costs at properties owned by the real estate investment trusts ("REITs") or other real estate companies in which the Model Portfolios may invest to increase. MFWM does not expect the direct impact of such risks to be material to the value of our investments. However, there can be no assurance that climate change will not have a material adverse effect on Model Portfolio investments.

H. Equity Risk

1. Equity Risk in General. The stock of any company may not perform as well as expected, and may lose value, because of factors related to the company, including adverse developments regarding the company's business, poor management decisions, or changes in the company's industry or popularity of its goods and services. In the event a company becomes insolvent, stock holders will generally have lowest priority among owners of that company's obligations as to the distribution of the company's assets. Stocks may also be affected by general market

and economic factors, even when their companies' respective business fundamentals are unchanged.

2. Small and Mid—Capitalization Companies. The securities of smaller companies may involve greater risks than do those of larger, more established companies, because the small companies may, for example, lack the management experience, financial resources, product diversification and competitive strength of larger companies, and their trading may be more volatile.
3. Foreign and Emerging Market Investments. Investing in securities of foreign companies involves risks generally not associated with investments in the securities of U.S. companies, including the risks associated with fluctuations in foreign currency exchange rates, unreliable and untimely information about issuers, and political and economic instability. Investing in emerging market countries involves risks in addition to and greater than those generally associated with investing in more developed foreign markets. In many less-developed markets, there is less governmental supervision and regulation of business and industry practices, stock exchanges, brokers, and listed companies than there is in more developed markets. The securities markets of certain countries in which MFWM may recommend investment may also be smaller, less liquid, and subject to greater price volatility than those of more developed markets.
4. Depository Receipt Risk. American Depositary Receipts (“ADRs”) are typically trust receipts issued by a U.S. bank or trust company that evidence an indirect interest in underlying securities issued by a foreign entity. Global Depositary Receipts (“GDRs”), European Depositary Receipts (“EDRs”), and other types of depository receipts are typically issued by non-U.S. banks or financial institutions to evidence an interest in underlying securities issued by either a U.S. or a non-U.S. entity. Investments in non-U.S. issuers through ADRs, GDRs, EDRs, and other types of depository receipts generally involve risks applicable to other types of investments in non-U.S. issuers. Investments in depository receipts may be less liquid and more volatile than the underlying securities in their primary trading market. If a depository receipt is denominated in a different currency than its underlying securities, a portfolio will be subject to the currency risk of both the investment in the depository receipt and the underlying security. There may be less publicly available information regarding the issuer of the securities underlying a depository receipt than if those securities were traded directly in U.S. securities markets. Depository receipts may or may not be sponsored by the issuers of the underlying securities, and information regarding issuers of securities underlying unsponsored depository receipts may be more limited than for sponsored depository receipts. The values of depository receipts may decline for a number of reasons relating to the issuers or sponsors of the depository receipts, including, but not limited to, insolvency of the issuer or sponsor. Holders of depository receipts may have limited or no rights to take action with respect to the underlying securities or to compel the issuer of the receipts to take action.
5. Options Trading and Short Selling. Shorting securities or writing option contracts involve additional risks. With short sales and certain forms of option trades, the risk of loss is hypothetically unlimited as investors who short may be required to purchase shares to cover at

any time, and at any price. Options can be used to create leverage, which can increase the risk of total loss, since smaller fluctuations in value will have significant effects on the owner's portfolio. Writing options and shorting stocks also involves the risk of timing, where the counter party assigns the option holder shares or forces the short seller to cover a short, which may not allow the strategy to play out.

6. Dividend Risk. There is no guarantee that the issuers of the stocks will declare dividends in the future or that, if dividends are declared, they will remain at their current levels or increase over time. High-dividend stocks may not experience high earnings growth or capital appreciation. A Client's performance during a broad market advance could suffer because dividend paying stocks may not experience the same capital appreciation as non-dividend paying stocks.

I. Fixed Income Risk

1. Fixed Income Risk in General. While often considered to be safer investments, fixed income securities do carry risks. For example, changes in interest rate levels generally cause fluctuations in the prices of fixed-income securities. So, if interest rates rise, the prices of these securities usually fall. Also, subsequent to the purchase of a fixed-income security, the ratings or credit quality of such security (and that of its issuer) may deteriorate, which could negatively affect the market price. Depending on the features of the fixed income investment, other risks such as inflation and lack of liquidity, may affect its market value.
2. Inflation-Indexed Bonds. Unlike a conventional bond, whose issuer makes regular fixed interest payments and repays the face value of the bond at maturity, an inflation-indexed bond provides principal and interest payments that are adjusted over time to reflect a rise (inflation) or a drop (deflation) in the general price level for goods and services. Although inflation-indexed bonds seek to provide inflation protection, their prices may decline when interest rates rise and vice versa. In the event of deflation, the U.S. Treasury has guaranteed that it will repay at least the face value of an inflation-indexed bond issued by the U.S. government. However, if an inflation-indexed bond is purchased at a premium, deflation could result in a loss. Any increase in principal for an inflation-indexed bond resulting from inflation adjustments is considered by the Internal Revenue Service to be taxable income in the year it occurs. An ETF holding an inflation-indexed bond pays out (to shareholders) both interest income and the income attributable to principal adjustments in the form of cash or reinvested shares, and the shareholders must pay taxes on the distributions.
3. Municipal Bonds. Municipal bonds can be significantly affected by political or economic changes as well as uncertainties in the municipal market related to taxation, legislative changes or the rights of municipal security holders, including in connection with an issuer insolvency. Municipal securities backed by current or anticipated revenues from a specific project or specific assets can be negatively affected by the inability to collect revenues for the project or from the assets. Certain municipal bonds may provide exposure to the transportation industry and utilities sector. The transportation industry may be adversely affected by economic changes, increases in fuel and operating costs, labor relations, insurance costs and government

regulations. The utilities sector is subject to significant government regulation and oversight, and may be adversely affected by increases in fuel and operating costs, rising costs of financing capital construction and the cost of complying with U.S. federal and state regulations, among other factors.

J. Real Estate Risk

1. Real Estate Sector Risk. An investment in a real property company may be subject to risks similar to those associated with direct ownership of real estate, including, by way of example, the possibility of declines in the value of real estate, losses from casualty or condemnation, and changes in local and general economic conditions, supply and demand, interest rates, environmental liability, zoning laws, regulatory limitations on rents, property taxes, and operating expenses. Some real property companies have limited diversification because they invest in a limited number of properties, a narrow geographic area, or a single type of property.
2. Real Estate Investment Trusts (REITs). REITs are pooled investment vehicles that manage a portfolio of real estate or real estate-related loans to earn profits for their shareholders. REITs are generally classified as equity REITs, mortgage REITs, or a combination of equity and mortgage REITs. Equity REITs invest the majority of their assets directly in real property, such as shopping centers, nursing homes, office buildings, apartment complexes, and hotels, and derive income primarily from the collection of rents. Equity REITs can also realize capital gains by selling properties that have appreciated in value. Mortgage REITs invest the majority of their assets in real estate mortgages and derive income from the collection of interest payments. REITs can be subject to extreme volatility because of fluctuations in the demand for real estate, changes in interest rates, and adverse economic conditions. Similar to regulated investment companies, REITs generally are not subject to federal income tax on income distributed to shareholders, provided they comply with certain requirements. The failure of a REIT to continue to qualify as a REIT for tax purposes can materially affect its value. An investor indirectly bears its proportionate share of any expenses paid by a REIT in which he or she invests.

K. Non-Diversification Risk

Investments in a particular strategy may become concentrated in a small number of issuers. As a consequence, the aggregate returns realized by a Client (either on a strategy or account level) may be adversely affected if a small number of these investments perform poorly. To the extent that the MFWM takes large positions in a small number of investments, account returns may fluctuate as a result of changes in the performance of such investments to a greater extent than that of a more diversified account.

L. Sector & Industry Concentration Risk

1. Concentration Risk Generally. To the extent MFWM invests more heavily in particular sectors or industries of the economy, Client performance will be especially sensitive to developments

that significantly affect those sectors or industries. While investing in a particular sector is not a principal investment strategy of any Model Portfolio, Client portfolios may be significantly invested in a sector or industry, such as the information technology sector, as a result of the portfolio management decisions made pursuant to MFWM's investment strategies. MFWM does not place any restrictions on its level of sector or industry concentration.

2. Information Technology Sector Risk. Market or economic factors impacting information technology companies and companies that rely heavily on technological advances could have a significant effect on the value of a Model Portfolio's investments. The value of stocks of information technology companies and companies that rely heavily on technology is particularly vulnerable to rapid changes in technology product cycles, rapid product obsolescence, government regulation and competition, both domestically and internationally, including competition from foreign competitors with lower production costs. Stocks of information technology companies and companies that rely heavily on technology, especially those of smaller, less-seasoned companies, tend to be more volatile than the overall market. Information technology companies are heavily dependent on patent and intellectual property rights, the loss or impairment of which may adversely affect profitability. Additionally, companies in the technology sector may face dramatic and often unpredictable changes in growth rates and competition for the services of qualified personnel.

M. Exchange Traded Fund Risk & Index Tracking Risk

1. Exchange Traded Fund Risk. Investments in investment companies or other investment vehicles may include index-based unit investment trusts such as ETFs. Such index-based investments sometimes hold substantially all of their assets in securities representing a specific index. With respect to certain strategies, MFWM may use ETFs designed to track an index as a way of gaining exposure to equity or fixed-income markets, or a particular segment of such markets.

When MFWM utilizes ETFs, Clients will incur their pro rata share of the expenses of the ETF, such as investment advisory and other management expenses. In addition, Clients will be subject to those risks affecting the ETF, including the effects of business and regulatory developments that affect ETFs or the investment company industry generally, as well as the possibility that the value of the underlying securities held by the ETF could decrease or the portfolio becomes illiquid.

ETF shares are listed for trading on a national securities exchange and are bought and sold on the secondary market at market prices. Although it is expected that the market price of an ETF share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV differ significantly. Thus, we may pay more or less than the NAV when we buy ETF shares on the secondary market, and we may receive more or less than NAV when you sell those shares. Trading of ETF shares may be halted by the activation of individual or market-wide trading halts (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage).

Certain ETFs may hold common portfolio positions, thereby reducing the diversification benefits of an asset allocation style. ETFs may engage in investment strategies or invest in specific investments in which MFWM would not engage or invest directly. The performance of those ETFs, in turn, depends upon the performance of the securities in which they invest.

2. Index Tracking Risk. Index-Based Model Portfolios seek to track the performance of an index (i.e., achieve a high degree of correlation with an index) by investing in ETFs. However, the return of an ETF may not match the return of its index for a number of reasons. For example, the return on the sample of securities purchased by an ETF (or the return on securities not included in the index), to replicate the performance of the index may not correlate precisely with the return of the index. Each ETF incurs a number of operating expenses not applicable to its index, and incurs costs in buying and selling securities. In addition, an ETF may not be fully invested at times, either as a result of cash flows into or out of the ETF or reserves of cash held by the ETF to meet redemptions. Changes in the composition of an index and regulatory requirements also may impact an ETF's ability to match the return of its index. Index tracking risk may be heightened during times of increased market volatility or other unusual market conditions.

Item 9 Disciplinary Information:

Neither MFWM nor any supervised person has been involved in any legal or disciplinary event that is material to a Client's or prospective Client's evaluations of MFWM's advisor business or the integrity of our management.

Item 10 Other Financial Industry Activities and Affiliates

A. Broker-Dealer Registration

TMF Investments LLC ("TMFI"), a wholly-owned subsidiary of MFIM, is a FINRA-member broker-dealer. MFWM is not registered, nor does it have an application pending to register, as a broker-dealer. Certain of MFWM's management persons and other supervised persons are registered representatives of TMFI or another broker-dealer.

B. Commodities Registration

Neither MFWM nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, a commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

C. Related Persons

MFWM is an indirect, wholly-owned subsidiary of TMF Holdings. In addition to MFWM, TMF Holdings also owns (either directly or indirectly through MFIM):

- MFAM, which is the investment adviser solely to mutual funds and exchange traded funds (the “MFAM Funds”);
- Motley Fool Ventures Management LLC, which is the investment adviser solely to venture capital funds;
- 1623 Capital LLC (“1623 Capital”), which is the general partner and investment adviser to certain private funds (“1623 Funds”);
- Lakehouse Capital Pty Ltd., which is an Australian-based investment adviser that manages funds for Australian and New Zealand clients;
- Motley Fool Pro Fund GP, Ltd., a Cayman Islands exempted company (“Pro GP”), serves as the general partner of the Motley Fool Pro Master Fund, LP (a private fund managed by 1623 Capital). Pro GP was established solely for internal governance purposes, and it does not directly conduct any external business;
- Motley Fool Tidestone Fund GP, Ltd., a Cayman Islands exempted company (“Tidestone GP”), serves as the general partner of the Motley Fool Tidestone Offshore Fund, LP and the Motley Fool Tidestone Master Fund, LP (each a private fund managed by 1623 Capital). Tidestone GP was established solely for internal governance purposes, and it does not directly conduct any external business; and
- TMFI (see Item 10.A above).

Pursuant to a shared services agreement, MFAM personnel perform research and asset management services for the *Personal Portfolios*. The two firms have procedures in place to ensure that both the MFAM Funds and the *Personal Portfolios* receive and have the ability to execute recommendations at the same time. Trading procedures for the MFAM Funds and the *Personal Portfolios* are separate with no overlap.

Under certain circumstances (such as when a potential client cannot meet the minimum account sizes associated with our *Personal Portfolio* Program), MFWM can refer Clients to MFAM to learn more about the MFAM Funds. MFWM representatives may discuss the MFAM Funds generally, but we typically do not make recommendations with respect to the MFAM Funds. MFWM does not buy MFAM Funds for *Personal Portfolio* Clients.

Similarly, if we believe that it is in our Clients’ best interest, MFWM can direct Clients and prospective clients to private funds sponsored and managed by affiliated advisory entities (collectively, “Private Funds”). In addition, certain of our investment adviser representatives that are also registered representative of TMFI (“Dual Representatives”) can provide investment advice with respect to Private Funds (and alternative investment vehicles generally) solely in their fiduciary capacity as MFWM investment adviser representatives.

Neither MFWM nor any of its employees receive compensation for directing Clients or prospective clients to affiliated advisory entities or to any product or service they offer. However, the purchase and holding of affiliated products or services by MFWM Clients or prospective clients would enhance the profitability of affiliated businesses, which would indirectly benefit MFWM. This conflict of interest is exacerbated with respect to Private Funds that have a performance fee.

D. Other Investment Advisers

MFWM does not recommend or select other investment advisers for its Clients, and it does not have other business relationships with those advisers that create a material conflict of interest. However, as discussed above in Item 10.C., MFWM may refer Clients and prospective clients to affiliated advisory entities and generally discuss the products or services offered by those affiliates.

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

A. Code of Ethics

In accordance with Rule 204A-1 under the Investment Advisers Act of 1940 (the “Advisers Act”), MFWM has approved and adopted a Code of Ethics (the “Code”). The Code establishes rules of conduct for all MFWM’s officers, employees and other persons under the supervision of MFWM, and is assigned to govern securities trading by employees and their households.

The Code further sets forth policies and procedures that are reasonably designed to prevent Access Persons, as defined in the Code, from engaging in conduct prohibited by the Advisers Act and establishes reporting requirements for Supervised Persons.

The Code explains that MFWM and its officers and employees have a fiduciary duty to MFWM’s Clients to place the Clients ahead of their personal interests. The Code is based upon the following principles:

- MFWM and its personnel must at all times place the interests of our clients first. All personal securities transactions must be conducted in a manner consistent with the Code and avoid any actual or potential conflicts of interest or any abuse of an employee's position of trust and responsibility.
- Employees must not take any inappropriate advantage of their positions at MFWM. Independence in the process of making investment recommendations must be maintained at all times.
- MFWM and its employees must never take unfair advantage of their relationship with any affiliates that are in the publishing or investment business.

More specifically, the Code of Ethics provides that covered persons must:

- 1) Comply with all applicable laws and regulations;
- 2) On an annual and quarterly basis, disclose to our Compliance Officer all holdings in “covered securities,” including:

- a. Debt and equity securities;
 - b. Options on securities, on indices, and on currencies;
 - c. All forms of limited partnership and limited liability company interests, including interests in private investment funds (such as hedge funds), and interests in investment clubs;
 - d. Foreign unit trusts and foreign mutual funds;
 - e. any mutual fund for which MFAM serves as an investment adviser or sub-adviser, or any mutual fund whose investment adviser controls, is controlled by or under common control with MFAM or MFWM; and
 - f. ETFs.
- 3) Receive pre-clearance from our Compliance Officer (or his designee) for transactions in covered securities (with limited exceptions).

MFWM will provide a copy of its Code of Ethics to any Client or prospective client upon request.

B. Conflicts of Interest

As noted above in Item 10.C., MFAM personnel provide asset management services to the MFAM Funds, certain proprietary accounts and our *Personal Portfolio* Program (solely for purposes of this section, “Portfolio Managers”). Conflicts of interest arise when a Portfolio Manager has day-to-day portfolio management responsibilities with respect to more than one fund or account, especially when managing or providing investment advisory services for other funds or accounts with similar investment strategies and different (higher) fees. These factors create conflicts of interest because Portfolio Managers have potential incentives to favor certain funds or accounts over others (including the Model Portfolios), with the result that other funds or accounts could outperform the Model Portfolios.

A conflict may also exist if the Portfolio Managers identify a limited investment opportunity that may be appropriate for more than one fund or account, but the Model Portfolios are unable to take full advantage of that opportunity because of the need to allocate that opportunity among multiple funds or accounts. In addition, the Portfolio Managers may execute transactions or make recommendations for another fund or account that may adversely affect the value of securities held by the Model Portfolios.

However, we believe that these risks are mitigated by the fact that funds and accounts with like investment strategies are generally managed in a similar fashion. Moreover, our Code and its ancillary policies and procedures seek to ensure that Clients’ accounts are not harmed by potential

conflicts of interest. Our policies and procedures are designed to ensure that fair and appropriate allocation of investments (purchases and sales) are made among all funds and accounts (including the Model Portfolios), and that neither the MFAM Funds, Model Portfolios, or other funds or accounts (including proprietary accounts) can benefit from an informational or trading advantage over the other. Portfolio Managers are also aware that trades may not be made in one fund or account for the purpose of benefiting another fund or account. Investment decisions must be made only on the basis of the investment considerations relevant to the particular fund or account for which a trade is being made.

Similarly, MFWM personnel and Portfolio Managers may buy or sell securities that MFWM recommends to Clients, and these persons may have positions in securities that we recommend. Such investment actions by MFWM personnel and Portfolio Managers pose potential conflicts of interest in that these persons may benefit from price movements of recommended securities. Our Chief Compliance Officer monitors the personal securities trading of MFWM's personnel and Portfolio Managers to monitor for violations of the Code.

TMF publishes opinions and recommendations regarding the purchase and sale of securities. These opinions and recommendations are published on TMF's website and through newsletter services. TMF's opinions and recommendations may affect the prices of securities held by Clients or the prices at which Clients and MFWM (acting on behalf of Clients) can purchase or sell particular securities. MFWM has no advance or nonpublic knowledge of TMF's recommendations or opinions. MFWM receives TMF's trade alerts and other publications via email at the same time as other TMF subscribers.

As further described in Item 10 above, MFWM can direct Clients and prospective clients to affiliated advisory entities and generally discuss their products and services (such as the MFAM Funds). In addition, Dual Representatives can provide investment advice in connection with a Client's potential investment in Private Funds. Neither MFWM nor any of its employees receive compensation for directing Clients or prospective clients to products or services managed by affiliated advisory entities. However, the purchase and holding of affiliated products or services by Clients may enhance the profitability of affiliated businesses, which may indirectly benefit MFWM. This conflict of interest may be exacerbated with respect to Private Funds that have a performance fee.

Pursuant to a shared services and licensing agreement, TMF provides (for direct and indirect compensation) MFWM with various support services, including accounting, information technology, human resources, and marketing services (such as assistance with drafting marketing content and access to prospect lists). If MFWM does not meet profit expectations, or if other affiliated businesses are more profitable than us, TMF Holdings may seek to reallocate these corporate resources to other affiliated business in order to enhance the overall profitability of The Motley Fool group of companies. Decreased access to these resources could impair our ability to grow and improve our business, which could negatively impact the scope and quality of services that we provide to our Clients. Similarly, any cutback in access to TMF marketing resources could

impact MFWM's ability to gather new assets, which could, in turn, affect our ability to achieve economies of scale and better pricing with respect to third-party services.

During discussions with our CERTIFIED FINANCIAL PLANNERSTM Professionals, they can provide advice with respect to 401(k) rollovers into Accounts that are managed by MFWM. Such recommendations pose potential conflicts of interest in that rolling retirement savings into a MFWM managed account will generate ongoing asset-based fees for MFWM that it would not otherwise receive.

As described further under Item 14 below, MFWM could offer compensation to current Clients who recommend MFWM's services, and we may also enter into agreements to pay third parties to solicit and/or refer prospective Clients. Each of these referral and solicitation arrangements will be conducted in accordance with applicable law. Clients are not charged any fees nor do they incur any additional costs for being referred to MFWM.

Item 12 Brokerage Practices:

A. Broker Selection

1. Nondiscretionary advisory services.

The Clients who receive nondiscretionary investment advice from MFWM and wish to implement our recommendations or advice must do so through brokers and agents of their choosing. MFWM does not recommend, request or require that a Client execute transactions through a specified broker-dealer.

2. Personal Portfolio Program.

Brokerage services for the *Personal Portfolio* Program are provided exclusively by IB, including custody of the accounts in the Program. To participate in the *Personal Portfolio* Program, Clients must either open an account with IB or transfer their existing IB account into the Program. Clients are subject to IB's transaction fees, account fees and other miscellaneous charges.

When selecting a broker and custodian for the Program, MFWM considered a number of factors including:

- Commissions and fees both in aggregate and on a per-share basis
- Ability to provide both transaction execution and asset custodial services
- Execution, clearance and settlement capabilities
- Trading capabilities including the ability to handle large block and volumes of trade
- Technology
- Responsiveness

- Quality of services
- Reputation

MFWM periodically reviews the quality of services provided by IB, along with their policies and controls designed to, among other things, ensure compliance with applicable law.

Clients should be aware that some other advisers may utilize multiple brokerages. Also, without the ability to use different brokerages, MFWM may at times be unable to achieve most favorable execution of Client transactions. Under such circumstances, trades may cost Clients more than they otherwise would have.

MFWM and IB are unaffiliated entities. IB, like other broker-dealers, may from time-to-time pay TMF to display advertisements on TMF's website, fool.com. Any advertising arrangement between IB and TMF is separate from the agreement between IB and MFWM.

B. Soft Dollars

MFWM does not engage in any "soft dollar" practices. IB does provide MFWM with technology, software and other services to assist MFWM in managing and administering Clients' accounts. These services, which may only indirectly benefit Clients, include without limitation:

- Applying MFWM branding to account statements and Client online interfaces;
- Utilizing XML technology to assist MFWM submit Client account applications;
- Allocating Clients' investments across multiple Accounts; and
- Ability to restrict tickers, based on reasonable restrictions imposed by the Clients.

C. Order Aggregation and Allocation

MFWM may aggregate orders for a Client's account with similar orders being made contemporaneously for other Clients' accounts. When transactions are so aggregated, they may be traded in multiple blocks and as each deployed portion of the order is filled, it is allocated among the participating Clients' accounts in accordance with the proprietary algorithm established by IB. The algorithm is meant to spread trades over time and/or brokers to seek best execution, and Clients in each trade block get an average price. Consequently, the price obtained may be less favorable to the Client than it would be if similar transactions were not being made at the same time.

In order to ensure that MFWM can timely trade for a Client account by, among other things, including Client trades in aggregated orders, Clients are encouraged to configure their account at IB as a "margin" as opposed to "cash" account. When an account is not enabled for margining, MFWM may be required to wait three business days following the sale of securities for a Client account before MFWM can reinvest the proceeds of that sale in additional securities.

Item 13 Review of Accounts:

A. Financial Planning Services

Financial planning recommendations, including financial plans (if provided), are not automatically updated. Therefore, financial planning Clients are urged to contact MFWM if their financial circumstances change and to check in on annual basis to determine whether the financial plan or advice previously provided needs updating.

B. *Personal Portfolio Program*

1. Account Monitoring. As described under Item 4.B.2. above, MFWM periodically reviews its asset allocation advice. As part of its annual rebalancing program, we may, in our sole discretion, modify allocations to Model Portfolios within a Client's Account to reflect, among other things, the need for reduced market risks, lower portfolio volatility, or for other reasons that MFWM believes are in a Client's best interest. While adjustments to allocations during rebalancing may result in the addition and/or removal of Model Portfolios from a Client's account, MFWM will only adjust a Client's allocation within the constraints of their current risk score or objective.

Clients will receive advance notice (typically via email) of allocation changes five to ten business days prior to rebalancing. Clients that do not wish to participate in the MFWM's rebalancing program may opt-out at any time. Unless initiated by the Client (through a Profile update or otherwise), we do not periodically monitor and adjust Client accounts beyond our annual rebalancing program.

In order to further ensure that our advice remains properly tailored, Clients are encouraged to promptly update their Profile should any information change with respect to their risk tolerance, needs or goals. MFWM will annually seek Client confirmation that the information in their Profile remains accurate.

2. Client Reporting. Clients will receive trade notifications as well as quarterly written account statements from IB (copies of which MFWM will have access to). The quarterly statements describe all account activity and detail the account returns for the previous quarter. Clients are also able to access this information directly on the IB website, using their IB username and password.

MFWM may also provide Clients with periodic reports on market conditions, investment performance and other investment topics. For example, to supplement IB's quarterly account statements, MFWM provides Clients with quarterly reports generated through Orion Advisor Technology using trade and account data feeds imported directly from IB ("Orion Reports"). Orion Reports provide Clients with, among other things, detailed information regarding account asset allocation, account-level performance, and advisory fees paid.

Clients are strongly encouraged to compare all statements or reports received from MFWM against their brokerage account statements received from IB. Discrepancies between statements or reports received from MFWM and IB should be reported to MFWM and IB immediately.

Item 14 Client Referrals and Other Compensation:

Some of MFWM's clients are subscribers to TMF's Motley Fool One newsletter service, and TMF pays MFWM to provide its services to them.

MFWM could offer compensation to current Clients who recommend MFWM's services. In addition, MFWM may enter into agreements to pay third parties to solicit and/or refer prospective Clients who may need or find value in the investment services provided by MFWM. Each agreement, to the extent required by the Advisers Act, will comply with Rule 206(4)-3 under the Advisers Act, and all compensation for such solicitation and/or referrals will be paid in accordance with applicable law. Prospective Clients will be advised of such compensation prior to opening an account, and MFWM supervises these referral activities. Clients are not charged any fees nor do they incur any additional costs for being referred to MFWM.

Item 15 Custody:

Custody and brokerage services are provided exclusively by IB. In the event that IB account documentation purports to give MFWM broad authorization to transfer funds or securities out of a Client's Account, these authorizations are broader than those in the Client's Investment Advisory Agreement with MFWM, and MFWM's authority is specifically limited to the authority set forth in the Investment Advisory Agreement regardless of broader authorization in IB's documentation.

Clients will receive quarterly statements from IB, as the custodian of the Accounts. Such information can also be accessed on the IB site with a Client's username and password. Clients are urged to carefully review all statements and other notices received from IB.

Item 16 Investment Discretion:

Under the terms of the Investment Advisory Agreement, *Personal Portfolio* Clients grant MFWM full authority and designate MFWM as their agent and attorney-in-fact to buy, sell, pledge, lend and otherwise deal in securities and contracts relating to securities on their behalf in their applicable accounts. Similarly, Clients have the option of granting a Limited Power of Attorney to open *Personal Portfolio* accounts on the Client's behalf, initiate ACAT transfers to the Client's account and handle other related account opening matters. In addition, as part of the account opening or transferring process, IB requires that Clients enter into a Discretionary Authority/Limited Power of Attorney Agreement, designating MFWM as the investment manager with the power to execute trades, request information, receive account statements and confirmations, and generally manage the IB account on the Clients' behalf.

Item 17 Voting Client Securities:

MFWM does not have, and does not accept, authority to vote Client securities. For Retirement Accounts that are maintained on behalf of a plan subject to ERISA, MFWM will verify that the plan documents state that the right to vote proxies has been reserved to the plan trustees, and that the plan trustees will maintain exclusive responsibility for determining all proxy voting decisions.

Item 18 Financial Information:

A. Financial Condition

As described in Item 11 (Conflicts of Interest) above, MFWM is dependent upon various support and marketing services provided by our affiliates under a shared services agreement. Decreased access to these resources could impair our ability to grow and improve our business, which could negatively impact the scope, quality and cost of services that we provide to our Clients.

MFWM does not have any other financial conditions that are reasonably likely to impair our ability to meet contractual obligations to Clients.

B. No Bankruptcy Petitions

MFWM has not been the subject of a bankruptcy petition at any time during the past ten years.