

Part 2A Appendix 1  
Wrap Fee Program Brochure

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

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Date of Disclosure Brochure: March 2020

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This Wrap Fee Program Brochure provides information about the qualifications and business practices of TC Wealth Partners LLC (also referred to as we, us and TC Wealth Partners throughout this disclosure brochure). If you have any questions about the contents of this brochure, please contact Debra Gregorash at 630-545-2200. 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 TC Wealth Partners is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for TC Wealth Partners LLC or our firm's CRD number 283644.

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

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## Item 2 – Material Changes

TC Wealth Partners, LLC had the following material changes to our Wrap Fee Program Brochure since the last annual update on March 26, 2019:

- Our Chief Investment Officer is now William Giffin.
- Item 4 – We disclosed that certain clients of TC Wealth Partners have an ownership interest in TCI Holdings.
- Item 4 – We added additional information to our Pershing trade error policy.
- Item 4 – The minimum annual fee for Individual Investors was changed to \$3500.
- Item 4 – The total fee for Family CFO Services will no longer include a \$4,000 base fee.
- Item 5 - The account minimum for Individual Management Services is now \$300,000.
- Item 9 – We added additional benefits TC Wealth Partners receives from its qualified custodians.

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

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## Item 4 – Services, Fees and Compensation

TC Wealth Partners is an investment adviser registered with the United States Securities and Exchange Commission ("SEC") and is a corporation formed under the laws of the State of Illinois. TC Wealth Partners is wholly owned by TCI Holdings and the primary owner (with a 25% or greater interest) of TCI Holdings is Trust Company of Illinois ESOP. A few clients of TC Wealth Partners also have minority ownership interests in TCI Holdings. This ownership creates a conflict of interest in that TC Wealth Partners may have an incentive to favor the clients that have an ownership interest in TCI Holdings in certain situations. TC Wealth Partners mitigates this conflict by treating each client fairly and always acting in each client's best interest. TC Wealth Partners filed its initial application to become registered as an investment adviser in August 2016.

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

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

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

TC Wealth Partners offers asset management services through a wrap fee management program. In our wrap fee program, TC Wealth Partners Wrap Fee Program, the fee for advisory services (including asset management) and transaction cost (including ticket charges) are "wrapped" into one fee. Our Wrap Fee Program services through Pershing Advisor Solutions, LLC ("Pershing") are considered a wrap fee program. Whenever a fee is charged for services described in this Wrap Fee Program Brochure, TC Wealth Partners will receive all or a portion of the fee charged.

When making the determination of whether one of the advisory programs available through TC Wealth Partners is appropriate for your needs, you should bear in mind that fee-based accounts, when compared with transaction-based accounts, often result in lower costs during periods when trading activity is heavier, such as the year an account is established. However, during periods when trading activity is lower, the fee-based account arrangements may result in a higher annual cost for transactions. Thus, depending on a number of factors, the total cost for transactions under a fee account versus a transaction account can vary significantly. Factors which affect the total cost include account size, amount of turnover, type and quantities of securities purchased or sold, commission rates and your tax situation. It should also be noted that lower fees for comparable service may be available from other

sources. The exact fees and other terms will be outlined in the agreement between you and TC Wealth Partners.

You should discuss the advantages and disadvantages of wrap fee and non-wrap fee accounts with your adviser representative and you should read this Wrap Fee Disclosure Brochure carefully as it explains, in detail, our TC Wealth Partners Wrap Fee Program Services.

### Management Services

TC Wealth Partners offers asset management services, which involves TC Wealth Partners providing you with continuous and ongoing supervision over your accounts. The TC Wealth Partners Wrap Fee Program is a wrap fee program. In providing asset management services, TC Wealth Partners will continuously monitor your account and make trades in your accounts when necessary. Your account will be managed by TC Wealth Partners based on your financial situation, investment objectives and risk tolerance. TC Wealth Partners will actively monitor your account and will make management recommendations and decisions regarding buying, selling, reinvesting or holding securities, cash or other investments.

We recommend that your assets to be allocated to our Wrap Fee Program be maintained in a brokerage account through Pershing Advisor Solutions, LLC. Pershing LLC is the qualified custodian for all accounts established through our Wrap Fee Program. You will appoint TC Wealth Partners as your investment adviser of record on specified accounts. Your account will consist only of separate account(s) held by the qualified custodian under your name. **TC Wealth Partners does not act as custodian and does not have direct access to your funds and securities except to have advisory fees deducted from your account with your prior written authorization.** The qualified custodian will maintain physical custody of all funds and securities of your account, and you will retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) for your account.

You will authorize TC Wealth Partners to provide asset management services on a discretionary basis. We will make all decisions to buy, sell or hold securities, cash or other investments in your managed account in our sole discretion without consulting with you before making any transactions. You must provide us with written authorization to exercise this discretionary authority, and you can place reasonable restrictions and limitations on our discretionary authority.

The following are descriptions of the asset management services available through the TC Wealth Partners Wrap Fee Program. Please understand that a written agreement, which details the exact terms of the service, must be signed by you, TC Wealth Partners and Pershing before we can provide you the wrap fee program services.

### INDIVIDUAL INVESTORS

- 1) Investment Management Services (IMS) - Under this engagement, you appoint TC Wealth Partners as your investment advisor of record for specified accounts. Investment implementation tends to be in the form of a diversified and balanced account held by a qualified custodian. The account is managed by TC Wealth Partners, generally in a discretionary manner, based on your financial situation, investment objectives and risk tolerance. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however, we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We will be available to consult with you relative to the status of your accounts. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability

to instruct us not to purchase certain securities. We will actively monitor the account and provide advice relating to buying, selling, reinvesting or holding securities, cash or other investments in the account. Financial planning as part of this service is usually limited to risk profiling and asset allocation guidance based on goals. More extensive financial planning is offered on an additional fee basis with a minimum fee and hourly rate as explained below.

*Investment Management Services (IMS) Example Fee Schedule:*

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

TC Wealth Partners will take into consideration relationship pricing and special circumstances when calculating fee levels. The minimum annual fee is \$3500.

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

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

*Wealth Management Services (WMS) Example Fee Schedule:*

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

TC Wealth Partners will take into consideration relationship pricing and special circumstances when calculating fee levels. The minimum annual fee is \$6,000.

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

- 3) Family CFO Services (FCFO) - Under this engagement, you appoint TC Wealth Partners as your investment advisor of record for specified accounts. Investment implementation tends to be in the form of a diversified and balanced account held by a qualified custodian. The account is managed by TC Wealth Partners, generally in a discretionary manner, based on your financial situation, investment objectives and risk tolerance. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however, we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We will be available to consult with you relative to the status of your accounts. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities. Additional investment vehicles may be considered including, qualified or accredited investor vehicles such as limited partnerships. FCFO clients will generally have a designated portfolio manager in addition to a wealth advisor and account executive. FCFO services include all wealth management services and may also include bill payment, special asset management and trustee administration through our affiliate trust company. Other services many include charitable planning, insurance planning, family gifting, college planning and business succession planning. In this arrangement, TC Wealth Partners may often work with several other professionals. More extensive financial planning is offered on an additional fee basis with a minimum fee and hourly rate.

*Family CFO Services (FCFO) Example Fee Schedule:*

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

. Other customized ala carte services and the corresponding fees are negotiable. TC Wealth Partners will take into consideration relationship pricing and special circumstances when calculating fee levels. The minimum annual fee is \$50,000.

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

Financial Planning Services:

(which includes the additional financial planning services discussed above):

TC Wealth Partners provides financial planning services under an hourly fee arrangement. Financial planning services often include gathering and analysis of financial information, preparation of the customized financial plan, any research required and recommendations for plan implementation. An hourly fee of \$200 to \$250 per hour is generally charged by TC Wealth Partners for financial planning services under this arrangement. This hourly rate is not pro-rated into increments smaller than one hour units. Before commencing financial planning services, TC Wealth Partners provides an estimate of the approximate hours needed to complete the requested financial planning services; however, the minimum fee for our financial planning services is \$2,000. The average total planning and meeting time is 8 hours. If TC Wealth Partners anticipates exceeding the estimated amount of hours required, TC Wealth Partners will contact you to receive authorization to provide additional services. Any unpaid hourly fees are due immediately upon completion and delivery of the financial plan.



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

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

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

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

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

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

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

#### INSTITUTIONAL INVESTORS

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

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

*Institutional Management & Consulting (IMC) Example Fee Schedule:*

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

TC Wealth Partners will take into consideration relationship pricing and special circumstances when calculating fee levels. The minimum annual fee is \$11,000.

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

Fees charged for our Wrap Fee Program are charged based on a percentage of assets under management, billed in arrears (at the end of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the previous billing period.

Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period.

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

You should refer to your advisory agreement for the exact fee schedule and services which applies to your situation. Clients transitioned from Trust Company of Illinois may retain a grandfathered fee schedule.

For a Wrap Fee Account, TC Wealth pays Pershing either fees based upon the level of assets maintained in the Account (asset-based pricing) or a ticket charge for each transaction executed (transaction-based pricing) in the Account.

The only compensation received by TC Wealth Partners for asset management services is the annual fee as specified in the client's advisory services agreement. TC Wealth Partners receives no other forms of compensation in connection with providing asset management services.

TC Wealth Partners believes that its annual fee is reasonable in relation to (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur other charges imposed by Pershing for custodial services, which may include but are not limited to fees related to: checkbook and debit cards, cash advances, account transfers, margin extensions, safekeeping, account terminations, restricted and legal securities and NSF and returned checks.

You may also incur certain charges imposed by third parties other than TC Wealth Partners and Pershing in connection with investments made through your account including. These may include but are not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, Management fees charged by TC Wealth Partners are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

The investment advisory fees will be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account. You will authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to our firm.

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

The asset management services continue until terminated by either party (i.e., TC Wealth Partners or you) by giving thirty (30) days written notice to the other party. Any prepaid, unearned fees will be promptly refunded by TC Wealth Partners to you. Fee refunds will be determined on a pro rata basis using the number of days services are actually provided during the final period.

### Block Trading

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

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

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

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

### Handling Trade Errors

TC Wealth Partners has a policy to minimize the occurrence of trade errors and, should they occur, detect such trade errors and take steps to resolve the error in the best interest of the Firm's clients. Upon the timely discovery of a trade error, the Firm will reimburse accounts for losses resulting from trade errors caused by the Firm. If such a trade error creates a gain for the client's account, the Firm shall follow the dictates of the account custodian's trade error policy which typically provides that any gains shall be donated to charity. Pershing's trade error policy leads TC Wealth Partners to "net" any losses against the gains in their trade error account. This practice of netting gains and losses creates a benefit for TC Wealth Partners that must be disclosed. In cases where the client causes the trade error, the client is responsible for any loss resulting from the correction. The Firm will not retain the net gains on a trade error correction.

### Suitability and Investment Strategy

TC Wealth Partners will assist clients in determining their objective(s), investment strategy, and investment suitability, prior and subsequent to opening an Asset Management account. Clients must contact us to notify of any changes in their investment objective(s) and/or financial situation. Investment strategies used to implement investment advice include, but are not necessarily limited to, long term purchases (investments held at least a year); short term purchases (investments sold within a year); and option writing, including cover options, uncovered options or spreading strategies.

## Item 5 – Account Requirements and Types of Clients

### Minimum Account Size

The following are the minimum account sizes that TC Wealth Partners generally requires in order to provide the applicable advisory services in our Wrap Fee Program: the account minimum for Individual Management Services is \$300,000; the account minimum for Wealth Management Services is \$1,000,000; the account minimum for Family CFO Services is \$5,000,000; the account minimum for Institutional Management & Consulting (IMC) is \$1,000,000; and the minimum for retirement plan services is \$500,000 in plan assets. There is no minimum account size for financial planning services; however, the minimum fixed fee generally charged for financial planning services on a fixed fee basis is \$2,000. TC Wealth Partners reserves the right to make exceptions to the minimum account sizes described above.

### Types of Accounts

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

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

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

## Item 6 – Portfolio Manager Selection and Evaluation

TC Wealth Partners and its Investment Adviser Representatives act as the portfolio manager(s) for accounts receiving our asset management services in the Wrap Fee Program. For this service, we do not allow the use of portfolio managers that are not associated with TC Wealth Partners. In other words, the only portfolio managers selected for managing client assets for our Wrap Fee Program are Investment Adviser Representatives of TC Wealth Partners. Therefore, conflicts of interest present in other wrap fee programs that make available both affiliated and unaffiliated portfolio managers are not present in our wrap fee program. Because our asset management services in the Wrap Fee Program do not provide for outside portfolio managers, we do not have procedures designed to select outside portfolio managers.

### Participation in Wrap Fee Programs

TC Wealth Partners offers asset management services through a wrap fee and non-wrap fee program. In our wrap fee program, TC Wealth Partners Wrap Fee Program, the fee for advisory services (including asset management) and transaction cost (including ticket charges) are “wrapped” into one fee. Our Wrap Fee Program services through Pershing are considered a wrap fee program. Whenever a fee is charged for services described in this Wrap Fee Program Brochure, TC Wealth Partners will receive all or a portion of the fee charged.

TC Wealth Partners offers asset management services through a non-wrap program. Ticket charges are charged separate from and outside of the asset management fee. Our asset management services through Fidelity are considered our non-wrap fee program. Though TC Wealth Partners pays the ticket charges on mutual fund transactions through Fidelity, clients are still responsible for paying ticket charges on equity securities and exchange traded fund (ETF) transactions. *(See TC Wealth Partners ADV Part 2A for additional information on asset management services through non-wrap accounts.)*

When making the determination of whether one of the advisory programs available through TC Wealth Partners is appropriate for your needs, you should bear in mind that wrap fee-based accounts, when compared with asset management accounts whereby transaction costs are billed separately from the investment management fee often result in lower costs during periods when trading activity is heavier, such as the year an account is established. However, during periods when trading activity is lower, wrap fee-based account arrangements may result in a higher annual cost when compared to asset management fee accounts where transactions are billed separately. Thus, depending on a number of factors, the total cost for transactions under a wrap-fee program account versus an asset-management plus transaction cost account can vary significantly.

Factors which affect the total cost include account size, amount of turnover, type and quantities of securities purchased or sold, commission rates and your tax situation. It should also be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the agreement between you and TC Wealth Partners.

From a management perspective, there is not a fundamental difference in the way we manage accounts that have elected the traditional payment option versus those that have elected the bundled wrap fee payment option. The only significant difference is the way in which transaction costs are paid.

## General Description of Other Advisory Services

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

**Financial Planning Services** - TC Wealth Partners offers financial planning services rooted in a goals-based framework, which involve preparing a written financial plan covering specific or multiple topics. We provide full written financial plans, which typically address the following topics: investment planning, retirement planning, insurance planning, tax planning, education planning, asset allocation, charitable planning, social security planning, cash flow planning and estate planning portfolio review. When providing financial planning services, the role of your investment adviser representative is to find ways to help you understand your overall financial situation and help you set financial objectives. We also provide modular written financial plans which only cover those specific areas of concern mutually agreed upon by you and us. A modular written financial plan is limited or segmented and does not involve the creation of a full written financial plan.

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

- Fiduciary Consulting Services
- Fiduciary Management Services
- Non-Fiduciary Services

*(See TC Wealth Partners ADV Part 2A for additional information on Financial Planning and Retirement Plan Services).*

### Newsletters

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

### Educational Events

TC Wealth Partners may occasionally provide seminars in areas such as financial planning, retirement planning and college planning. Seminars are always offered on an impersonal basis and do not focus on the individual needs of participants.

## Limits Advice to Certain Types of Investments

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

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



- Interests in Partnerships Investing in Oil and Gas Interests
- Hedge Funds
- Private Equity

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

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

### Tailor Advisory Services to Individual Needs of Clients

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

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

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. TC Wealth Partners does not charge or accept performance-based fees.

### Methods of Analysis

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

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

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is

possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to an unfavorable investment decision.

There are risks involved in using any analysis method.

To conduct analysis, TC Wealth Partners gathers information from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the SEC, and company press releases.

### Investment Strategies

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

Long term purchases. Investments held at least a year.

Short term purchases. Investments sold within a year.

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

### Risk of Loss

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

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

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



specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

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

#### Voting Client Securities

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

## Item 7 – Client Information Provided to Portfolio Managers

Only Investment Adviser Representatives of TC Wealth Partners serve as portfolio managers for our Wrap and Non-Wrap Asset Management Services Program. Our associated Investment Adviser Representatives are responsible for gathering all information provided by you. We will interview and work with you to gather all information needed relative to your investment objectives and needs in order to provide management services to you. You are responsible for promptly contacting your Investment Adviser Representative to notify us of any changes to your financial situation that will impact or materially influence the way we manage your accounts. Since we do not use any outside portfolio managers, we do not share your information with any outside portfolio managers.

## Item 8 - Client Contact with Portfolio Managers

Only Investment Adviser Representatives of TC Wealth Partners serve as portfolio managers. There are no restrictions placed on your ability to contact and consult with their portfolio managers. It is the policy of TC Wealth Partners to provide for open communications between the Investment Adviser

Representatives and clients. You are encouraged to contact your Investment Adviser Representative whenever you have questions about the management of your account(s).

## Item 9 - Additional Information

### Disciplinary Information

We have no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or the integrity of our management.

### Other Financial Industry Activities and Affiliations

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

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

### Trust Company of Illinois

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

### Interest in Client Transactions and Code of Ethics

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

activities. TC Wealth Partners imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. This standard of conduct required is higher than ordinarily required and encountered in commercial business.

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

#### Affiliate and Employee Personal Securities Transactions Disclosure

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

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

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

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

#### Account Reviews

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

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

## Account Statements and Reports

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

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

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

## Client Referrals and Other Compensation

From time to time, TC Wealth Partners may compensate an unaffiliated third party for referring clients to us. If a referred client enters into an investment advisory agreement with TC Wealth Partners, a cash referral fee is paid to the referring party, which could be based upon a percentage of the client advisory fees that are generated. The referral agreements between any referring party and TC Wealth Partners will not result in any charges to clients in addition to the normal level of advisory fees charged.

When a client is referred to us by a referring party, the referring party provides the client with a copy of our Disclosure Brochure as required by the *Investment Advisers Act of 1940*. The client also will complete a Solicitor's Disclosure Statement document. If the referring party is an unaffiliated registered investment adviser firm, then the client will also receive a copy of the referring party's Form ADV Part 2 Disclosure Brochure.

If you elect to utilize our management services via the Wrap Fee Program, we will recommend that you establish a brokerage account at Pershing. Our custodians make available to TC Wealth Partners other products and services that we benefit from but may not benefit your accounts. Some of these other products and services assist us in managing and administering client accounts. These include software and other technology that:

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

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

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

In addition, our custodians may make available, arrange and/or pay for these types of services rendered to TC Wealth Partners by independent third-parties providing these services to us. As a fiduciary, we endeavor to act in your best interest. Our requirement that you maintain your assets in accounts at Pershing may be based, in part, on the benefit to us of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by our custodians. This creates a conflict of interest. You are under no obligation to act on our recommendations. You may select a broker/dealer or account custodian other than Pershing, acknowledging we may not be able to assist you with asset management services.

## Financial Information

TC Wealth Partners does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, TC Wealth Partners has not been the subject of a bankruptcy petition at any time.

## Customer Privacy Policy Notice

**Commitment to Your Private Information:** TC Wealth Partners has a policy of protecting the confidentiality and security of information we collect about our clients. We do not, and will not, share non-public personal information ("Information") about you with outside third parties without your consent, except for the specific purposes described below. This notice has been provided to you to describe the Information we may gather and the situations under which we may need to share it.

**Why We Collect and How We Use Information:** We limit the collection and use of Information within our firm to only those individuals associated or employed with us that must have Information to provide financial services to you. Such services include maintaining your accounts, processing transaction requests, and providing the advisory services described in our Form ADV.

**How We Gather Information:** We get most Information directly from you when you provide us with information from any of the following sources:

- Applications or forms (for example: name, address, social security number, birth date, assets, income, financial history)
- Transactional activity in your account (for example: trading history and account balances)
- Information services and consumer reporting sources (for example: to verify your identity or to assess your credit history)
- Other sources with your consent (for example: your insurance professional, attorney or accountant)

**How We Protect Information:** Our employees and affiliated persons are required to protect the confidentiality of Information and to comply with our stated policies. They may access Information only when there is an acceptable reason to do so, such as to service your account or provide you with financial services. Employees who violate our Privacy Policy are subject to disciplinary action, up to and including termination from employment with us. We also maintain physical, electronic and procedural safeguards to protect Information, which comply with applicable SEC, state, and federal laws.

**Sharing Information with Other Companies Permitted Under Law:** We do not disclose Information obtained in the course of our practice except as required or permitted under law. Permitted disclosures include, for instance, providing Information to unrelated third parties who need to know such Information in order to assist us with the provision of services to you. Unrelated third parties may include broker/dealers, mutual fund companies, insurance companies, and the custodian with which your assets are held. In such situations, we stress the confidential nature of Information being shared.

**Former Customers:** Even if we cease to provide you with financial products or services, our Privacy Policy will continue to apply to you and we will continue to treat your non-public information with strict confidentiality.