

AURORA PRIVATE WEALTH SELECT WRAP FEE PROGRAM

Sponsored by

AURORA PRIVATE WEALTH, INC.

a Registered Investment Adviser

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This brochure provides information about the qualifications and business practices of Aurora Private Wealth, Inc. (hereinafter “Aurora Private Wealth” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at www.adviserinfo.sec.gov. The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

In this Item, Aurora Private Wealth is required to discuss any material changes that have been made to the brochure since the last annual amendment on March 8, 2019. There have been no material changes to this brochure. However, Aurora Private Wealth has removed certain items from this brochure and incorporated them by reference to its Form ADV Part 2A.

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Item 4. Advisory Business

The Aurora Private Wealth Select Wrap Fee Program (the “Program”) is an investment advisory program sponsored by Aurora Private Wealth. In addition to the Program, the Firm offers a variety of advisory services, which include financial planning, consulting, and investment management services under different arrangements than those described herein. Prior to Aurora Private Wealth rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with Aurora Private Wealth setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

Aurora Private Wealth is an SEC-registered investment adviser formed in 2015 with its principal place of business located in Rockaway, New Jersey. Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of the Firm).

- Timothy Liam Smith, President

As of December 31, 2019, the Firm had \$650,145,314 in assets under management, all of which are managed on a discretionary basis.

While this brochure generally describes the business of Aurora Private Wealth relating to the Program, it does not describe every business practice of Aurora Private Wealth. Clients and prospective clients should also review Aurora Private Wealth’s Form ADV Part 2A for additional information, especially relating to its brokerage practices. For convenience, certain items from the Form ADV Part 2A are incorporated by reference in this Program Brochure.

Description of the Program

The Program is offered as a wrap fee program, which provides clients with the ability to trade in certain investment products without incurring certain brokerage commissions or transaction charges. A wrap fee program is considered any arrangement under which clients receive investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions for a specified fee or fees not based upon transactions in their accounts. Clients must also open a new securities brokerage account and complete a new account agreement with Schwab Advisor Services™ (“Schwab”), APW Capital, Inc. (“APW Capital”), or another broker-dealer that Aurora Private Wealth approves under the Program (collectively “Financial Institutions”). APW Capital, our affiliate, may be recommended by an IAR to provide brokerage services as an introducing broker-dealer on transactions. Please refer to Item 12 of our Form ADV Part 2A for additional information about this arrangement, which is incorporated by reference.

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

It is important to understand that Aurora Private Wealth enables its financial advisors, which are sometimes

referred to as investment adviser representatives (“IARs”) to provide customized advice to their clients. These IARs are permitted great latitude in selecting investments, investment strategies and delivering investment advice to our clients, which remains subject to the supervision of our compliance department.

Fees for Participation in the Program

The Program is offered on a fee basis. Generally, participants pay a single annualized fee based upon assets under management (“Program Fee”). This Program Fee generally varies between 65 and 275 basis points (0.65% – 2.95%), depending, in part, on factors including the negotiations between the IAR and the client, the complexity of the client’s circumstances or needs; assets to be placed under management; anticipated future additional assets; related accounts; portfolio style; account composition; and reports, among other factors. The Firm may group certain related client accounts for the purpose of determining the annualized fee. Discounts not generally available to the Firm’s advisory clients may be offered to family members and friends of associated persons of the Firm.

The annual fee is prorated and charged quarterly or monthly in advance based upon the market value of the assets being managed by Aurora Private Wealth on the last day of the previous billing period. For the initial period of an engagement, the fee is calculated on a pro rata basis. For assets added after the commencement of a billing period, the fee for such billing period is prorated and billed in the following period. For assets withdrawn before the end of a billing period, the Firm charges a prorated amount based on the amount of time during the billing period that the assets were maintained in the account. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, concentrated stock positions, accommodation accounts, alternative investments, etc.), Aurora Private Wealth may negotiate a fee rate that differs from the range set forth above.

Fee Comparison

As referenced above, a portion of the fees paid to Aurora Private Wealth through the Program are used to cover certain securities brokerage commissions and transactional costs attributed to the management of its clients’ portfolios. As Aurora Private Wealth and its IARs absorb certain transaction costs for client accounts within the Program, the Firm and IARs have a financial incentive not to execute transactions in those accounts or to limit the number of transactions executed on behalf of such accounts since the execution of transactions increases transaction costs. APW Capital bears a portion of the transaction costs associated with such transactions and IARs also bear a portion. Services provided through the Program may cost clients more or less than purchasing these services separately. The number of transactions made in clients’ accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services.

For clients whose assets are managed using the Envestnet Platform (as described below), the Firm’s fee includes a platform fee, a portion of which is retained by Aurora Private Wealth. Aurora Private Wealth’s retention of a portion of the platform fee results in a conflict of interest as it creates an incentive for the

Firm to use the Envestnet Platform to manage client assets.

Other Charges

In addition to the advisory fees paid to Aurora Private Wealth, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions. These additional charges may include transaction costs for securities transactions executed away from approved broker-dealers, mark-ups and mark-downs on fixed-income transactions, fees charged by the Independent Managers (as defined below), reporting charges, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund Program Fees and other fund expenses), fees and commissions for held-away assets (such as 401(k) or 529 plan assets), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees.

As mentioned below, the Firm may recommend clients allocate a portion of their assets to third-party investment managers ("Independent Managers"). In addition to the investment management fees charged by those Independent Managers, clients will typically be responsible for paying brokerage commissions and/or transaction charges resulting from securities transactions effected by such Independent Managers.

Direct Fee Debit

Clients generally provide Aurora Private Wealth with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Aurora Private Wealth.

Account Additions and Withdrawals

Clients may make additions to and withdrawals from their account at any time, subject to Aurora Private Wealth's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to Aurora Private Wealth, subject to the usual and customary securities settlement procedures. Aurora Private Wealth may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charge) and/or tax ramifications.

Use of Margin

There are times when clients will want to use margin in their accounts or when Aurora Private Wealth recommends using margin. The use of margin is not suitable for all investors due to the increased risk. Moreover, the use of margin in an investment advisory account affects a client's asset-based fee. If margin is used to purchase additional securities, the total value of eligible account assets increases, thereby increasing the client's asset-based fee. The receipt of a higher asset-based fee by Aurora Private Wealth creates a conflict of interest since it is incentivized to recommend the use of margin to either purchase additional securities or avoid liquidating securities in the client's portfolio. In addition, having a margin account may incur some associated costs. Clients will be charged margin interest by the custodian on the

debit balance in their custodial account. Clients should be aware that if a margin account is opened with Pershing, Aurora Private Wealth will receive a portion of the margin fee.

Commissions and Sales Charges for Recommendations of Securities and Insurance Products

Management personnel and IARs of our firm are licensed as registered representatives of APW Capital, a broker-dealer or may be licensed insurance agents themselves or for various insurance companies, including Aurora Insurance Services, Inc. (“AIS”), a licensed insurance producer (agency). AIS is currently licensed to sell life, accident, health, sickness and variable insurance. AIS is under common control with us. As such, these individuals and AIS are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals, APW Capital or AIS when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

This presents a conflict of interest and gives Aurora Private Wealth and our IARs an incentive to recommend investment products based on the compensation received, rather than on a client’s needs. We address that conflict of interest by disclosing it to clients, informing clients that they are under no obligation to purchase securities or insurance products from our IARs, and requiring our IARs to answer any questions that a client or prospective client may have about their receipt of additional compensation. Clients have the option to purchase investment products that their IARs recommend through other unaffiliated broker-dealers and insurance agents and agencies. As described in our Form ADV Part 2A under the heading of “Additional Fees and Expenses”, accounts held at Pershing are subject to normal and customary transaction fees, and client’s advisory fees are not reduced or offset based on APW Capital’s receipt of this compensation.

Clients should be aware that the receipt of additional compensation by IARs and/or AIS creates a conflict of interest that affects the objectivity of our IARs when making advisory recommendations. Aurora Private Wealth seeks to mitigate this conflict of interest by taking the following steps:

- IARs (other than Tim Smith, Aurora Private Wealth and APW Capital’s President) do not receive any portion of the commission compensation received by APW Capital. Mr. Smith stands to receive profits distributions from APW Capital, if any.
- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm, our affiliates and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment or insurance products on a commission-basis from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client’s financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all commission-based recommendations of securities made to a client are suitable to the client’s needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we

may ensure that any conflicts of interests in such activities are properly addressed;

- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the need for having a reasonable and independent basis for the investment advice provided to clients.

Each of these relationships and their conflicts of interest are described in greater detail in Item 10 - Other Financial Industry Activities and Affiliations of our Form ADV Part 2A, which is incorporated herein by reference.

Compensation for Recommending the Program

Aurora Private Wealth has no internal arrangements in place whereby persons recommending the Program are entitled to receive additional compensation as a result of clients' participation. However, IARs are paid a portion of their advisory fees as they would be for non-Program accounts.

Item 5. Account Requirements and Types of Clients

Aurora Private Wealth offers services to individuals (including high net worth individuals), trusts, estates, Pension and profit sharing plans, charitable organizations, corporations or other businesses not listed above.

Minimum Account Requirements

Aurora Private Wealth does not impose a stated minimum fee or minimum portfolio value for starting and maintaining an investment management relationship. Certain Independent Managers may, however, impose more restrictive account requirements and billing practices from the Firm. In these instances, Aurora Private Wealth may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Managers.

Item 6. Portfolio Manager Selection and Evaluation

Aurora Private Wealth acts as the sponsor and sole portfolio manager under the Program.

Other Services and Programs

Aurora Private Wealth offers other services to clients and prospective clients that are not specifically described in this brochure. Clients and prospective clients should review Aurora Private Wealth's Form ADV Part 2A for more information about those other services and programs. Instead of reiterating the information in Aurora Private Wealth's Form ADV Part 2A that is found in Items 4.B, 4.C, 4.D (Advisory Business), 6 (Performance-Based Fees and Side-By-Side Management), 8.A (Methods of Analysis, Investment Strategies and Risk of Loss) and 17 (Voting Client Securities), that information is incorporated by reference. Clients and prospective clients should review those sections of the Brochure carefully.

Item 7. Client Information Provided to Portfolio Managers

In this Item, Aurora Private Wealth is required to describe the type and frequency of the information it

communicates to the Independent Managers, if any, managing its clients' investment portfolios. Aurora Private Wealth may or may not provide client information to an Independent Manager at the time of the client's hiring of the Independent Manager.

Item 8. Client Contact with Portfolio Managers

In this Item, Aurora Private Wealth is required to describe any restrictions on clients' ability to contact and consult with the portfolio managers managing their investment portfolios. There are no restrictions on clients' ability to correspond with Aurora Private Wealth.

Item 9. Additional Information

Instead of reiterating the information in Aurora Private Wealth's Form ADV Part 2A that is found in Items 9 (Disciplinary Information), 10 (Other Financial Industry Activities and Affiliations), 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading), 14 (Client Referrals and Other Compensation), and 18 (Financial Information), that information is incorporated by reference. Clients and prospective clients should review those sections of the Brochure carefully.

Account Reviews

Aurora Private Wealth monitors Program accounts on a periodic basis while regular account reviews are conducted at least annually, depending on the type of engagement. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. Reviews are conducted by the client's IAR. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Aurora Private Wealth and to keep the Firm informed of any changes thereto.

Account Statements and Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are held. Additionally, with certain exceptions, the Firm makes available online access to quarterly reports summarizing account performance, balances and holdings, except in cases where the securities used do not provide the Firm with electronic information access. Whenever clients receive reports from the Firm, they should compare the account statements they receive from their custodian with any documents or reports they receive from Aurora Private Wealth or an outside service provider.