

# MPWM Advisory Solutions LLC Wrap Fee Program Brochure

*This wrap fee program brochure provides information about the qualifications and business practices of MPWM Advisory Solutions LLC. If you have any questions about the contents of this brochure, please contact us at 212-490-4584 or by email at: [steven.mayer@mayerpwm.com](mailto:steven.mayer@mayerpwm.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about MPWM Advisory Solutions LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). MPWM Advisory Solutions LLC's CRD number is:169885.*

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

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## **Item 2: Material Changes**

MPWM Advisory Solutions LLC has not yet filed an annual updating amendment to this Wrap Fee Program Brochure. Therefore, there are no material changes to this brochure to report.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

MPWM Advisory Solutions LLC (hereinafter “MPWM”) provides portfolio management to clients under this wrap fee program as sponsor and portfolio manager.

Portfolio management fees are withdrawn directly from the client’s accounts with client’s written authorization.

Total Assets Under Advisement	Annual Fee
Up to \$1M	1.60%
\$1M to \$2M	1.35%
\$2M - \$5M	1.10%
\$5M and up	0.85%

Fees are paid in advance. The advisory fee is calculated using the value of the assets on the last business day of the prior billing period. Refunds for any fees paid in advance but not yet earned will be refunded on a prorated basis and returned within fourteen days to the client via check or return deposit back into the client’s account. For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

Clients may terminate the agreement without penalty, for full refund of MPWM’s fees, within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

### B. Contribution Cost Factors

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program, including the trading activity in the client’s account, the adviser’s ability to aggregate trades, and the cost of the services if provided separately (which in turn depends on the prices and specific services offered by different providers).

### C. Additional Fees

MPWM will wrap brokerage transaction fees with its advisory fee for wrap fee portfolio management accounts. MPWM will charge clients one fee and pay all transaction fees

using the fee collected from the client. Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that MPWM has an incentive to limit trading activities for those accounts since the firm absorbs those transaction costs.

Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, fees associated with “step out” transactions if the account uses different custodians or broker-dealers, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

#### **D. Compensation of Client Participation**

Neither MPWM, nor any representatives of MPWM receive any additional compensation beyond advisory fees for the participation of client’s in the wrap fee program. However, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and other services. Therefore, MPWM may have a financial incentive to recommend the wrap fee program to clients.

### **Item 5: Types of Clients**

MPWM does not impose an account minimum for accounts in its wrap fee program

### **Item 6: Portfolio Manager Selection and Evaluation**

#### **A. Selecting/Reviewing Portfolio Managers**

MPWM will not select outside portfolio managers for management of this wrap fee program. MPWM and its supervised persons will be the sole portfolio managers for this wrap fee program.

MPWM will use industry standards to calculate its performance.

MPWM reviews the performance information to determine and verify its accuracy and compliance with presentation standards. No third party reviews the performance information.

#### **B. Related Persons**

MPWM and its supervised persons serve as the portfolio managers for all wrap fee program accounts. This is a conflict of interest in that no outside adviser assesses MPWM’s management of the wrap fee program. However, MPWM addresses this conflict

by acting in its clients' best interest consistent with its fiduciary duty as sponsor and portfolio manager of the wrap fee program.

### **C. Advisory Business**

MPWM offers ongoing wrap fee portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. MPWM gathers suitability information for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- Determine investment strategy
- Asset allocation
- Assessment of risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

MPWM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon.

Risk tolerance levels are documented in the account opening documents, which are given to each client.

Portfolio management accounts participating in the wrap fee program will not have to pay for transaction or trading fees. MPWM will charge clients one fee and pay transaction fees using the advisory fee collected from the client. Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that MPWM has an incentive to limit trading activities for those accounts since the firm absorbs those transaction costs. To address this conflict, MPWM will always act in the best interest of its clients consistent with its fiduciary duty as an investment adviser.

#### ***Services Limited to Specific Types of Investments***

MPWM generally limits its investment advice to mutual funds, equities, fixed income securities, ETFs (including ETFs in the gold and precious metal sectors), real estate funds (including REITs), non-U.S. securities, hedge funds, private equity funds, venture capital funds, insurance products including annuities. MPWM may use other securities as well to help diversify a portfolio when applicable.

## ***Client Tailored Services and Client Imposed Restrictions***

MPWM offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client's current situation (income, tax levels, and risk tolerance levels). Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent MPWM from properly servicing the client account, or if the restrictions would require MPWM to deviate from its standard suite of services, MPWM reserves the right to end the relationship or disallow the restriction.

### ***Wrap Fee Programs***

As discussed herein, MPWM sponsors and acts as portfolio manager for this wrap fee program. MPWM manages the investments in the wrap fee program and will manage wrap fee accounts differently than non-wrap fee accounts. For our wrap accounts, we serve as the portfolio manager in selecting the mutual funds, stocks, ETF's, and alternative investments for the client's account. For our non-wrap accounts, we typically select a third party money manager as the portfolio manager for the client's account. The fees paid to the wrap account program will be given to MPWM as a management fee.

### ***Amounts Under Management***

MPWM has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$124,662,294	\$217,951	February 2020

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

MPWM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Clients paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

## ***Methods of Analysis and Investment Strategies***

### **Methods of Analysis**

MPWM's methods of analysis include fundamental analysis and modern portfolio theory.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Modern portfolio theory** is a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets.

### **Investment Strategies**

MPWM uses long term trading.

*Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.*

### ***Material Risks Involved***

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#### **Methods of Analysis**

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Modern Portfolio Theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

### **Investment Strategies**

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

*Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.*

### ***Risks of Specific Securities Utilized***

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned below).



**Equity investment** generally refers to buying shares of stocks in return for receiving a future payment of dividends and capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry market conditions and general economic environments.

**Fixed income investments** generally pay a return on a fixed schedule, though the amount of the payments can vary and include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general the fixed income market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest, and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Real Estate funds** (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Hedge Funds** often engage in leveraging and other speculative investment practices that may increase the risk of investment loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; May involve complex tax structures and delays in distributing important tax information; are not subject to the

same regulatory requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

**Private equity funds:** In addition to the risks associated with hedge funds, there are risks specifically associated with investing in private equity. Capital calls will be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment.

Venture capital funds invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

**Non-U.S. securities** present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

*Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.*

### ***Voting Client Securities (Proxy Voting)***

MPWM will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 7: Client Information Provided to Portfolio Managers**

All client information material to managing the portfolio (including basic information, risk tolerance, sophistication level, and income level) is provided to the portfolio manager. The portfolio manager will also have access to that information as it changes and is updated.

## **Item 8: Client Contact with Portfolio Managers**

MPWM does not restrict clients from contacting portfolio managers. MPWM's supervised persons can be contacted during regular business hours using the information on the individual's Form ADV Part 2B cover page.

## **Item 9: Additional Information**

### **A. Disciplinary Action and Other Financial Industry Activities**

#### ***Criminal or Civil Actions***

There are no criminal or civil actions to report.

### ***Administrative Proceedings***

There are no administrative proceedings to report.

### ***Self-Regulatory Organization (SRO) Proceedings***

There are no self-regulatory organization proceedings to report.

### ***Registration as a Broker/Dealer or Broker/Dealer Representative***

Supervised persons of MPWM are registered representatives of LPL Financial.

### ***Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor***

Neither MPWM nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### ***Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests***

As indicated above, supervised persons of MPWM are registered representatives of LPL Financial. In addition, supervised persons of MPWM are licensed insurance agents. From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. MPWM always acts in the best interest of the client, including with respect to the sale of commissionable products to advisory clients. Clients are in no way required to purchase such services or products through any representative of MPWM in such individual's outside capacities. MPWM

### ***Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections***

Supervised persons are registered representatives of LPL Financial and are licensed insurance agents. From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. MPWM always acts in the best interest of the client, including with respect to the sale of commissionable products to advisory clients. Clients are in no way required to purchase such services or products through any representative of MPWM in such individual's outside capacities.

## **B. Code of Ethics, Client Referrals, and Financial Information**

### ***Code of Ethics***

MPWM has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. MPWM's Code of Ethics is available free upon request to any client or prospective client.

### ***Recommendations Involving Material Financial Interests***

MPWM does not recommend that clients buy or sell any security in which MPWM or a related person has a material financial interest.

### ***Investing Personal Money in the Same Securities as Clients***

From time to time, representatives of MPWM may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of MPWM to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. MPWM will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### ***Trading Securities At/Around the Same Time as Clients' Securities***

From time to time, representatives of MPWM may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of MPWM to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, MPWM will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### ***Frequency and Nature of Periodic Reviews***

All client portfolio management accounts are reviewed at least annually by advisors with regard to clients' respective investment policies and risk tolerance levels.

### ***Factors That Will Trigger a Non-Periodic Review of Client Accounts***

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### ***Content and Frequency of Regular Reports Provided to Clients***

Each client will receive a quarterly account statement from the custodian.

### ***Economic Benefits Provided by Third Parties for Advice Rendered to Clients***

MPWM does not receive any economic benefit, directly or indirectly from any third party for advice rendered to MPWM clients.

### ***Compensation to Non – Advisory Personnel for Client Referrals***

MPWM may compensate persons who are not its supervised persons for client referrals. In such cases, MPWM will have a written arrangement with the third party to act a solicitor for MPWM's investment management services. All compensation with respect to the foregoing will be fully disclosed to each client to the extent required by applicable law. MPWM will ensure each solicitor is properly registered in all appropriate jurisdictions and all such referral activities will be conducted in accordance with Rule 206(4)-3 under the Advisers Act.

### ***Balance Sheet***

MPWM neither requires nor solicits prepayment of more than \$1,200.

### ***Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients***

MPWM does not have any financial condition that would impair its ability to meet contractual commitments to clients.

### ***Bankruptcy Petitions in Previous Ten Years***

MPWM has not been the subject of a bankruptcy petition.