



## ADV Part 2A Appendix 1 / Wrap Brochure

### Item 1 – Cover Page

Evolution Wealth Advisors, LLC  
also known as EWA

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March 2020

This Wrap Fee program brochure provides information about the qualifications and business practices of Evolution Wealth Advisors, LLC ("EWA", the "Company", "us", "we", "our"). If you ("client", "your") have any questions about the contents of this brochure, please contact us at the number listed above. The information in this Wrap Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. EWA's IARD firm number is 285142.

We are a registered investment adviser. Our registration as an investment adviser does

not imply any level of skill or training. Additional information about EWA is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select "Investment Adviser Search" and type in our firm name). The results will provide you with both Parts 1 and 2 of our Form ADV.

## Item 2 – Material Changes

The only material changes to report since our last annual filing of our Form ADV Part 2A Appendix 1 or “Wrap Brochure” dated March 2019 and they are:

- Change in our ownership structure;
- Change in our fee schedule; and
- Change in the Chief Compliance Officer's name.

In addition, we have made clarifications to this Wrap Brochure, specifically our billing practices.

Pursuant to amendments made to rules promulgated under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and the form formerly known as Form ADV Schedule H. This Wrap Brochure was developed in response to new requirements adopted and imposed by the SEC under the Advisers Act.

For future filings, this section of the Wrap Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

We will periodically update this Wrap Brochure and send you a copy that includes a summary of material changes. These changes may be communicated either by electronic means (email) or by mail.

If you would like another copy of this Wrap Brochure, please download it from the SEC website as indicated above or contact our Chief Compliance Officer, Luciana Roditi at the number listed on this cover page or via email at [lroditi@ewadvisors.net](mailto:lroditi@ewadvisors.net).

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## Item 4 – Services, Fees and Compensation

Evolution Wealth Advisors, LLC, also known as EWA, is a limited liability company organized under the laws of the State of Florida since July 28, 2016. EWA is principally owned by Roberto Vainrub through the Roberto Vainrub Revocable Trust. We are registered as an investment adviser with the SEC since September 8, 2017 and notice filed in applicable States in order to provide the investment advisory services as described within this document. As of December 31, 2019, our assets under management totaled:

Discretionary Managed Accounts	\$825,443,344
Non-Discretionary Managed Accounts	\$0
Assets Under Advisement <sup>1</sup>	<u>\$531,953,493</u>
Total	\$1,357,396,837

Individuals associated with EWA will provide investment advisory services on our behalf. Such individuals are known as Investment Advisor Representatives (“IARs”). We require IARs engaged in determining or offering investment advice to clients to be properly licensed and registered in the states, unless exempted, in which they provide investment advisory services.

Below is a description of the services we offer. Please reference your Wrap Advisory Agreement (“WAA”) for more detail or contact your IAR.

We offer advisory services through the Wrap Fee Programs (“Programs”) administered by our custodian Charles Schwab & Co., Inc. The Programs provide discretionary asset management services for a convenient, single fee that includes account management, brokerage, clearing, custody and administrative services.

The IAR will collect Personal Information from the client to determine client eligibility for the Program and for the investment strategy and allocation(s) the client selects.

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<sup>1</sup> Assets under advisement represent assets in which we provide consulting services and for which we have neither discretionary authority nor responsibility for arranging or effecting the purchase or sale of recommendations provided to and accepted by the ultimate client. Inclusion of these assets will make our total assets number different from assets under management disclosed in Item 5.F of our Form ADV Part 1A due to specific calculation instructions for Regulatory Assets Under Management.

### ***Fee Schedule under Wrap Fee Programs***

The annual fee charged for all discretionary advisory services will be a percentage of assets under management. The fees will be as follows:

Low Range	High Range	Annual Fee
\$700,000	\$2,000,000	0.95%
\$2,000,001	\$5,000,000	0.90%
\$5,000,001	\$10,000,000	0.85%
\$10,000,001	and above	TBN*

#### **Illustrative Example:**

	Assets	Quarterly Fee	Annual Fee
AUM	\$7,000,000	0.23%	0.90%
1st scalar	\$2,000,000	\$ 4,750	\$ 19,000
2nd scalar	\$3,000,000	\$ 6,750	\$ 27,000
3rd scalar	\$2,000,000	\$ 4,250	\$ 17,000
4th scalar		TBN	TBN
TOTAL		\$ 15,750	\$ 63,000

\* To be negotiated

We generally work with clients who will invest with EWA over \$700,000 in EWA in investable assets which can be reached within the first twelve (12) months of entering into the WAA. If the account is below our minimum amount, we will assess a minimum yearly fee of \$6,650 paid quarterly in advance based on the WAA. Minimum fees may be waived, increased or reduced at the discretion of EWA. Fees are negotiable for accounts over \$10 million.

Fees are payable quarterly in advance and computed based on the total market value of the portfolio at the end of previous quarter as computed by EWA. Fees are directly debited from the client's account at the custodian.

Lump sum contributions or withdrawals over \$100,000 made within a calendar quarter will be prorated. However, prorated fees amounting less than \$100.00 will not be credited or debited from a client account. Please note that the balance your fee is based on may not match the statement you receive from the custodian due to dividends, incoming contributions, outgoing withdrawals, settlement issues, etc.

### ***Limited Negotiability of Advisory Fees***

Although EWA has established the fee schedules disclosed above, we reserve the option to negotiate the fees on a client-by-client basis. Therefore, clients with similar assets under management and investment objectives may pay significantly higher or lower fees than other clients. In determining the fees, we will consider the facts, circumstances, and needs of the clients. We will also consider the complexity of the client, assets to be managed, anticipated future additional assets, related accounts, portfolio style, account composition, and reports to be provided, among other factors. We will provide the specific annual fee schedule in the contract between the adviser and each client. Certain related client accounts will be grouped for the purpose of reaching the minimum account size requirements and determining the annual fee.

We do not take physical possession of client funds or securities. Upon your written consent, fees are directly debited from your account(s) at the custodian. The custodian will send to you an account statement identifying the amount of funds and each security in your account at the end of the period and setting forth all transactions in the account during that period, including the amount of advisory fees paid directly to EWA.

Only upon your request, we will prepare and provide to you reports regarding your portfolio. You are encouraged to review these reports and compare them against reports received from the independent custodians that service your account(s). You should immediately inform EWA of any discrepancy noted.

The WAA may be terminated at any time by either party with thirty days written notice. A pro-rata refund will be made of all fees paid in advance of the accepted termination date. Full refunds will only be made in cases where cancellation occurs within five (5) business days of signing the WAA. Termination of the WAA will not affect (i) the validity of any action previously taken by us under the agreement; (ii) liabilities or obligations of the parties initiated before termination of the WAA; or (iii) your obligation to pay advisory fees (prorated through the date of termination). Any unearned portion of the fee will be refunded to the client as determined in accordance with the terms of WAA. Any refunds due to the client shall be made as soon as possible from receipt of notice of termination. For the purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract, or, in the case of an oral contract, otherwise signified their acceptance, any other provisions of this contract notwithstanding.

Detailed information on the termination terms and fees can be found in the applicable WAA.

### ***Potential Conflicts of Interest***

We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we will have an incentive to limit our trading activities in their account(s) because we are charged for executed trades.

Transactions in advisory program accounts are placed through the custodian as the executing broker-dealer.

We receive compensation as a result of a client's participation in the Program. Depending on, among other things, the size of the account, changes in its value over time, the ability to negotiate fees or commissions, and the number of transactions, the amount of this compensation may be more or less than what we would receive if the client participated in other programs, or paid separately for investment advice, brokerage and other services. Even though we believe the custodian fees are competitive, lower fees for similar services may be available from other sources.

Because mutual funds pay advisory fees to their investment advisors, such fees are, therefore, indirectly charged to all holders of mutual fund shares. Clients with mutual funds in their portfolios are effectively paying us and the mutual fund advisor for the management of their assets. Clients who place mutual fund shares under our management are therefore subject to our direct management fee and the indirect management fee of the mutual fund advisor.

### ***Mutual Fund Internal Expenses***

Internal advisory fees and expenses are paid by the mutual fund companies to their fund advisers, and/or sub account sponsors. These internal expenses are further outlined in the Fund Companies' Prospectuses.

### ***General Information on Advisory Programs and Fees***

All fees paid to us are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee.

You could invest in a mutual fund directly, without our services. In that case, you would not receive the services we provide which are designed, among other things, to assist you in determining which mutual fund or funds are most appropriate to your financial condition, goals, and objectives. Accordingly, you should review both the fees charged by the funds and the fees we charge to fully understand the total amount of fees to pay and



to thereby evaluate the advisory services being provided.

Advisory recommendations are based on your financial situation at the time the services are provided and are based on financial information you disclose to us. You are advised that certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. As your financial situation, goals, objectives, or needs change, you must notify us promptly.

We will not have custody of any your funds or securities, as a qualified and independent custodian will be used for these asset management services.

The Wrap Fee Program may cost clients more or less than purchasing such services separately, depending on the frequency of trading in the client's accounts, commissions charged at other broker/dealers for similar products and fees charged for like services by other broker/dealers and other factors.

Under this Program, you will pay a single fee for investment advice and all transaction related costs associated with executing transactions (except for incidental costs such as wire fees or bank charges). The wrap fee also does not cover certain fees and expenses associated with investments in mutual funds, as discussed above. Other costs that may be assessed to you and that are not part of the wrap fee include fees for portfolio transactions executed away from Broker, dealer mark-ups, electronic fund and wire transfers, spreads paid to market-makers, dealer mark-ups, market maker spreads and exchange fees, among others.

We may receive compensation or other benefits in addition to the wrap fee we receive from you and, therefore, we may have an incentive to engage in such transactions. This compensation may be more than what you would receive if you participated in other programs or paid separately for investment advice, brokerage, and other services. Therefore, we may have a financial incentive to recommend the Wrap Fee Program over other programs or services.

We deliver the Form ADV Part 2 to the client before or at the time we enter into an investment advisory contract with you. If the appropriate disclosure brochure was not delivered to you at least 48 hours prior to you entering into any written or oral advisory contract with us, then you have the right to terminate the contract, without penalty, within five (5) business days after the date of execution.

## **Item 5 – Account Requirements and Types of Clients**

We offer investment advisory services to individuals, high net worth individuals, corporations or other business entities, and foundations.

We generally work with clients who will invest with EWA \$700,000 or more in investable assets which can be reached within the first twelve (12) months of entering into the WAA. If the account is below our minimum amount, we will assess a minimum yearly fee of \$6,650 paid quarterly in advance based on the WAA. Minimum fees may be waived, increased or reduced at the discretion of EWA. Fees are negotiable for accounts over \$10 million.

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

Our associated persons providing investment advice to you under the Program will be required to meet the specific state registration examination requirements, unless exempted, in order to provide such advice.

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

We do not charge performance-based fees (i.e., advisory fees based on a share of the capital gains on or capital appreciation of the client's assets), and therefore, we do not engage in side-by-side management. Our compensation structure is disclosed in detail in Item 4 above.

### **Methods of Analysis, Investment Strategies and Risk of Loss**

#### **Method of Analysis**

We use several different methods of analysis and sources of information when formulating investment strategies. In addition to our own research, our recommendations may also be obtained from research sources that include financial publications, research prepared by others, annual reports, prospectuses and other regulatory filings, company press releases and other sources.

In formulating our investment advice and/or managing your assets, we employ different research methods such as macroeconomic analysis, Manager analysis, fundamental analysis, charting and technical analysis.

*Manager Analysis:* In this type of analysis, we compare managers in the same asset categories based on extensive criteria (e.g., performance, length of time in business, risk attributes, costs etc.) in an attempt to identify a manager that we feel will help us meet our client's investment objectives.

*Fundamental Analysis.* We may attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and valuation measures) to determine if the investment is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall

market regardless of the economic and financial factors.

*Technical Analysis.* We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in poorly managed or financially unsound companies that may underperform regardless of market movement.

*Charting.* In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

## **Investment Strategies**

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. We may use one or more of the following investment strategies when providing investment advice to you:

- *Long-Term Purchases* - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- *Short-Term Purchases* - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.
- *Margins Transactions* - borrowing money from a broker to purchase stock. The collateral for the loan is normally securities in the investor's account.
- *Option Strategies* - buying or selling of one or more options that differ in one or more of the options' variables. We generally intend to use these for hedging purposes to reduce portfolio risk.

## **Risk of Loss, Disclosures and other important information**

There are inherent risks involved for each investment strategy or method of analysis we use and the particular type of security we recommend. Investing in securities involves the

risk of loss, which clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease, and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market and ask our firm any questions you may have.

The value of your investment may be affected by one or more of the following risks, any of which could cause the portfolio's return or the portfolio's yield to fluctuate:

***Market Risk:*** Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition. Factors such as domestic and international economic growth and market conditions, interest rate levels, and political events affect the securities markets.

***Business Risk:*** These risks are associated with a particular industry or a particular company within an industry. For example, oil drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

***Inflation Risk:*** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

***Financial Risk:*** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

***Company Size Risks:*** Generally, the smaller the market capitalization of a company, the fewer the number of shares traded daily, the less liquid its stock and the more volatile its price. Companies with smaller market capitalizations also tend to have unproven track records. These factors also increase risks and make these companies more likely to fail than companies with larger market capitalizations.

***Foreign Investing Risks:*** Investments in foreign companies and markets carry a number of economic, financial and political considerations that are not associated with the U.S. markets and that could unfavorably affect account performance. Among those risks are

greater price volatility; weak supervision and regulation of securities exchanges, brokers and issuers; higher brokerage costs; fluctuations in foreign currency exchange rates and related conversion costs; adverse tax consequences; and settlement delays.

*Fixed Income Securities:* Client accounts with all or a portion of the underlying assets invested in fixed income securities are subject to the following risks:

*Interest Rate Risks:* Prices of fixed income securities rise and fall in response to changes in the interest rate paid by similar securities. Generally, when interest rates rise, prices of fixed income securities fall. Interest rate changes have a greater effect on the price of fixed income securities with longer maturities.

*Credit Risks:* Credit risk is the possibility that an issuer or counterparty will default on a security or repurchase agreement by failing to pay interest or principal when due. If an issuer defaults, the value of a fixed income security may decrease. Lower credit ratings correspond to higher credit risk. Bonds rated below BBB or Baa have speculative characteristics.

*Call Risks:* If the fixed income securities are redeemed by the issuer before maturity (or “called”), the fund may have to reinvest the proceeds in securities that pay a lower interest rate, which may decrease the portfolio’s overall yield. This will most likely happen when interest rates are declining.

*Liquidity Risks:* Liquidity risk refers to the possibility that an investor may not be able to sell or buy a security or close out an investment contract at a favorable price or time. Consequently, an investor, may have to accept a lower price to sell a security, sell other securities to raise cash or give up an investment opportunity, any of which could have a negative effect on investment performance. Infrequent trading of securities also may lead to an increase in their price volatility.

*ETF and Mutual Funds Risk:* ETFs and mutual funds are subject to investment advisory and other expenses, which will be indirectly paid by clients. As a result, the cost of our investment strategies will be higher than the cost of investing directly in ETFs or mutual funds, as there are two levels of fees. ETFs and mutual funds are subject to specific risks, depending on the nature of the fund.

ETFs are professionally managed pooled vehicles that invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination

thereof. ETF managers trade fund investments in accordance with fund investment objectives. ETF risk can be significantly increased for funds concentrated in a particular sector of the market, or that primarily invest in small cap or speculative companies, use leverage (i.e., borrow money) to a significant degree, or concentrate in a particular type of security (i.e., equities), rather than balancing the fund with different types of securities.

ETFs can be bought and sold throughout the day like stocks, and their price can fluctuate throughout the day. During times of extreme market volatility, ETF pricing may lag versus the actual underlying asset values. This lag usually resolves itself in a short period of time (usually less than one day); however, there is no guarantee this relationship will always occur.

*Government Obligations Risks:* No assurance can be given that the United States government will provide financial support to United States government-sponsored agencies or instrumentalities where it is not obligated to do so by law. As a result, there is risk that these entities will default on a financial obligation.

*High Yield Securities Risks:* High yield securities tend to be more sensitive to economic conditions than are higher-rated securities and generally involve more credit risk than securities in the higher-rated categories. The risk of loss due to default by an issuer of high yield securities is significantly greater than issuers of higher-rated securities because such securities are generally unsecured and are often subordinated to other creditors.

*Management Risk:* The adviser's strategy may fail to produce the intended results.

*Firm Research:* When our research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, the firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. We make every effort to determine the accuracy of the information received but it cannot predict the outcome of events or actions taken or not taken, or the validity of all information it has researched or provided, which may or may not affect the advice on or investment management of an account.

*Defensive Risk:* To the extent that the strategy attempts to hedge its portfolio stocks or takes defensive measures, such as holding a significant portion of its assets in cash or cash equivalents, the objective may not be achieved.

*Turnover Risk:* At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.

*Availability of Information:* Certain issuers, including municipalities, private companies, and foreign issuers may not be subject to the same disclosure, accounting, auditing, and financial reporting standards and practices as companies publicly listed in U.S. stock markets. Thus, there may be less information publicly available about these issuers and their current financial condition.

*Concentration Risk:* To the extent that the strategy focuses on particular asset-classes, countries, regions, industries, sectors, or types of investment from time to time, the strategy may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

*Legal or Legislative Risk:* Legislative changes or court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

We will rebalance your portfolio periodically to control risk, take profits and enhance tax efficiency. We will reduce or eliminate positions due to lack of performance, to achieve certain tax benefits, to capture profits and to tactically re-allocate holdings.

While we seek to take advantage of investment opportunities for our clients that will seek to balance investment returns with the risk of loss, there is no guarantee that such opportunities will ultimately benefit our client. We will change client portfolios in response to market conditions that are unpredictable and may expose our client to greater market risk than seen in previous market cycles. There is no assurance that our investment strategy will enable our client to achieve the stated investment objectives of our strategies.

The above list of risk factors does not claim to be a complete list or explanation of the risks involved in an investment strategy. There are many other circumstances not described here that could adversely affect your investment and prevent you from your investment objectives. The list represents the typical risks involved. The explanation of certain risks is not exhaustive, but rather highlights some of the more significant risks involved in our investment strategies. You are encouraged to consult your IAR and tax professional on an initial and continuous basis in connection with selecting and engaging



in the services provided by us. In addition, due to the dynamic nature of investments and markets, strategies may be subject to additional and different risk factors not discussed above.

### **Voting Client Securities (i.e., Proxy Voting)**

#### **Proxy Voting**

EWA has accepted responsibility to vote proxies on behalf of advisory clients. A client has the option to retain proxy voting privileges on behalf of their own account provided they have indicated as such on the WAA or in writing to EWA. Should a client choose this option, then that client will receive proxies or other solicitations directly from their custodian; however, the client may contact EWA with questions regarding solicitations by calling at the telephone number listed on the cover page.

When agreed between EWA and a client, EWA will vote proxies for voting securities held in a client's account. Proxies will be voted in the best interest of EWA's clients in accordance with EWA's then-current Proxy Voting Policy (the "Policy"). EWA has retained an independent proxy voting service provider, Broadridge Investor Communication Solutions, Inc. ("Broadridge") to assist it in connection with voting client proxies. Broadridge relies on another third-party firm, Glass, Lewis & Co., for proxy vote research, guidelines and vote recommendations. Absent a determination by EWA to override the independent provider's guidelines and/or recommendations, client proxies will be voted in accordance with those guidelines and/or recommendations. EWA's Policy is available upon request, in electronic or hard copy form. Clients may obtain the Policy from EWA, as well as information about how EWA voted clients' securities, by contacting EWA at [Irodit@ewadvisors.net](mailto:Irodit@ewadvisors.net).

EWA's proxy voting procedures are designed to ensure that proxies are voted. Our voting guidelines have been designed to promote accountability of a company's management and board of directors to its shareholders; to align the interests of management with those of shareholders; and, to encourage companies to adopt best practices in terms of their corporate governance.

Since EWA has engaged a third-party proxy service provider to assist with the voting of proxies, the CCO and investment management unit have the responsibility for oversight of the third-party proxy service provider and for ensuring that proxies are voted in the best interest of clients.

In voting, EWA or the third party shall vote in a prudent and timely fashion and only after a careful evaluation of the issue(s) presented on the ballot. EWA has developed

guidelines to vote the proxies.

Prior to voting, EWA or the third-party service provider verifies whether a conflict of interest with EWA exists in connection with the subject proposal(s) to be voted upon. The determination regarding the presence or absence of any conflicts of interest is documented. EWA relies on its third-party service provider to make and retain each proxy statement and a record of each vote cast. In the event EWA makes a determination to override the independent provider's guidelines and/or recommendations, EWA will retain a record memorializing the basis for the vote cast and any other documentation which was material to the decision voted. Clients may request a copy of how securities in their account were voted by contacting EWA at the telephone number listed on the cover page.

### **Class Actions**

Sometimes securities held in the accounts of clients will be the subject of class action lawsuits. EWA has engaged Broadridge to provide a comprehensive review of our clients' possible claims to a settlement throughout the class action lawsuit process. Broadridge actively seeks out any open and eligible class action lawsuits. Additionally, Broadridge files, monitors and expedites the distribution of settlement proceeds in compliance with SEC guidelines on behalf of our clients. Broadridge's filing fee is contingent upon the successful completion and distribution of the settlement proceeds from a class action lawsuit. In recognition of Broadridge's services, they receive a percentage (typically 15%) of our clients' share of the settlement distribution. When EWA receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by clients, it will work to assist clients and Broadridge in the gathering of required information and submission of claims.

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

We have access to client information as our supervised persons act as the portfolio managers for the Wrap Fee Programs described in Item 4 above. Pursuant to applicable Federal and/or State Privacy Regulations, we are a financial institution that has determined to keep confidential the non-public personal information about each of our clients.

We obtain the necessary information and review your financial situation and investment portfolio, including your risk tolerance, to determine and set the appropriate short and long-term investment goals and objectives. We encourage you to notify us if there have been any changes in your financial situation or investment objective, or if you wish to impose any reasonable restrictions, or modify any existing restrictions, on the management of your account.

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

We have not placed any restrictions on your ability to contact and consult with your portfolio manager.

## Item 9 – Additional Information

### Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. We do not have any legal or disciplinary events to report.

### Other Financial Industry Activities and Affiliations

Neither we nor any of our management persons (except as disclosed below), are registered, nor do we have an application pending to register as a broker-dealer or a registered representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or as an associated person of the foregoing entities.

In addition, neither we nor any of our management persons have any arrangement that is material to our advisory business or to our clients that we or any of our management persons have with any related person that is under common control and ownership, i.e., a:

- Municipal securities dealer, or government securities dealer or broker,
- Investment company or other pooled investment vehicle,
- Other investment adviser or financial planner,
- Futures commission merchant (or commodity pool operator or commodity trading advisor),
- Banking or thrift institution,
- Accountant or accounting firm,
- Lawyer or law firm,
- Insurance company or agency,
- Pension consultant,
- Real estate broker or dealer, or

- Sponsor or syndicator of limited partnerships.

However, Roberto Vainrub sits on the board as a director or an adviser for the following financial related entities where he spends approximately on average 14 hours per month.

1. **Mercantil Servicios Financieros**—His duties include board meeting, and risk committee.
2. **Mercantil Banco Universal**—His duties include board meeting, risk and audit committee.

In addition, Mr. Vainrub is a passive investor/owner of an offshore company. AV Securities, Inc. (“AV Securities”). AV Securities is a licensed Panama Broker-Dealer that provides investment advice, securities analysis and research services to its clients.

- AV Securities also provides research services to EWA and, indirectly, EWA’s advisory clients. EWA compensates AV Securities for its research. As a passive investor/owner of AV Securities, Mr. Vainrub indirectly benefits from the compensation received from EWA. A conflict of interest exists in that the choice of EWA’s research vendor may be driven more by the compensation potential to Mr. Vainrub than the merits of the research vendor’s research services.
- Additionally, AV Securities and EWA have entered into a solicitation agreement whereby AV Securities agreed to recommend EWA’s investment advisory services to potential clients. AV Securities also agreed to periodically contact referred clients for the purpose of assisting them in understanding EWA’s services and, if necessary, to update their information and provide it to EWA. In exchange for these services, EWA pays AV Securities a referral fee. A conflict interest exists in that Mr. Vainrub would indirectly benefit from the fees paid to AV Securities due this ownership interest in AV Securities.
- AV Securities and EWA have also entered into a Three-Party Consulting Agreement with certain clients whereby the client engages AV Securities and EWA, collectively, to provide investment consulting services and advice with respect to the Client’s portfolios.

EWA and Mr. Vainrub understand and take their fiduciary duty to all clients seriously, and EWA has created and implemented a Compliance Program to monitor all client accounts for adherence to client investment objectives, the fair allocation of investment

opportunities, and to ensure equitable client treatment in all matters.

## **Investment Adviser Relationships**

We do not receive compensation directly or indirectly from other investment advisers. However, we have disclosed our business relationships with other investment advisers for whom we have referred our clients throughout this Wrap Brochure.

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

### **Code of Ethics**

The Code of Ethics adopted and implemented by EWA applies to the activities of our Company. All employees of EWA are subject to this Code of Ethics. In carrying on its daily affairs, EWA and all of our supervised persons<sup>2</sup> shall act in a fair, lawful and ethical manner, in accordance with the rules and regulations imposed by our governing regulatory authority. The Code of Ethics sets forth standards of conduct and requires compliance with applicable state and federal securities laws. Our Code of Ethics also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to our Chief Compliance Officer (“CCO”).

We have created a Code of Ethics which establishes standards and procedures for the detection and prevention of certain conflicts of interest including activities by which persons having knowledge of the investments and investment intentions of EWA, its affiliates or clients, might take advantage of that knowledge for their own benefit. EWA has in place Ethics Rules (the “Rules”), which are comprised of the Code of Ethics and Insider Trading policies and procedures. The Rules are designed to ensure that EWA’s personnel (i) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties; (ii) to act in the EWA’s clients’ best interest at all times; (iii) disclose all conflicts of interest; (iv) adhere to the highest standards of loyalty, candor and care in all matters relating to its clients; (v) conduct all personal trading consistent with the Rules and in such a manner as to mitigate any conflicts of interest or any abuse of their position of trust and responsibility; and (vi) not use any material non-public information in securities trading. The Rules also establish policies regarding other matters such as outside employment,

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<sup>2</sup> Supervised person means any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of an investment adviser, or other person who provides investment advice on behalf of the investment adviser and is subject to the supervision and control of the investment adviser.

the giving or receiving of gifts, and safeguarding portfolio holdings information.

Under the general prohibitions of the Rules, EWA's personnel are prohibited from: 1) effecting securities transactions while in the possession of material, non-public information; 2) disclosing such information to others; 3) participating in fraudulent conduct involving securities held or to be acquired by any client; and 4) engaging in frequent trading activities that create or may create a conflict of interest, limit their ability to perform their job duties, or violate any provision of the Rules.

We will provide you a copy of our Code of Ethics upon request. To request a copy, you can contact us at the address or telephone number listed on the cover page of this brochure, Attn: Chief Compliance Officer.

### **Personal Trading**

Under the Code, EWA's personnel are required to conduct their personal investment activities in a manner that EWA believes is not detrimental to its advisory clients. As discussed above, EWA personnel must conduct all personal trading in such a manner to mitigate any conflicts of interest or any abuse of their position of trust and responsibility.

EWA and/or its employees may buy, sell or hold securities it also recommends to clients, subject to the requirements of its internal policies and procedures. EWA's policies are based on the principle that EWA and its employees have a fiduciary duty to place the interests of clients ahead of their own interests. To the extent not prohibited by its policies, EWA and/or its employees may hold, acquire, increase, decrease or dispose of securities or other interests at or about the same time that EWA is purchasing or selling the same securities or interests for an advisory account. EWA may manage discretionary accounts on behalf of its owners, employees, and family members.

EWA has created and implemented internal controls to monitor client account activity and proper allocation of investment opportunities, based on each client's stated investment objectives and risk tolerance, to address these conflicts.

### **Participation or Interest in Client Transactions**

We do not execute transactions on a principal or agency cross basis.

### **Donations to Charities**

From time to time, EWA may donate to charitable organizations that are affiliated with clients, are supported by clients, and/or are supported by an individual employed by one of our clients. In general, such donations are made in response to requests from clients,



or their personnel. Because EWA's contributions may result in the recommendation of EWA's services or its products, such contributions may raise a potential conflict of interest. As a result, EWA maintains procedures that generally limit the dollar amount and frequency of charitable contributions and requires that all contributions are made directly to the charitable organization. No contribution will be made if the contribution implies that continued or future business with EWA depends on making such contribution.

## **Review of Accounts**

### **Reviews and Reviewers of the Accounts**

Client accounts will be reviewed, at a minimum, once a year. Model portfolios are reviewed quarterly and if there are changes to the model portfolio, they will normally be executed within a month (depending on market conditions). In addition, client accounts will be reviewed within one month of receiving additional cash or assets into the client's account. Each IAR works directly with clients to provide ongoing investment dialogue to regularly review investment approach and objectives as well as market insights. Accounts are reviewed with clients annually or as needed by each client. In addition, all accounts are reviewed annually by their IAR to ensure that they are meeting the clients' investment objectives.

The review covers evaluation of the account's asset allocation against the recommended allocation for that particular investment objective. The process also includes evaluation of the account's performance against benchmarks of similar investment objectives.

We will discuss your current financial status, risk tolerance, and investment objective and goals to determine whether adjustments are required to your current asset allocation and account holdings. Changes in macroeconomic and company specific events may trigger additional reviews.

### **Nature and Frequency of Regular Reports Provided to Clients on their Accounts**

For all accounts, clients receive statements from the custodian, at least quarterly, with their account details of holdings, market value, and allocation of asset class. Clients who request access can review their accounts at any time through the custodian's web portal. In addition, clients receive a detailed report during annual in-person (or phone) reviews with the IAR. During these reviews, the IAR discusses a range of topics related to clients' financial needs/goals, economic and market conditions, personal tax-related investment items such as gains/losses as well as overall performance.

## **Client Referrals and Other Compensation**

### **Client Referrals**

EWA compensates third persons for client referrals. Such referral arrangements are governed by a written agreement between EWA and the particular third party that (i) complies with the SEC's "cash solicitation" rule (Rule 206(4)-3); (ii) requires that clients be provided with copies of EWA's ADV Brochure, separate disclosure of the nature of the referral arrangement (including compensation features) applicable to the client being referred and containing the information required by the Rule, and any other document required to be provided under applicable state law; and (iii) provides that the third party will not be paid compensation for any client referral unless it is registered as an investment adviser or investment adviser representative to the extent required under federal law and the law of the state in which the referred client resides. EWA pays solicitors a portion of the fee paid by each client they refer to EWA who invests with us. This fee can range from 10% to 50% of the fee paid to EWA by the client. We do not charge solicited clients fees greater than those charged to clients with similar portfolios managed by EWA who were not introduced by a third-party solicitor.

### **Other Compensation**

We do not receive an economic benefit (other than the custodial services identified in Item 12 of our Disclosure Brochure), including sales awards or other prizes from a non-client for providing investment advice or other advisory services to our clients.

Refer to Items 4, and 9 above for details of our compensation structure as well as any other compensation our IARs may receive.

### **Financial Information**

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to you given that we do not have custody of client funds or securities or require or solicit prepayment of fees in excess of \$1,200 per client and six months or more in advance. In addition, we are not currently, nor have we been, at any time, the subject of a bankruptcy petition.

## **Item 10 – Requirements for State-Registered Advisers**

We are an SEC registered investment adviser, so this section does not apply.