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**Item 1 – Cover Page**

# Brochure

## Engrave Wealth Partners, LLC

IARD/CRD# 289344 – SEC# 801-11073

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The Woodlands, Texas 77381

281-616-5935

[www.engravewealth.com](http://www.engravewealth.com)

March 24, 2020

This Brochure provides information about the qualifications and business practices of Engrave Wealth Partners, LLC (“Engrave Wealth Partners”, “Firm”, “us”, “we” or “our”). When we use the words “you”, “your” and “client” we are referring to you as our client or our prospective client. We use the term “Associated Person” when referring to our officers, employees, and all individuals providing investment advice on behalf of Engrave Wealth Partners. If you have any questions about the contents of this Brochure, please contact us at 281-616-5935 or [info@engravewealth.com](mailto:info@engravewealth.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.

Engrave Wealth Partners is a registered investment adviser. The registration of an investment adviser does not imply any level of skill or training. The oral and written communications made to you by Engrave Wealth Partners, including the information contained in this Brochure, should provide you with information to determine whether to hire or retain Engrave Wealth Partners as your adviser.

Additional information about Engrave Wealth Partners also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s website also provides information about any persons affiliated or registered with, and or required to be registered, as investment adviser representatives of Engrave Wealth Partners.

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## Item 2 - Material Changes

Please note the following “material changes” made herein to this Brochure as of the date of this Brochure, and since our last delivery or posting of the Brochure on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov);

- *Item 4 Advisory Business – Ownership* has been modified to reflect that the current members/owners of Engrave Wealth Partners, LLC are Gregory Parker, Felix Pacheco and Taylor Parker.

In addition, this Brochure has been revised to reflect assets under management as of December 31, 2019, clarification of soft dollar practices and other minor edits throughout the document.

Currently, our Brochure may be requested free of charge by contacting Gregory Parker, Managing Partner at 281-616-5935.

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## **Item 4 – Advisory Business**

### ***Ownership***

The principal owners of Engrave Wealth Partners are Gregory S. Parker, Felix Pacheco and Taylor Parker. We have been in business since 2017.

### ***Services Offered***

Engrave Wealth Partners offers the following advisory services:

- Portfolio management services for individuals and/or small businesses; and
- Portfolio management for businesses or institutional clients (other than investment companies)
- Financial Planning

### ***Investment Products***

Engrave Wealth Partners may offer advice on the following as well as the foreign equivalents of the following investment products:

- Equity securities
- Exchange-listed securities
- Over-the-counter securities
- Corporate debt
- Commercial paper
- Certificates of deposit
- United States government securities
- Interest and principal only strips
- Municipal securities
- Mortgage related and other asset backed securities
- Bank loans
- Collateralized debt obligations
- Collateralized mortgage obligations
- Other

### ***Assets Under Management***

Our assets under management as of December 31, 2019 was \$192,400,204; all of which were managed on a discretionary basis.

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### ***Overview of Services Offered***

We provide investment advisory services and financial planning services to individuals including high net worth individuals, trusts, estates and charitable organizations, not for profit entities, corporations and other business entities. We assist clients to develop goals that are designed accomplish the client's needs and increases the probability of achieving the stated goals by developing effective solutions to the client's investment and administrative problems.

### ***ERISA Clients***

Regarding prospective ERISA clients, Engrave Wealth Partners does not generally assume the role of a fiduciary with respect to ERISA plans.

### ***Education***

All personnel of Engrave Wealth Partners are expected to have education and business backgrounds that enable them to perform their respective responsibilities effectively. In assigning responsibilities, we consider academic background (including studies in college and graduate schools, as well as degrees earned), industry training, licenses and certifications. Work experience in a related field, such as investments, commodities, insurance, banking or accounting, is also considered. No formal, specific standards have been set, but appropriate education and experience are required. See *Form ADV, Part 2B* for additional information.

## **Item 5 – Fees and Compensation**

### ***Type of Compensation***

Based on the investment services provided Engrave Wealth Partners is compensated by the following means:

- A percentage of assets under management
- Hourly charges
- Fixed fees (other than subscription fees)

All fees are subject to negotiation. The amounts and specific way fees are charged is negotiated and memorialized in Engrave Wealth Partners' contract with our clients, and we generally bill our fees on a quarterly basis, in advance. Although many fees are individually negotiated, some common fees are included on our fee schedule for your review and described further below.

Advisory Fees are negotiable.

Fees are computed as a percentage of the closing end value of the assets under management in the account for the previous quarter. Fees are calculated by multiplying the assets under management by the relevant percent and dividing such product by four (4). Accounts opened in mid-quarter will be assessed at a pro-rated management fee. Fees are payable quarterly, in advance and fees may be deducted from client's account(s) quarterly within thirty (30) days following the end of the quarter for which said fees will be incurred. Fees for the initial quarter

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will be adjusted prorate based upon the number of calendar days in the calendar quarter that the Agreement goes into effect.

### ***Advisory Fees***

Our Fee Schedule ranges from .40 to 1.50 per annum based on scope of work, investment advice, services provided, size and complexity of account(s). Clients generally authorize us to directly debit fees from their accounts. Investment advisory contracts may be terminated by clients at any time with proper written notice.

### ***Financial Planning Fees***

Client agrees to pay Engrave Wealth Partners a one-time fixed fee or monthly fee as specified in the Financial Planning Agreement for financial planning services. The minimum fee is \$1500.00 per year; however, the Firm reserves the right to negotiate or waive this fee. The fee is based on each client's circumstances and the complexity of the family/individual. Payment on the financial planning fee is non-refundable.

### ***Valuation***

The valuation of securities and other instruments are generally determined by their last reported sale price on the principal market in which they are traded, if traded on a market for which transaction prices are publicly reported. Otherwise, other readily marketable securities and instruments are valued by using a pricing service or by other equitable means consistent with the fiduciary duty of the money manager to determine a fair market value.

### ***Transaction Costs***

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, 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. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. See also *Brokerage Practices and Referral Arrangements and Other Compensation* for a description of factors that Engrave Wealth Partners considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

### ***Termination***

The relationship between parties may be terminated by either party upon 30 days' written notice. Notwithstanding the above, if the appropriate disclosure statement was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory agreement with this investment adviser, then the client has the right to terminate the relationship, without penalty, within five (5) business days after entering into the agreement. If the relationship is terminated in the middle of a quarter and client has prepaid the quarterly fee, Engrave Wealth Partners will



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reimburse client a percentage of the prepaid fee that equals that part of the quarter that remains after the 30-day notice is satisfied, on a pro rata basis.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

Engrave Wealth Partners does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client), nor does it engage in side-by-side management.

## **Item 7 – Types of Clients**

We offer portfolio management investment advice to the following types of clients:

- Individuals, including high net worth individuals
- Charitable organizations
- Trusts
- Estates
- Retirement plans
- Other

By adhering to certain account sizes, Engrave Wealth Partners can provide focus on a select few relationships. Fees may also vary due to the particular circumstances of the client, additional or differing levels of servicing, or as otherwise agreed upon with specific clients.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear.

### ***Analysis Methods***

Security analysis methods utilized by Engrave Wealth Partners include the following:

#### ***Charting***

Charting analysis seeks to identify resistance and support reference prices for decisions to buy (price hits the support) or sell (price hits the resistance). Through charting, the analysis seeks to identify price patterns and market trends in financial markets. Charting may apply to long-term investing or be used as a market-timing strategy, depending on the timeframe of the price charts.

#### ***Fundamental***

Fundamental analysis maintains that markets may misprice a security in the short run, but that the "correct" price will eventually be reached by the market. The fundamental analysis of a business involves analyzing a businesses: financial statements and health, management and competitive advantages, and competitors and markets. When applied to futures and forex, it

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focuses on the overall state of the economy, interest rates, production, earnings, and management.

### ***Technical***

Technical analysis maintains that all information is already reflected in the stock price. Technical analysis is a discipline for forecasting the direction of prices through the study of past market data, primarily price and volume. Generally, technical analysis employs models and trading rules based on price and volume transformations, such as the relative strength index, moving averages, regressions, inter-market and intra-market price correlations, business cycles, stock market cycles or, classically, through recognition of chart patterns.

### ***Cyclical***

Cyclical analysis generally targets cyclical stocks for purchase of equity securities when the ratio of price-to-earnings (P/E Ratio) is low and sell them when the P/E Ratio is high (i.e. when earnings are peaking). The P/E Ratio is a measure of the price paid for a share relative to the annual net income or profit earned by the firm per share.

### ***Sources of Information***

The main sources of information that Engrave Wealth Partners uses to analyze these investment strategies is:

- Financial newspapers and magazines
- Inspections of corporate activities
- Research materials prepared by others
- Corporate rating services
- Timing Services
- Annual reports, prospectuses, filings with the SEC
- Company press releases

Other sources of information that we may use include:

- Morningstar Principia mutual fund information,
- Morningstar Principia stock information,
- Charles Schwab Institutional,
- Fidelity Investments,
- Advisor Intelligence, and the
- World Wide Web.

### ***Investment Strategies***

The investment strategies Engrave Wealth Partners uses to implement any investment advice given to clients includes the following:

- Long term Purchases (securities held at least a year)
- Short term purchases (securities sold within a year)

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- Trading (securities sold within 30 days)
  - Option writing, including covered options, uncovered options or spreading strategies
  - Utilization of Alternative Investments (partnerships, hedge funds, commodity pools, etc.)

### ***Investment Strategy Risks***

Investing in securities involves risk of loss that clients should be prepared to bear. All investment programs have certain risks that are borne by the investor. Our investment approach seeks to keep the risk of loss in mind. Investors face the following investment risks:

#### ***General Risks***

***Lack of Diversification:*** Portfolio investments may be concentrated, and diversification may be limited. There are no limits with respect to position sizes. Any assets or combination of assets that can be held in a securities account can be purchased or sold.

***Cash and Cash Equivalents:*** Accounts may maintain significant cash positions from time to time and the client will pay the Investment Management Fee based on the net asset value of the Account, including cash and cash equivalents. Furthermore, the Account may forego investment opportunities to hold cash positions if we consider it in the best interests of the Accounts.

***Interest Rate Fluctuation:*** The prices of securities in which the Advisor may invest are sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding prices of the long and short portions of a position to move in directions which were not initially anticipated. In addition, interest rate increases generally will increase the interest carrying costs of borrowed securities and leveraged investments.

#### ***Long term Purchases (securities held at least a year)***

***Liquidity:*** The portfolio may be invested in liquid and illiquid securities. You should be aware that liquid securities may become less liquid during the holding period.

#### ***Short term purchases (securities sold within a year)***

***Market Risks:*** The success of a significant portion of the program will depend, to a great extent, upon correctly assessing the future course of the price movements of the securities traded. There can be no assurance that the trading program will be able to predict accurately these price movements. Additionally, over time, the effectiveness of the trading program may decline, including due to other market participants developing similar programs or techniques.

#### ***Trading (securities sold within 30 days)***

***Market Risks:*** The success of a significant portion of a trading program will depend, to a great extent, upon correctly assessing the future course of the price movements of the securities traded. There can be no assurance that the trading program will be able to predict accurately these price movements. Additionally, over time, the effectiveness of the trading program may

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decline for many reasons, including other market participants developing similar programs or techniques.

***Trading is Speculative:*** There are risks involved in trading securities. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument markets and such intervention (as well as other factors) may cause these markets to move rapidly.

***Turnover:*** Our trading activities may be made based on short-term market considerations. The portfolio turnover rate could be significant, potentially involving substantial brokerage commissions, and related transactional fees and expenses.

### ***Margin Risk***

***Leverage:*** We may use leverage in investing. Such leverage may be obtained through various means. The use of short-term margin borrowings may result in certain additional risks to Accounts. For example, should the securities pledged to a broker to secure a margin account decline in value, a “margin call” may be issued pursuant to which additional funds would be required to be deposited with the broker or the broker would affect a mandatory liquidation of the pledged securities to compensate for the decline in value. We might not be able to liquidate assets quickly enough to pay off the margin debt and the Accounts may therefore also suffer additional significant losses as a result of such default. Although borrowing money increases returns if returns on the incremental investments purchased with the borrowed accounts exceed the borrowing costs for such accounts, the use of leverage decreases returns if returns earned on such incremental investments are less than the costs of such borrowings.

### ***Option writing, including covered & uncovered options or spreading strategies***

***Options and Other Derivatives:*** We may purchase or sell options, warrants, equity related swaps or other derivatives that trade on an exchange. Both the purchasing and selling of call and put options entail risks. An investment in an option may be subject to greater fluctuation than an investment in the underlying securities. The effectiveness of purchasing or selling stock index options as a hedging technique depends upon the extent to which price movements in the portion of the Accounts’ hedged correlate with price movements of the stock index selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular security, whether an Account realizes a gain or loss will depend upon movements in the level of security prices in securities markets generally rather than movements in the price of a particular security.

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***Uncovered Risks:*** We may employ various “risk-reduction” techniques designed to minimize the risk of loss in Accounts. Nonetheless, substantial risk remains that such techniques will not always be possible to implement and when possible, will not always be effective in limiting losses. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the value of such position’s declines, but utilize other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions’ value. Such hedge transactions also limit the opportunity for gain if the value of a portfolio position should increase. Moreover, it may not be possible for us to hedge against a fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at a price sufficient to protect from the decline in value of the portfolio position anticipated as a result of such a fluctuation. The success of the hedging transactions will be subject to the ability to correctly predict market fluctuations and movements. Therefore, while we may enter into such transactions to seek to reduce risks, unanticipated market movements and fluctuations may result in a poorer overall performance for the Accounts Portfolio than if we had not engaged in any such hedging transactions. Finally, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary.

#### ***Utilization of Alternative Investments***

Alternative investment products, including hedge funds, commodity hedged accounts and managed futures, involve a high degree of risk, 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, often charge high fees which may offset any trading profits, and in many cases the underlying investments are not transparent and are known only to the investment manager.

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would-be material to your evaluation of Engrave Wealth Partners or the integrity of Engrave Wealth Partners’ management. Engrave Wealth Partners has no information which is applicable to this Item.

### **Item 10 – Other Financial Industry Activities and Affiliations**

Engrave Wealth Partners does not currently have any Financial Industry Activities and/or Affiliations.

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## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### ***General***

Engrave Wealth Partners has adopted a Code of Ethics for all supervised persons of the Firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Engrave Wealth Partners must acknowledge the terms of the Code of Ethics annually, or as amended.

Engrave Wealth Partners anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which we have management authority to effect and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Engrave Wealth Partners, its affiliates and/or clients, directly or indirectly, have a position of interest. Our employees and persons associated with us are required to follow our Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Engrave Wealth Partners and its affiliates are allowed to trade for their own accounts in securities which are recommended to and/or purchased for our clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Engrave Wealth Partners will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of our clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Engrave Wealth Partners and its clients.

### ***Personal Trading***

Engrave Wealth Partners and our related persons are allowed to purchase and sell securities for their own account. To prevent conflicts of interest, all employees of Engrave Wealth Partners must comply with our Code of Ethics, which imposes restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons.,

Certain affiliated accounts are allowed to trade in the same securities with client accounts on an aggregated basis when consistent with our obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a

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total average price. We will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Engrave Wealth Partner's clients or prospective clients may request a copy of the Firm's Code of Ethics by contacting Gregory Parker.

### ***Insider Information***

Further, the Code of Ethics and Supervisory Procedures impose certain policies and procedures concerning the misuse of material non-public information that are designed to prevent insider trading by any officer, partner, or associated person of Engrave Wealth Partners.

## **Item 12 – Brokerage Practices**

### ***The Custodian and Brokers We Use***

We do not maintain custody of your assets that we manage, although we are deemed to have custody of your assets if you give us authority to withdraw assets from your account (see *Item 15 Custody*, below). Your assets must be maintained in an account at a “qualified custodian,” as described below.

We require that our clients use Charles Schwab & Co., Inc. (“Schwab”) or Fidelity Investments (“Fidelity”), both of whom are broker-dealers and members of INRA and SIPC, as their qualified custodians (collectively referred to herein sometime as the “Custodian”). We are independently owned and operated and not affiliated with Schwab or Fidelity. Schwab or Fidelity will hold your assets in a brokerage account and buy and sell securities when we instruct them to.

While we require that you use either Schwab or Fidelity as your qualified custodian, you will decide whether to do so and open your account with Schwab or Fidelity by entering into an account agreement directly with them. We do not open the account for you. If you do not wish to place your assets with Schwab or Fidelity, then we cannot manage your account. Not all advisors require their clients to utilize a specific broker-dealer or custodian selected by the advisor. Even though your account is maintained at either Schwab or Fidelity, we can still use other brokers to execute trades for your account, as described in the next paragraph.

### ***Your Custody and Brokerage Costs***

For our clients' accounts maintained by either Schwab or Fidelity, they generally do not charge you separately for custody services, but are compensated by charging you commissions or other fees on trades that are executed or settled into your Schwab or Fidelity account. The commission-based fees applicable to your client accounts were negotiated with Schwab and Fidelity's based on our commitment to transition clients' assets to accounts at Schwab or Fidelity (“Client Transition Commitment”). The Client Transition Commitment benefits you

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because the overall commissions you pay are generally lower than they would be if we had not made the commitment. In addition to commission-based fees charged by Schwab or Fidelity, they also charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer, but where the securities bought or the funds from the securities sold are deposited and settled into your Schwab or Fidelity account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab or Fidelity execute most trades for your account, depending on which Custodian you chose to utilize.

### ***Products and Services Available to Us from Schwab and Fidelity***

Both Schwab and Fidelity’s business includes serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage - trading, custody, reporting and related services, many of which are not typically available to Schwab or Fidelity retail customers. Schwab and Fidelity also make available various support services to Engrave Wealth Partners. Some of those services help us manage or administer our clients’ accounts while others help us manage and grow our business. The support services provided to us by Schwab or Fidelity are generally available on an unsolicited basis (i.e., we don’t have to request them) and at no charge to us. A more detailed description of Schwab and Fidelity’s support services is set out below:

### ***Services that Benefit You***

Schwab and Fidelity’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab or Fidelity include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab and Fidelity’s services described in this paragraph generally benefit you and your account.

### ***Services that May Not Directly Benefit You***

Schwab and Fidelity also make available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts. They include investment research, both Schwab and Fidelity’s, and that of third parties. We may use this research to service all or some substantial number of our clients’ accounts, including accounts not maintained at the Custodian providing the advice utilized. In addition to investment research, Schwab and Fidelity also make available software and other technology that:

- Provide, access to client account data (such as duplicate trade confirmations and account statements);



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- facilitates trade execution and allocate aggregated trade orders for multiple client accounts;
  - provides pricing and other market data;
  - facilitates payment of our fees from our clients' accounts; and
  - assists with back-office functions, recordkeeping and client reporting.

### ***Services that Generally Benefit Only Us***

Schwab and Fidelity also offer other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and access to employee benefits providers, human capital consultants and insurance providers.

Schwab or Fidelity may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab and Fidelity may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab and Fidelity may also provide us with other benefits such as occasional business entertainment of our personnel.

### ***Our Interest in Schwab and Fidelity's Services***

The availability of these services from Schwab and Fidelity benefit us because we do not have to produce or purchase them. The Client Transition Commitment gives us an incentive to require that you maintain your account with Schwab or Fidelity, based on our interest in receiving Schwab and Fidelity's services that benefit our business, rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our recommendation to utilize Schwab or Fidelity as our client's Custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab and Fidelity's services (based on the factors discussed above, see *Item 15 The Custodian and Brokers We Use*), and not Schwab and Fidelity's services that benefit only us, and as such, we believe that we have mitigated such potential conflict of interest.

### ***Third Party Broker-Dealers***

While third-party money managers may utilize non-affiliated broker-dealers for advisory accounts when circumstances, such as the receipt of research and other services to be provided by a broker-dealer, warrant it, we do not utilize third-party broker-dealers unless directed by you.

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### ***Trade Aggregation***

When Engrave Wealth Partners trades the same security in more than one client account, we generally attempt to batch or “bunch” the trades in order to create a “block transaction.” Generally, buying and selling in blocks helps create trading efficiencies, prompt attention and desired price execution. We will place all or substantially all transactions to purchase or sell common stocks with the client’s “directed” broker, when applicable. Whenever possible, we will attempt to batch or aggregate trades for clients who use the same directed brokers in order to create a “block transaction.” The commission amount and per share commission rate will differ between our clients with directed brokerage relationships due to the dollar value and the size (number of shares) of the trade for each account, and the total relationship between the client and their broker. Because each client differs in portfolio size, investment objective, equity exposure and the extent of the relationship with their broker, we do not negotiate commission discounts on the block transaction itself.

### ***WRAP Fee Programs***

The Firm does not engage in any “Wrap Fee Programs”.

### ***Soft Dollar Arrangements***

Soft dollar arrangements are a common practice in the Investment Advisory industry. The U.S. Congress created a “safe harbor” under Section 28(e) of the Securities and Exchange Act of 1934, which establishes strict standards by which soft dollar arrangements are allowed. Under this safe harbor, an advisor can consider the provision of research, as well as execution services, in evaluating the cost of brokerage services without violating its fiduciary responsibilities. Engrave follows the safe harbor in its relationship with Schwab and Fidelity.

Schwab and Fidelity make available to Engrave products and services that benefit Engrave, but may not directly benefit its client’s accounts. Some of these products and services that assist us in managing and administering clients’ accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of our advisory fees from its clients’ accounts; and assist with back-office functions, recordkeeping and client reporting.

Additionally, Schwab and Fidelity also make available to Engrave other services intended to help us manage and further develop our business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing.

As a fiduciary, Engrave endeavors to act in its clients’ best interests. While we recommend that clients maintain their assets in accounts at Schwab and Fidelity, that recommendation is based in part on the benefit to Engrave of the availability of some of the foregoing products and services, and not solely on the nature, cost or quality of custody and brokerage services provided by

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Schwab and Fidelity, which creates a potential conflict of interest. We mitigate that conflict of interest through disclosures made in this Brochure, client agreements, and in reports and conversations with our clients.

## **Item 13 – Review of Accounts**

### ***Account Review***

Gregory Parker, Chief Compliance Officer, or his designee will review all accounts on an on-going basis as needed; however, accounts will be reviewed at least quarterly basis and we will compare each investment on a transaction basis to ensure that each transaction is: (i) suitable to the respective client's investment objectives; (ii) meets that client's quality standards; and (iii) to make sure that their investment objectives are still pertinent to the managed account arrangement. More frequent reviews can be triggered by material changes in variables such as the client's individual circumstances or the market economic or political environment.

### ***Reports***

The clients receive brokerage transaction confirmations and quarterly or monthly statements from the Custodian of the account. Additionally, we will provide customized reports prepared on Black Diamond software as requested by the client.

### ***Trade Errors***

In the event of a trade error in your account, our policy is to attempt to correct trading errors as soon as they are discovered; however, the Firm will not be responsible for poor executions or trading errors committed by the brokers with which it transacts, unless such errors resulted from Engrave Wealth Partners' negligence, fraud or willful misconduct. Notwithstanding the above, based on the circumstances, corrective actions generally include:

- canceling the trade
- adjusting an allocation and/or
- reimbursement to the account

## **Item 14 – Client Referrals and Other Compensation**

### ***Client Referrals***

Engrave Wealth Partners does not utilize or pay third party solicitors for the referral of advisory clients to us.

### ***Other Compensation - Brokerage & Investment Advisory***

We receive an economic benefit from Schwab and Fidelity in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab and Fidelity. These products and services, how they benefit

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us, and the related conflicts of interest are described above (see *Item 12 – Brokerage Practices*). The availability to us of Schwab and Fidelity’s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

### ***Mutual Funds Charges***

To the extent mutual funds are selected by Engrave Wealth Partners to fill components of the overall investment strategy, we endeavor to purchase such mutual fund shares at Net Asset Value ("NAV") or no load. Thus, you generally will not be subject to any initial distribution cost (front-end sales charge) or redemption fee (back-end sales charge), if any, that might normally be incurred upon the purchase or sale of shares of mutual fund shares.

## **Item 15 – Custody**

### ***Custody Overview***

#### ***Custody Rule***

The Custody Rule provides that it is a fraudulent, deceptive or manipulative act, practice or course of business within the meaning of Section 206(4) of the Advisers Act for an investment adviser that is registered or required to be registered under the Advisers Act to have custody of client funds or securities unless they are maintained in accordance with the requirements of the rule. In this regard, where an investment adviser has custody of client funds or securities, it must obtain a surprise examination of client assets by an independent public accountant.

#### ***Invoicing***

We are deemed to have custody of the funds and securities because of our authority to make withdrawals from client accounts to pay its advisory fee. However, a surprise examination is not required because we have written authorization from each client to deduct advisory fees from the account held with the Custodian and each time a fee is directly deducted from a client account, the we send the Custodian an invoice or statement of the amount of the fee to be deducted from the client’s account.

#### ***Standing Letters of Authority (“SLOA”)***

Engrave Wealth Partners has been deemed to have inadvertent custody as a result of your providing us with SLOA’s to withdraw funds from your portfolio account to pay third parties. Notwithstanding that, a surprise examination is not required as we are relying on the conditions set forth in the No-Action letter issued by the SEC on February 21, 2017. Pursuant to the conditions set forth in the No-Action Letter, Engrave Wealth Partners confirms that (1) you provide an instruction to the Custodian, in writing, that includes your signature, the third party’s name, and either the third party’s address or the third party’s account number at the Custodian to which the transfer should be directed; (2) you authorize us, in writing, either on the Custodian’s form or separately, to direct transfers to the third party either on a specified schedule or from time to time; (3) The Custodian performs appropriate verification of the instruction, such as a

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signature review or other method to verify the your authorization, and the Custodian provides a transfer of funds notice to you promptly after each transfer; (4) you have the ability to terminate or change the instruction to the Custodian; (5) we have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third-party contained in the your instruction; (6) we maintain records showing that the third party is not a related party of Engrave Wealth Partners or located at the same address as Engrave Wealth Partners; and (7) the Custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

### ***Statements***

You should receive at least quarterly statements from the Custodian that holds and maintains your investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements that we or your money manager may provide to you, if any. Our statements vary from custodial statements based on accounting procedures and reporting formats.

## **Item 16 – Investment Discretion**

### ***Discretionary Authority***

We usually receive discretionary authority from you at the outset of an advisory relationship. That discretionary authority allows us to make determinations regarding the securities that are to be bought and sold, the broker dealer to be used, as well as the quantities of such securities.

### ***Documentation of Discretion***

Discretionary authority is provided in our contract with each client. Additionally, we maintain a Limited Power of Attorney for all our discretionary accounts for the purpose of directing and or effecting investments, for the direct payment of fees and or the payment of commissions, custodial fees and or other charges incurred by the managed account.

### ***Discretionary Management***

In all cases, however, such our discretion is to be exercised in a manner consistent with the stated investment objectives for your account. Thus, when selecting securities and determining amounts, we observe the investment policies, limitations and restrictions of the clients for which it advises. Additionally, in many cases, the discretion is subject to mutually agreed upon investment guidelines relative to the client's portfolio. Investment guidelines and restrictions must be provided to Engrave Wealth Partners in writing.

Client investment guidelines may or may not limit the scope of potential investments. As a result, clients can impose restrictions on investing in certain securities or types of securities. Within client guidelines and instructions, we make decisions as to the nature and quantity of securities to be bought or sold. Investment guidelines and restrictions must be provided to our Firm in writing.

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Engrave Wealth Partners usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for your account.

When selecting securities and determining amounts, we observe the investment policies, limitations and restrictions of the clients for which we advise. For registered investment companies, our authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Engrave Wealth Partners in writing.

### **Item 17 – Voting Client Securities**

As a matter of Firm policy and practice, Engrave Wealth Partners does not have any authority to and does not vote proxies on behalf of advisory clients. Client's retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

### **Item 18 – Financial Information**

We are required to provide you with certain financial information or disclosures about financial condition which would impede our ability to provide the advisory services described herein. Engrave Wealth Partners has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

### **Other Information**

#### ***Privacy Notice to Customers***

At Engrave Wealth Partners, we do not disclose nonpublic personal information about our individual clients or former clients except as permitted by law. We restrict access to nonpublic personal information about you (that we may obtain from your account and your transactions) to those employees who need to know that information to provide products or services to you or to alert you to new, enhanced or improved products or services we provide. We maintain physical, electronic and procedural safeguards that comply with federal standards to safeguard your nonpublic personal information.

#### ***Business Continuity Plan***

Engrave Wealth Partners has developed a Business Continuity Plan to address how we will respond to events that may disrupt its business. Since timing and impact of disasters is unpredictable, we will have to be flexible in responding to the events as they occur. This plan is designed to permit us to resume operations as quickly as possible, given the scope and severity

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of the significant business disruption. The Business Continuity Plan covers data backup and recovery, mission critical systems financial and operational assessments, alternative communications, alternate business locations, bank and counter-party impact, regulatory reporting and the assurance of prompt access to funds and securities for our customers.

Varying Disruptions – Significant business disruptions can vary in their scope, such as emergencies affecting only a single building housing Engrave Wealth Partners, the business district where we are located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only us or a building housing us, we will transfer our operations to an emergency-ready local site, moving a select group of trained employees and expecting to recover and resume business within four hours. In a disruption affecting our business district, city, or region, we will move appropriate staff to a site outside of the affected area to be able to communicate with the Custodian on behalf of our clients. In either situation, we plan to continue in business, transferring operations to our clearing firm, if necessary.

If you have questions about our Business Continuity Plan, please feel free to contact us.