

Item 1 – Cover Page

# LionsBridge Wealth Management, LLC

A Florida Limited Liability Company

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This Brochure provides information about the qualifications and business practices of [LionsBridge Wealth Management, LLC \(“LBWM”\)](#). If you have any questions about the contents of this Brochure, please contact us at [904.562.5190](tel:904.562.5190) or [carolyn@lbwm.net](mailto:carolyn@lbwm.net). 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.

[LBWM](#) is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about [LBWM](#) also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

The purpose of this Item 2 is to disclose material changes that have been made to this Brochure since the last annual update of this Brochure.

Since the filing of our last annual updating amendment, March 11, 2019, we have the following material changes to report:

1. We are disclosing LionsBridge Wealth Management (LBWM) does not provide Financial Planning services. However, we have an arrangement with an advisor at Lincoln Financial Advisors (“LFA”) which provides our clients with financial planning services when requested.
2. We are also disclosing that our investment management services include the financial planning services offered through LFA to you at no additional cost. If you elect to use the financial planning services it will be an annual financial planning fee as provided to you by a third party, Financial Advisors (LFA). LFA will directly bill LBWM for these services and we will pay them on your behalf.

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All requirements have been addressed in other parts of our ADV filing. ....	

## Item 4 – Advisory Business

### Asset Management

LBWM was established in December, 2008 as a Registered Investment Advisor which provides fee-only investment management services to individuals, businesses, trusts and not-for-profit organizations. LBWM is a wholly owned subsidiary of LionsBridge Capital Holdings, LLC, a Florida limited liability company. LBWM follows a disciplined process to understand our clients' personal and family financial goals. We analyze the expected time horizon for the expected use of the funds, liquidity and income needs, and any other unique objectives or restrictions which we need to understand before we start investing on behalf of our clients. Once we have a better understanding of our client's specific requirements, we will suggest a specific strategic asset allocation model that reflects their long term objectives and risk tolerance. However, clients can place restrictions on investing in certain securities or class of securities. We will then draft an investment policy which will serve as the blueprint for building and overseeing the investment portfolio. As of December 31, 2019 LBWM managed \$115,894,687 on a discretionary basis.

### Financial Planning Services

LBWM does not provide Financial Planning services. However, we have an arrangement with an advisor at Lincoln Financial Advisors ("LFA") to provide our clients with financial planning services when requested. LFA will be responsible for monitoring and reviewing your financial plan annually, if requested.

## Item 5 – Fees and Compensation

### Asset Management Fees

The LionsBridge fee schedule is calculated and charged on assets invested and managed in our investment models. The fees are calculated on the average monthly balance in the account. The fee will be deducted from the account on the first day of the following month.

<u>Account Size</u>	<u>Asset Based Fee</u>
<\$1MM	1.00%
\$1MM - \$2MM	0.85%
\$2MM - \$5MM	0.70%
\$5MM - \$10MM	0.55%
>\$10MM	0.40%

- Either party may terminate the relationship by written notice to the other.
- In the event of termination, fees for the month will be prorated.

The specific manner in which fees are charged by LBWM is established in a client's written agreement with LBWM. LBWM will bill its fees on a monthly basis, in arrears, based on a percentage of assets under management. Fees are directly debited from client accounts. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar month. Accounts initiated or terminated during a calendar month will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement. All fees are subject to negotiation.

LBWM's 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. Such charges, fees and commissions are exclusive of and in addition to LBWM's fee, and LBWM shall not receive any portion of these commissions, fees, and costs.

Clients have the option to purchase investment products that LBWM recommends through other brokers or agents that are not affiliated with LBWM; however, such purchases would be made without the benefit of the extensive experience and tailored advice LBWM provides to clients through the various asset management services it offers.

### Financial Planning Fees

While LBWM does not provide financial planning services we have an arrangement with an advisor at Lincoln Financial Advisors ("LFA") to provide our clients with financial planning services when requested. These services are offered to client as part of our investment management services. This service is only provided on an annual basis and there is no cost to the client for these services. LFA will directly bill LBWM for these services and LBWM will pay them on the client's behalf. For more information about this services please contact your adviser who will arrange a meeting with the LFA representative who will provide with the information and the LFA disclosure brochure.

### Trade Errors

From time-to-time LBWM may make an error in submitting a trade order on a Client's behalf. When this occurs, LBWM may place a correcting trade with the broker-dealer which has

custody of the Client's account. If an investment gain results from the correcting trade, the gain will remain in the Client's account unless: a) the same error involved other Client account(s) that should have received the gain; b) it is not permissible for the Client to retain the gain; or c) LBWM confers with the Client and the Client decides to forego the gain (e.g., due to tax reasons). If the gain does not remain in the Client's account and Charles Schwab & Co. Inc. ("Schwab") is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, LBWM will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in the Client's account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in a Client's account, they may be netted.

Item 12 further describes the factors that LBWM considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

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

LBWM 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). All fees charged by LBWM are based upon the client's assets under management.

#### **Item 7 – Types of Clients**

LBWM provides portfolio management services to individuals, high net worth individuals, charitable institutions, foundations, endowments and trust programs.

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

We develop a strategic asset allocation with each of our clients individually to determine the best mix of stocks to bonds that meets their long term return requirements, balanced with their risk tolerances. We spend a good deal of time talking about the potential for risk of loss in a portfolio and how we are able to mitigate, but not eliminate, this risk through asset allocation and risk management decisions in the equity portfolio. The equity portion follows our Core Plus approach, which is comprised of three different strategies. The first is the tax sensitive individual equity strategy which uses our VGQ (Value-Growth-Quality) method of stock selection for US Large Cap which was developed by and is proprietary to LionsBridge. The second is our Tactical ETF strategy which uses long term trend and fundamental analysis to determine which equity classes other than US Large Cap we find attractive. The third is our Long/Short strategy (also proprietary to LionsBridge) which analyzes trends on multiple time frames and is either long or short the market based on these trends. We characterize this strategy as an "Alternative" equity strategy as it can short the market but it does not use leverage and utilizes only very high volume ETF's (generally SPY and SH). We may use other

mutual funds characterized as “Alternative” as our outlook for US equity returns changes. Our Fixed Income approach is top down in nature, stressing the need for quality in the Fixed Income portion of the account so that it may be the best diversifier for equity risk. Average maturity and quality is based on an objective assessment on the economic cycle and its implications for interest rates. We generally use ETF’s or mutual funds for fixed income.

The material risks involved in our approach is market risk, as our portfolios are geared toward the strategic asset allocation of a client. Higher equity allocations will involve greater chance of loss in order to achieve higher long term returns. Our approach is active in nature in an effort to mitigate market risk. As such, turnover will be higher than in a passively managed approach, which may affect taxes paid.

Securities utilized are standard equity securities, Exchange Traded Funds, and bonds. The risks involved are the standard risk that most investors take, risk of loss.

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

#### **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 **LBWM** or the integrity of **LBWM**’s management. In May 2015, **LBWM** agreed to pay an administrative penalty and to cease and desist from violations of Florida Statutes and the rule there under as a result of the following events that occurred in 2013 and 2014.

During the 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2013 and the 1<sup>st</sup> quarter of 2014, the firm failed to send invoices to clients when fees were deducted from client accounts, a requirement of the Florida Administrative Code. As a result of its failure to send invoices, the firm was required to, but did not, obtain a surprise examination of client assets. In addition, in 2013, the firm failed to meet net capital requirements for continual operations and failed to report this failure and its financial statements to the regulator, as required by Florida Administrative Code.

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

**LBWM** does not have any management persons or related persons that are actively engaged in a business other than giving investment advice, except as provided below. **LBWM** does not sell other products besides investment advice to clients. As stated above, **LBWM** is a wholly owned subsidiary of LionsBridge Capital Holdings, LLC. LionsBridge Capital Holdings, LLC is also the holding company of LionsBridge Insurance, LLC and LionsBridge Capital, LLC (the “LionsBridge Affiliates”).

LionsBridge Insurance, LLC, is a Florida licensed insurance broker, and Richard Zanghetti is the qualifying insurance broker of this entity. LionsBridge Capital, LLC, is a Florida licensed

real estate broker, which was formed for the purpose of participating in investment banking related business which requires a Florida real estate broker license (such as transactions structured as asset rather than stock sales). There may be situations where a clientele of LBWM separately engage one of the LionsBridge Affiliates to assist on a particular transaction, or to provide other services. Any transaction involving an LBWM client and any of the LionsBridge Affiliates may involve unique considerations, such as addressing any conflicts of interest that may be specific to the situation, and any LBWM client that may separately engage any of the LionsBridge Affiliates will be provided with a written disclosure of any conflict of interest that may be present in order to ensure that all parties have a clear understanding of any factors or concerns that may be important.

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

As required by Rule 204A-1 of the Investment Advisers Act of 1940, LBWM has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the firm. The Code of Ethics describes the firm's fiduciary duties and obligations to clients, and sets forth its practice of supervising the personal securities transactions of employees who maintain access to client information.

The firm, and related persons of the firm, including but not limited to, LBWM's investment adviser representatives, may invest in the same securities (or related securities, e.g., warrants, options or futures) that LBWM or any of its related persons recommend to clients. Some of these investments may be placed at, or about the same time as, the placement of client securities transactions. This presents a conflict of interest, as the firm and its related persons may be incented to benefit from client transactions by placing their own interests ahead of those of the firm's clients. LBWM requires that client transactions in Reportable Securities (as this term is defined in the Code of Ethics) be placed ahead of those of the firm or its related persons. Such transactions remain under strict supervision and subject to regular review by the firm's compliance staff.

A copy of the Code remains available for review upon request.

#### **Item 12 – Brokerage Practices**

LBWM maintains the investment discretion to select the securities and amount of securities for client accounts (see Item 16 for further information). Any recommendations and/or decisions implemented are based upon a suitability determination and each client's specific investment objectives and needs. The firm's discretionary authority also extends to the broker or dealer to be used for each client securities transaction.



*Selection of Executing Broker or Dealer:*

As part of its fiduciary responsibility, LBWM must ensure that client securities transactions are executed in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances. In making this determination, LBWM considers the full range and quality of the brokerage firm's services in placing brokerage including, among other things, the value of research provided as well as execution capability, commission rate, financial responsibility, and responsiveness. The determinative factor may not be the lowest possible commission cost but whether the transaction represents the best qualitative execution for the client's account.

For Asset Management accounts, LBWM requires that client transactions be directed through Charles Schwab & Company ("Schwab"). LBWM also recommends Schwab for custody and account administration. We selected Schwab after an extensive due diligence process of other firms, their execution custody, and other services and fees, as well as safety, transparency and reputation of the firm. Not all advisors require the use of a particular broker. To ensure LBWM is upholding its fiduciary duty to clients, LBWM periodically evaluates the execution services of the brokerage firm through which it places client securities transactions to ensure clients are receiving overall best execution in consideration of the factors described above.

LBWM does not participate in any soft-dollar arrangements with our custodian or any other third party.

*Block / Aggregated Transactions:*

At times, LBWM is able to achieve volume discounts by aggregating orders on behalf of two or more clients. In such cases, transactions for each account are generally averaged as to price and allocated as to amount in accordance with the daily purchase or sale orders actually placed for each account. Such combined or "batched" trades may be used to facilitate best execution, including negotiating more favorable prices, obtaining more timely or equitable execution or reducing overall commission charges. LBWM may include its employees or related accounts in such aggregate trades, subject to its duty of obtaining best execution.

In the case of partial fills of a block transaction, LBWM will allocate to client accounts first, and exclude in the initial allocation employee accounts. In the event of any next day allocations, the client will receive pricing based on a pro-rata calculation by the custodian of record.

**Item 13 – Review of Accounts**

LBWM monitors and adjusts the asset allocations of our clients on a regular basis as deemed necessary by our investment committee to ensure risk tolerance's are matched with return

expectations. **LBWM** meets with their clients either quarterly, semi-annually or annually, depending on the clients preference, to ensure that their financial condition will matches the objectives of the asset allocation.

Accounts are monitored on a daily basis in order to ensure they are within the required tolerances of our models. **LBWM** strives to achieve the best risk and tax efficient returns in our models. Purchase and sale notifications are delivered to clients via email within 1 day of trading. In addition, our custodian provides monthly holdings and transaction statements.

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

**LBWM** may enter into an arrangement with a solicitor who will assist **LBWM** in establishing new client relationships. The solicitor will not be an employee of **LBWM** and may, from time to time, refer clients to **LBWM** who are suitable and appropriate for the investment advisory services provided by **LBWM**. The solicitor will perform their responsibilities under a signed agreement in accordance with the instructions of **LBWM** and applicable regulatory requirements. **LBWM** and/or its investment adviser representatives may also act as solicitor for another investment adviser. In this role, **LBWM** and/or its representative may be entitled to receive a portion of the investment advisory fee collected by the other investment adviser, as compensation for the referral.

#### **Item 15 – Custody**

**LBWM** is deemed to have custody of client assets solely because it deducts advisory fees from client accounts. Other than these client-authorized fee deductions, **LBWM** does not maintain or accept custody of client funds or securities.

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. **LBWM** urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **Item 16 – Investment Discretion**

For Asset Management accounts, **LBWM** 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, and the broker/dealer to be used for a client securities transaction. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, LBWM observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, LBWM's 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 LBWM in writing.

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

LBWM has the authority to vote proxies on behalf of clients. LBWM has adopted proxy voting policies and procedures designed to deal with the complexities which may arise in cases where LBWM's interests conflict or appear to conflict with the interests of its clients and to communicate to clients the methods and rationale whereby LBWM exercises proxy authority. This document is available to any client upon request. LBWM will also make available the record of LBWM's votes promptly upon request. Clients may direct LBWM's vote of a particular solicitation by contacting LBWM directly.

Potential conflicts of interest between LBWM and its clients may arise when LBWM's relationships with an issuer or with a related third party actually conflict, or appear to conflict, with the best interests of the LBWM's clients.

If the issue is specifically addressed in these policies and procedures, LBWM will vote in accordance with these policies. In a situation where the issue is not specifically addressed in these Policies and Procedures and an apparent or actual conflict exists, LBWM shall either: i) delegate the voting decision to an independent third party; ii) inform clients of the conflict of interest and obtain advance consent of a majority of such clients for a particular voting decision; or iii) obtain approval of a voting decision from LBWM's Managing Director, who will be responsible for documenting the rationale for the decision made and voted. In all such cases, LBWM will make disclosures to clients of all material conflicts and will keep documentation supporting its voting decisions.

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

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about LBWM's financial condition. LBWM 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.

#### **Item 19 – Requirements for State-Registered Advisers**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.