

Axxcess Wealth Management, LLC

Firm Brochure (Part 2A of Form ADV)

March 31, 2020 as filed (April 5, 2020)

**6005 Hidden Valley Road Suite 290
Carlsbad, CA 92011
Office (858) 217-5347
Fax (443) 269-0458
admin@axxcesswealth.com**

**Website for Clients
www.axxcesswealth.com**

**TAMP Website for Advisors and Other Financial Professionals
www.axxcessplatform.com**

**401k Retirement Site
www.axxcesslink.com**



This brochure provides information about the qualifications and business practices of Axxcess Wealth Management LLC. If you have any questions about the contents of this brochure, please contact us at (858) 217-5347 or by email at admin@axxcesswealth.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Axxcess Wealth Management, LLC is available on the SEC's website at www.adviserinfo.sec.gov

Item 1: Material Changes

Change Log: 3/31/2020- Axxcess Wealth Management LLC (164081) has elected to rely on the Commission's Exemptive Order dated March 13, 2020 and updated on March 25, 2020 and file our Form ADV on or before June 30, 2020 or as soon as possible. Our firm has been impacted by the effects of COVID-19.

Change Log: 3/10/2019

Updated: Item 2: Advisory Business- Sleeve Manager Platform-Sleeve Portfolio Management Services- Internally and Externally available through our TAMP. Updated the details of the program agreement (the Client Services Agreement –CSA) for the client of a third party RIA or Investment Advisor to implement their investment program on The Axxcess Platform. Updated the description of our Private Asset Platform.

Updated: Item 4: Performance based fees and side by side management. AWM expects to offer performance based billing services for its clients, and clients of third parties Investment Advisors, in accordance to Rule 205-3.

Change Log: 7/25/2018

Updated Item 12: Client Referrals and Other Compensation to include a disclosure regarding annual advisor only meetings the firm holds.

Change Log: 3/30/2018

Updated firm websites on cover page.

Upated Item 13: Custody

AWM has been approved as a TAMP on TD Ameritrade and Fidelity IWS Platform. Item 13 has been updated to reflect this, as well as additional disclosures, and discussion of customer inputted investments into our platform.

Change Log: 3/28/2017

Updated Item 2: AWM has expanded its TAMP and Sleeve Manager Platform services and updated its narrative broadly. In addition, AWM describes Sleeve Manager Platform services it provides to third party Broker/Dealer and RIAs as a TAMP and/or sub-advisor.

Updated Item 8: AWM has expanded its discussion of TPM (Third Party Managers) under the sub-heading recommendations of Third-Party Managers ("TPMs") and related conflicts and the services provided by TPMs providing services as sub-advisors to AWMs Sleeve Manager Platform.

Change Log: 1/28/2017

Updates to advisory team addresses and the addition of a new office location

Change Log: 8/22/2016

Updated Item 2: Advisory Business/Corporate Services to include a description of the AxxcessLINK recordkeeping system. Sleeve Portfolio Management Services description of our Sleeve Strategy process.

Updated Item 5: Description of Sleeve Portfolio Management fees.

Our prospective and existing clients are strongly encouraged to read this brochure in its entirety prior to engaging AWM for any advisory services.

Pursuant to SEC Rules, AWM will ensure that clients receive a summary of any material changes to this brochure within 120 days of the close of AWM's fiscal year end, along with a copy of this Brochure or an offer to provide the brochure. Additionally, as AWM experiences material changes in the future, a summary will be sent of our "Material Changes" under separate cover. For more information about the firm, please contact us by telephone at (858) 217-5347 or by email at admin@axxcesswealth.com.

Additional information about AWM and its investment adviser representatives is available on the SEC's website at www.adviserinfo.sec.gov.

Table of Contents

Item 1: Material Changes	ii
Item 2: Advisory Business	1
Item 3: Fees and Compensation	11
Item 4: Performance-Based Fees & Side by Side Management	9
Item 5: Types of Clients.....	15
Item 6: Methods of Analysis, Investment Strategies and Risk of Loss	15
Item 7: Disciplinary Information	19
Item 8: Other Financial Industry Activities and Affiliations	19
Item 9: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	21
Item 10: Brokerage Practices	23
Item 11: Review of Accounts.....	20
Item 12: Client Referrals and Other Compensation	28
Item 13: Custody.....	29
Item 14: Investment Discretion.....	31
Item 15: Voting Client Securities	31
Item 16: Financial Information.....	32

Item 2: Advisory Business

Firm Description

AXXCESS WEALTH MANAGEMENT, LLC ("AWM" and "Firm") is a Carlsbad, California based investment management firm founded in 2012. AWM currently is registered with the Securities and Exchange Commission ("SEC") as an investment adviser conducting business in a number of states, which are reflected in Part 1 of our Form ADV, a copy of which can be found on www.adviserinfo.sec.gov.

AWM is an independent investment and advisory firm that is client-centered in its mission. Our client base includes many different types of individuals and institutions. Investment advisors, broker dealers, and other financial professionals can use our services, described below, for their clients through our Third Party Asset Management Platform or "TAMP" for short. We have developed a wide array of services dedicated to meeting the distinct needs of each. AWM works with clients on a per project, hourly, or on an asset based relationship. We provide these advisory services through numerous investment teams, each of which has their own advisory focus and strategies, driven primarily by the types of clients they service.

Advice is provided through consultation with the client and may include: determination of financial objectives, risk assessment, risk management, capital allocation and budgeting, identification of financial problems, cash flow management, strategic planning, insurance review, investment management, retirement plan design, installation, and management.

To meet the distinct needs of each type of client and their consultants or advisors, each of our services are unified by the firm's overall mission:

- Retain our client relationships by putting their interests first.**
- Invite collaboration and partnership with client's existing advisors.**
- Ensure clear, transparent communication**
- Mandate the highest standard of professional conduct, firm ethics, and client privacy**

Our service requires our advice to be objective. Our open architecture allows us to pick and choose products and services that are aligned with our client's best interests. We have built strategic alliances with some of the largest banks, brokerage, and trust platforms.

Tailored Relationships

AWM makes a point to know our clients' circumstances in order to implement individually tailored financial solutions. Meeting the needs of each client, in order to sustain a relationship that creates value for the client, requires depth of knowledge, routine contact, and a requirement

to collaborate with a client's existing advisors. Client interviews, analysis of current and projected financial requirements, risk tolerance and portfolio goals are established at the beginning, and throughout the client relationship.

The goals, objectives and financial profile, for each client are documented in our client relationship management system. Investment policy statements are created for certain clients, which reflect the stated goals and objectives of those clients. Clients may impose restrictions on investing in certain securities or types of securities.

Types of Advisory Services

As a firm focused on our existing client base comprised of family offices, high net worth investors, businessowners, and retirement plans, and growing our relationship with Investment Advisors, Broker Dealers, and other financial professionals, AWM provides services in the following areas:

Axxcess Core Services

Our Core services are focused on wealth management. Core services are highly tailored to each client, as we do not manage a "one size fits all" model portfolio. Our client accounts are monitored on at least a monthly basis and focused on meeting current, and evolving financial needs. Axxcess advisors assist client investment decisions by endeavoring to understand the client's financial goals and objectives in the areas of investment allocation, retirement planning, estate planning, and corporate planning. AWM will review the client's current financial position taking into account the stated financial goals and objectives of the client. AWM will frequently establish and formalize a customized investment policy statement for each client, or account being managed. Portfolios are designed and managed using a mix of investments, including stocks, bonds, mutual funds (multiple asset classes), third party managers, exchange traded funds ("ETFs"), notes, real estate investment trusts, business development companies, and alternative investments such as hedge funds and private equity. Clients have the option of granting either fully discretionary authority or limited discretionary authority to AWM regarding their investment accounts. Certain third party money managers are only available on a fully discretionary basis. AWM also provides other advisory consulting services, which include financial planning, capital allocation, wealth management and advisement on financial matters to businesses, high-net-worth individuals, family offices, and retirement plans.

Investment Advisory Services

Most clients choose to have AWM advise them on matters related their wealth management, and the implementation of their investment strategy. Prior to providing advisory services, AWM's clients enter into an advisory services agreement, known as the AWM Engagement Agreement.

AWM provides ACP investment advisory services to its clients on a discretionary or non-discretionary basis on both taxable, and tax deferred accounts. The advisory services include, among other things, providing advice regarding both tactical, and strategic asset allocation, and the selection of investments. AWM's advisory services are guided by the stated objectives provided for in a client profile or investment policy statement. AWM considers the client's risk tolerance and financial status prior to making any recommendations.

Advisory Services

AWM provides advisory services to client projects which may or may not be related to wealth management and investment strategy. Advisory services are focused on areas that you typically don't see on a statement, such as real estate, business interests, or diligence activities. Many of our clients rely on us for advice in a variety of financial decisions with respect to their family office establishment and governance, purchasing or selling businesses, or raising capital, negotiating, and structuring financial transactions. Axxcess will endeavor to provide reporting of positions and performance using our Private Asset Platform ("PAP"). PAP is an Axxcess reporting service which integrates directed investments such as real estate, private equity or private credit in a consolidated manner. AWM makes no representations or guarantees about the accuracy of the information contained in its PAP reports. AWM specifically discloses in its PAP Enrollment forms that there can be no guarantee that PAP reports are accurate as of the date received or that it will continue to be accurate in the future. The data contained in our Private Asset Platform comes from the administrator, sponsor, sponsors administrator and or auditor/accountant. AWM does not provide valuation or pricing services.

Advisory services may be offered in conjunction with other services offered by AWM as described below. AWM does not provide legal or tax advice.

Corporate Services

AWM provides services for companies and organizations. Services include company sponsored qualified, and non-qualified retirement plan advisory services, plan installation consultation (including statement of investment policy, and initial plan investment selection), and plan consultation (including participant enrollment meetings, ongoing 404(c) compliance consultation, investment due diligence and third party investment reporting). AWM has adopted the Fi360 (www.fi360.com) model for fiduciary best practices and seeks to apply the Fi360 standard for investment stewards, advisors, and managers. AWM will also conduct formal fiduciary best practices reviews (Level I, II, & III) for corporate clients seeking to verify fiduciary excellence and compliance.

In advising corporate retirement plans, AWM has a white label record-keeping system that it licenses from Aspire Financial Services and EPIC Retirement Systems. The record keeping system is a conflict free platform that integrates with leading payroll companies and investment custodians. Axxcess does not provide recordkeeping services directly, and Aspire is solely responsible for the maintenance, and accuracy of its system. More information can be found at www.aspireonline.com.

As part of our corporate services consulting, AWM also furnishes advice to clients on matters such as capital formation, investment structure, financial risk management, business planning matters, and succession planning and may include estate and insurance planning services. Capital placement activities are not handled by AWM, but through our non-affiliated Broker/Dealer, Arete Wealth Management, LLC.

Axxcess Customized Portfolio Platform- Internally and Externally available through our TAMP

AWM provides investment advisory services under a program called the Axxcess Customized Portfolio Platform ("ACPP"). ACPP is a discretionary investment management process designed to assist clients with their financial goals and objectives. ACPP uses a multi-step process implemented by the advisor and is based on the individual needs of the client. An initial interview and data gathering questionnaire are undertaken to determine the client's financial situation and investment objectives. The ACPP process includes a thorough review and analysis of the client's current asset allocation and portfolio objectives. The advisor will review the recommended custom allocation with clients. Clients will work with the advisor to create a written plan in the form of an Investment Policy Statement ("IPS") or Client Investment Guidelines ("CSA") which will identify asset allocation classes, investment styles, tax policy, income preferences, and other trading guidelines. It is the client's responsibility to notify the advisor at any time if there are any changes. Client funds and securities are held by a qualified custodian in a separate account under the client's name. The client retains rights of ownership of all securities and funds in the account to the same extent as if the client held the securities and funds outside the program.

Sleeve Manager Platform-Sleeve Portfolio Management Services- Internally and Externally available through our TAMP

AWM has developed a comprehensive system of model, sleeve, and portfolio management services relating to the maintenance and administration of investment advisory accounts which it makes available to its clients and the clients of third-party investment advisers. The sleeve portfolio management services may be provided to AWM investment professionals and to third party investment advisory firms, with AWM acting as a sub-advisor, or Turnkey Asset Management Program ("TAMP"). Details of these services are described in our website for Advisors and other investment professionals at www.axxcessplatform.com.

AWM has developed this platform to create a unique client experience by lowering the cost and complexity of building portfolios using third party managers with advisor directed solutions. Portfolios are optimized using equity, fixed Income, ETF's, and mutual funds in a single brokerage account. Our technology enables Third Party Managers ("TPMs") to manage their strategies in a "sleeve" which compartmentalizes the securities in the TPMs model strategy. The TPMs trading, performance, reporting, and billing are separated from the other assets in the client's portfolio without the need to open separate accounts at the custodian. AWMs sleeve manager reporting system provides the client with comprehensive reporting at the client's household, registration, account, and sleeve manager level. The custodial account can be "sleeved" to enable TPMs to manage strategies alongside alternative investments such as private equity and hedging strategies resulting in both core strategic and tactical investment strategies. AWM may provide administrative "middle" and/or "back office" services to third parties, RIAs, and Broker/Dealers and may make available billing, reporting, and investment operational services. The client of a third party investment advisor or broker dealer will sign a program agreement that describes the relationship between the client, their primary advisor, and Axxcess Wealth Management. The program agreement is called a "Client Services Agreement" and is a tri-party agreement wherein the client delegates authority to their primary advisor to choose various sleeve managers on the Axxcess Platform, or to direct investment allocation decisions to Axxcess to execute on behalf of the client. Axxcess will provide trading services to the client and their third party advisor through a Limited Power of Attorney form, typically supplied by the clients custodian. Axxcess acts as a fiduciary to the client on the account sleeves managed by sleeve managers working on the Axxcess Platform. Axxcess will either be a Sub-Advisor or Co-Advisor depending on the preference of the Client and the third party RIA. Axxcess may also allow the third party RIA or investment advisor to act as a solicitor and introduce clients to the Axxcess Platform, where Axxcess will act as fiduciary to the entire client account associated with the Axxcess Platform.

When the AWM Investment Oversight Committee ("IOC") is interested in allocating part of portfolio to a third party money manager which is in the business of providing sub-advisory services in regards to the formation and management of model portfolios to investment advisors and is registered as an investment adviser pursuant to the Investment Advisers Act of 1940, as amended, ("Advisers Act"), AWM may engage the third party manager to design, monitor on a daily basis, and, as necessary, update the strategy(ies) directly with AWM. This component of our platform is called Sleeve Portfolio Management Services. The third party manager is called a "sleeve strategy manager." The intent of this service is to reduce the number of separate accounts the client would otherwise need in order to implement an investment strategy with multiple third party managers. AWM will enter into a sub-advisory or signals based relationship with the third party manager. AWM is responsible for trade order management and execution with the client's custodian, and collecting the Sleeve Manager Fee, and remitting a portion of that fee to the third party manager. The sleeve strategy managers update their investment models directly in the AWM portfolio management system. In addition to reducing the number of

accounts for the client, this arrangement typically results in a lower fee, and/or lower minimum investment to the client than if they otherwise engaged the third party manager directly. AWM will provide sleeve strategy management services directly to clients who have signed an AWM engagement agreement, and sign an additional addendum that identifies the sleeve strategy manager and the fee to be billed for the sleeve strategy. Sleeve strategy services will not be rendered without the client receiving the most recent copy of the sleeve strategy manager's Form ADV brochure.

The client's investment instructions are generally communicated to us in the form of asset allocation strategies ("Strategies"). The strategy creator may be your advisor or the AWM IOC. In many cases, your financial advisor will create the Strategy for your account. Alternatively, your financial advisor may elect to employ a Strategy from a third-party strategist, also a registered investment advisor, for your account. Strategies are comprised of a model portfolio ("Model") or a weighted combination of multiple Models called a model aggregate. A Model or model aggregate represents the investment recommendations of your advisor, or the AWM IOC, in the form of a list of securities to hold and the relative weight of each. Your financial advisor may be one of the managers providing one or more of the Models for your account's Strategy. Additionally, the Models of third-party asset managers, themselves registered investment advisors may be included in your account's Strategy. Your account's advisor or the AWM IOC is responsible for researching and evaluating managers and selecting the specific Models or model aggregates employed in your account's Strategy.

The responsibilities of the third party Strategists and TPMs who have signed sub-advisory agreements with AWM with respect to your account are limited to providing generalized, non-discretionary investment advice. These limitations are further discussed in schedules attached to our sleeve strategy addendum. It is your financial advisor who remains solely responsible for understanding your individual financial situation, investment goals and objectives, qualification, time horizon, portfolio liquidity and concentration, and tolerance for risk as well as any investment limitations and reasonable restrictions for your account. Based upon this knowledge, your financial advisor selects a suitable Strategy for your account. Your financial advisor is solely responsible for maintaining communication with you to monitor your investment objectives and any changes in your individual circumstances and for communicating any changes in your situation to us in the form of a suitable Strategy selected for your account. Any questions you may have regarding the Strategy employed for your account, the manager Models comprising the Strategy, or their suitability for your individual financial situation should be directed solely to your financial advisor.

AWM sleeve strategy services require discretionary authority to implement the investment instructions specified by client's financial advisor via the purchasing and selling of securities. This authority is in addition to client's financial advisor, who maintains at all times full discretionary authority over client's accounts. Client grant AWM this discretionary authority

through the custodian Broker/Dealer who holds client's account. Through the custodial paperwork, client designates AWM to be the "manager" or "sub-advisor" for accounts. With this authority, AWM monitors client accounts to assess ongoing conformity to the Strategy selected by client's financial advisor. If the account varies from the Strategy beyond a tolerance specified by the strategist, AWM will make appropriate and necessary adjustments to bring the account back into tolerance.

The portfolio is monitored on a continuous basis. The AWM IOC led by Jon Brackmann, MBA, CIMA will periodically rebalance the portfolio back within the asset allocation range as needed without contacting the client. Clients have the choice to receive either electronic or paper confirmations and statements from the custodian containing a description of all transactions and all account activity. In addition to custodial statements, AWM produces quarterly performance reports available to clients upon request.

CPMS Morningstar Strategies

AWM implements certain equity strategies through licenses to use Morningstar® CPMS™. Morningstar® CPMS™ is portfolio strategy software used to design, modify, test, and track the performance of equity portfolio strategies. The software integrates high-quality fundamental, earnings estimate, and technical data on Canadian and U.S. stocks for screening and analysis based on 4,000+ variables in our proprietary ranking system. AWM professionals can refer to the CPMS™ investment strategies built into the software or create their own custom multi-factor portfolios and analyze their holdings with comprehensive equity information that's updated daily. AWM can implement both customized, and Morningstar defined equity strategies for clients as either allocation sleeves within a broader diversified portfolio or as standalone strategies.

TPMs and Wrap Fee Programs

AWM does not provide portfolio management services to a wrap fee program(s). Under a wrap fee program, advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and transaction services (e.g., execution of trades) are provided for one fee. This is different than AWMs traditional investment management programs whereby services are provided for a fee, but transaction services are billed separately on a per-transaction basis and typically paid to the client's custodian as discussed in Item 10.

AWM may, however recommend third party managers and or wrap-fee programs ("TPMs") who have full investment discretion and trading authority, who are not engaged as a sub-advisor on AWMs Sleeve Manager Platform. These TPMs have sole responsibility for the implementation of the investment program with respect to the client's account for which investment discretion has been delegated by the client and accepted by the institutional money managers. AWM does not place orders for transactions in the client's account or otherwise exercise trading authority over an account managed by a TPM or wrap-fee program sponsor. TPMs and wrap-fee program sponsors recommended by AWM to its clients are subject to a rigorous due diligence process.

Factors considered by AWM in its determination of whether to recommend a TPM or wrap-fee program include, but are not limited to: regulatory compliance, reputation, performance record, philosophy, continuity of management, service to clients, awareness of after tax performance objectives, minimum dollar investment requirements and fees. Information about TPMs and wrap-fee program sponsors (*e.g.*, performance figures, investment style, etc.) is obtained from tracking organizations, business publications, money managers, personal interviews and other sources which we believe are reliable. AWM may also consider other criteria, including, but not limited to, the administration, recordkeeping and reporting services provided by a manager or sponsor. AWM may also retain outside consultants to assist in preparing TPM search lists. In the event that AWM retains an outside consultant, AWM will make the final determination regarding which TPMs or wrap-fee program sponsors are made available to clients.

The terms and conditions under which the client shall engage a TPM or wrap-fee program sponsor shall be set forth in separate written agreements between (1) the client and AWM and (2) the client and the designated TPM and/or wrap fee program sponsor. AWM shall continue to render advisory services to the client relative to the ongoing monitoring and review of account performance, for which AWM shall receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated TPM and/or wrap fee program sponsor. Factors that AWM shall consider in recommending TPMs and/or wrap fee program sponsors include the client's stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated TPM and/or wrap fee program sponsor and corresponding designated Broker/Dealer/custodian of the client's assets, may be exclusive of, and in addition to, AWM's investment advisory fee set forth in Item 5 below. In addition to this Brochure, the client shall also receive the written disclosure statement of the designated TPM(s) and wrap-fee program sponsor(s). Certain TPMs and wrap-fee program sponsors may impose more restrictive account requirements and varying billing practices than AWM. In such instances, AWM may alter its corresponding account requirements and/or billing practices to accommodate those of the TMP(s) or wrap-fee program sponsor(s).

AWM may also refer clients to certain TPMs or wrap-fee programs where AWM's compensation is included in the advisory fee charged by the TPM. In such cases, AWM will be compensated for its services by receipt of a fee to be paid directly by the TPM to AWM in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, and any corresponding state securities laws, rules, regulations, or requirements. Any such fee shall be paid solely from the TPM's investment management fee or the program fee of the wrap-fee program (as appropriate), and shall not result in any additional charge to the client.

AWM also may render non-discretionary investment management services to clients relative to: (1) variable life/annuity products that they may own, and/or (2) their individual employer-sponsored retirement plans. In so doing, AWM either directs or recommends the allocation of

client assets among the various mutual fund subdivisions that comprise the variable life/annuity product or the retirement plan. The client assets shall be maintained at either the specific insurance company that issued the variable life/annuity product which is owned by the client, or at the custodian designated by the sponsor of the client's retirement plan.

Should a client decide to implement any recommendations contained in a financial plan prepared by AWM, the client may, but is under no obligation to, utilize AWM to implement those recommendations and there is no assurance that AWM's financial planning services or any products recommended by a financial plan are at the lowest available cost. Clients should be aware that if the client implements the financial plan through AWM, the Firm may receive additional payment from the client in the form of advisory fees, or in certain cases, AWM advisors who are also Registered Representatives of Arete Wealth Management, LLC may receive commissions on certain products or if insurance recommendations are implemented by licensed insurance agents associated with AWM. This may act as an incentive to AWM to make certain recommendations in the financial plan or to advise the client to instruct AWM to implement the plan.

Important Information Regarding Conflicts of Interest

Examples of actual or potential conflicts of interest arising from AWM's advisory services may include, but are not limited to:

- **Conflicts related to allocating time and resources between client accounts, allocation of brokerage commissions and investment opportunities generally;**
- **Recommendations for investment in investment vehicles in which some of our related persons have an interest. We have an incentive to recommend these products. Please refer to Item 10 below for further information;**
- **Actual or potential conflicts of interest generally can be addressed in a number of ways, including the following:**
 - **Prohibition – AWM or Arete prohibits the conduct that gives rise to the conflict of interest (e.g., insider trading is prohibited under our Code of Ethics);**
 - **Disgorgement – AWM gives a received benefit to a Client (e.g., covering a Client's transfer fee on transition to an AWM custodian);**
 - **Disclosure/Consent – AWM discloses the conflict of interest to the clients (e.g., Arete discloses whenever an Advisor recommends an investment in which any of our related persons have an economic interest); or**
 - **Setting a De Minimis Threshold – AWM sets a threshold for a benefit that is considered too small to influence conduct, and is therefore permitted. These thresholds mirror brokerage industry standards.**

Conflicts, actual or potential are discussed in further detail in Item 8.

Advisory Teams

Investment Advisor Representatives may have their own legal business entities whose business names and logos may appear on marketing materials as approved by RIA Firm, or client statements as approved by the Custodian. The Client should understand that the businesses are legal entities of the Investment Advisor Representative and not of RIA Firm, nor the Custodian. Additionally, the business entity may provide services other than as an Investment Advisor Representative as disclosed herein; however, Investment Advisory Services of the Investment Advisor Representatives are provided through RIA Firm. RIA Firm has the aforementioned arrangement with the following Investment Advisor Representatives below:

Advisory Team Name	Representative Names	Advisory Team Focus	Core Services	Financial Planning	Corporate Services
Ascendant Capital Management	Richard Moon	Wealth Management Corporate Services	Yes	Yes	Yes
Asset Preservation Strategies, Inc. 3636 Nobel Drive, Suite 440 San Diego, CA 92122-1042 Phone: 858.455.1825 Fax: 858.455.6211	John Jenkins Greg Banner Monica Szakos	Comprehensive Financial Planning Wealth Management Investment Advisory	Yes	Yes	Yes
Pathfinder Wealth Advisors	Richard Blosser	Family Office Advisory, Wealth Management, Investment Advisory	Yes	Yes	Yes
Sentry Pacific Group	Daniel Guillen	Wealth Management, Investment Advisory	Yes	Yes	Yes

Magnolia Capital	Andrew Thomas	Wealth Management, Family Office, Investment Advisory	Yes	Yes	Yes
Outwing Wealth Management	Adam Coons	Wealth Management, Family Office, Investment Advisory	Yes	Yes	Yes
E and E Financial	Eric Sams	Retirement Planning, Wealth Planning, Investment Advisory	Yes	Yes	Yes

Termination of Advisory Services

AWM and its clients may terminate advisory and other related services by written notice for any reason and such termination is effective upon the date specified in the notice. Prior to the effective date of such termination, Client will provide AWM with written instructions as to the liquidation or settlement of the Account, which instructions may limit the discretion of AWM to enter into further transactions after the date such instructions are received. AWM agrees to be bound by such instructions after receipt thereof. It is understood that AWM shall be entitled to a pro rata portion of its fee, based upon the number of months of representation until the date of termination. Such termination shall not, however, affect liabilities or obligations incurred or arising from transactions initiated under this agreement prior to such termination of this Agreement. If the Client terminates this Agreement within five (5) business days of its signing, the Client will receive a full refund of all fees and expenses.

Assets Under Management

As of December 31, 2019, Axxcess Wealth Management, has approximately \$1,286,674,690 of Regulatory Assets Under Management (AUM), the vast majority of which are discretionary, and approximately \$767,983,115 of Assets Under Administration (AUA). Axxcess calculates its Regulatory Assets Under Management as accounts over which we have investment discretion and are providing management or investment services. As a TAMP, we provide a variety of investment services where we do not directly have discretion, but provide other investment

operations, reporting and investment management services. We calculate our Assets Under Administration as household investment accounts we have on our platform that require reporting or other middle or back office services. Our total Platform Assets are the sum of our Regulatory AUM, and our AUA, which is approximately \$2.0 Billion.

Item 3: Fees and Compensation

For the Core investment advisory AWM advisors can charge an annual fee of .15%-2% dependent upon the client's AUM, and upon the level of services provided. Clients may be provided with a flat or hourly fee for financial planning, or advisory services rendered and agreed upon by the client as set forth in the client's AWM's Engagement Agreement.

ACPP fees are in addition to AWM advisor fees and are .25% per annum for strategies implemented with mutual funds, and ETFs, and .30% per annum for strategies implemented with stocks, mutual funds, and ETFs.

Sleeve Strategy Services are charged in addition to your advisors fee, and only billed on the assets invested in the Strategy Sleeve.

Our Sleeve Strategy Fee rate will typically range from 0.15% to 1.25% per annum of which a portion is paid to the Sleeve Strategy Manager. The Sleeve Strategy Fee will depend upon the value of your account and the composition of the choice of third party Strategy Managers utilized by your financial advisor. We do not impose a minimum account size for our Sleeve Strategy Services. However, certain fixed income and equity strategies may not be efficiently implemented with amounts under \$100,000.

Sleeve Managers will invoice AWM directly for Sleeve Manager Fees. AWM will bill the Strategy Sleeve the fee indicated in the Sleeve Strategy Addendum, based on the method agreed to in the AWM EA, and remit the Sleeve Manager Fee, typically 30 days after the end of the client's billing cycle which typically is quarterly. Fee rates are specified by each Manager in agreements made directly with AMW. AWM will retain a portion of the Sleeve Strategy Services Fee collected.

The total Account Fee is the sum of our Sleeve Strategy Fee plus any applicable Advisor or Platform Fees and are in addition to the customary costs of the client's custodian, such as trading costs, wire fees, etc.

CPMS Morningstar Strategies fees are negotiable but generally are charged at .50% per annum.

In certain cases, family or friends of AWM's employees, independent consultants and associated persons, or others may have all fees waived at the discretion of AWM based on certain criteria (*e.g.*, historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.). AWM's advisory fees are exclusive of, and do not include certain

charges imposed by third parties such as execution costs; mutual fund ticket charges or short term redemption fees; custodial fees; mutual fund internal fees and expenses; management fees charged by third party managers or advisors; markups; spreads and other transactional charges on securities transactions effected through or with brokers and dealers other than your primary custodian; interest on debit account balances, where applicable; the entire public offering price (including underwriting commissions or discounts) on securities purchased from an underwriter or dealer (including us and our affiliates) involved in a distribution of securities; bid-ask spreads; odd lot differentials; exchange fees; transfer taxes and other fees required by law; Individual Retirement Account (IRA) fees; qualified retirement plan account fees and other account maintenance fees, where applicable; usual and customary transaction charges on the liquidation of assets not; any contingent deferred sales charge assessed on the sale or liquidation of mutual fund shares, where applicable; check reordering costs and fees, where applicable; redemption fees imposed by certain mutual funds (see the fund prospectus for details); short-term trading charges for purchases and corresponding redemptions of certain mutual fund shares (see fund prospectus for details) made within short periods of time; management and other fees on certain securities, which may include open-end and closed-end mutual funds, UITs, and ETNs; margin interest; alternative investment processing and maintenance fees; safekeeping fees for physical securities. These other fees and expenses will be paid out of the assets in the client's account, and are in addition to the advisory fees charged by AWM. Refer to each investment product's disclosure document for a more detailed description of the fees and expenses you may pay as an investor.

Fee Billing

As set forth in the AWM Engagement Agreement, at the client's option, advisory fees are payable either quarterly in arrears at the end of each calendar quarter based on the average of the 3 preceding end of month values of the Client's account, or, fees are billed upfront, based on the account value on the first day of the calendar quarter. The fee is invoiced to the custodian of record and debited from the Client's account as soon as practicable following the last business day of the proceeding calendar quarter. No additional fees are assessed for special reports, services or meetings, except in extraordinary circumstances and Client will be notified in the event of such a circumstance. Client engagements entered into during a calendar quarter are charged a pro-rated portion of this fee for the initial quarter of advisory and management services. Thereafter, the full fee is charged. Accounts closed during a calendar quarter will have the advisory fee pro-rated for the period during which the account was open. AWM is authorized through the AWM Engagement Agreement to invoice the custodian directly and debit Client's account for such fees. Fees collected are reflected on the client's brokerage statements, and invoices are available on request.

Clients may make additions to and withdrawals from their accounts at any time, subject to AWM's right to terminate an account. If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will not be adjusted or prorated

based on the number of days remaining in the quarter, or month. Clients may withdraw account assets on notice to AWM, subject to the usual and customary securities settlement procedures. AWM designs its portfolios as long-term investments and asset withdrawals may impair the achievement of a client's investment objectives.

AWM believes its fees are fair, reasonable and consistent with those fees charged in the industry for similar services and products. However, similar services may be available from other Advisers at greater or lower fees.

Additional Compensation may be paid to AWM advisors that may act as Registered Representatives under Arete Wealth Management, LLC a non-affiliated Broker/Dealer, and receive compensation for some of the services provided in correlation with the advisory services herein. Arete Wealth Management, LLC receives economic benefit in the form of commissions for transactions in certain variable products, registered securities, and private placements. Clients are not obligated to use any recommended insurance company, agency or broker. Advisors that are part of Arete Wealth Management, LLC may receive additional individual compensation and benefits upon joining AWM. These benefits include material cash, substantial loans, and or firm ownership that may have the potential of significant appreciation. The amount of benefits is determined in negotiations between AWM, Arete Wealth Management, LLC and the advisor prior to employment and generally is in relation to the amount of business expected to transfer to AWM, and Arete Wealth Management, LLC.

In addition, the advisory team received certain support services (which may have included technology, marketing reimbursement, transition support and research) when selecting a primary custodian.

Item 4: Performance-Based Fees & Side by Side Management

AWM may recommend a third party asset management platform or sub-advisor/sponsor if a client requests a performance based fee structure for their portfolio. AWM can implement performance based fee structures using independent third party platforms that calculate compensation under a performance based fee arrangement, and AWM can offer this service to its own clients, and clients of other Advisors pursuant to Rule 205-3, where AWM is calculating the performance based fee. For these portfolios, there are no ongoing AWM management fees, and there is no fee charged if your portfolio with this sub-advisor loses money. A fee is only charged if your portfolio with the sub-advisor goes up in value. This fee structure may create an incentive to make investments that are riskier or more speculative than would be the case if AWM was paid a fixed fee percentage on the assets in the portfolio. In addition, because the applicable performance allocation (or performance fees) if any, is calculated on a basis that includes unrealized appreciation of the fund's assets, it may be greater than if such allocation was based solely on realized gains. For details on how this program works and how the fees are determined, separate disclosure documents are available at client request.

Item 5: Types of Clients

Description

AWM generally provides investment advice to family offices, corporations and other business entities, individuals, banks or thrift institutions, investment advisors and broker dealers, pension and profit sharing plans, trusts, estates, or charitable organizations.

Account Minimums

We currently do not have an account minimum or “relationship” minimum, but we do reserve the right to accept or decline a potential client for any reason at our sole discretion.

Item 6: Methods of Analysis, Investment Strategies and Risk of Loss

Investment advice is an integral part of our process. The firm uses a multi-asset class, multi-disciplinary approach with the belief that no two clients are identical. Therefore, the firm does not manage client investment portfolios on the basis of a “one size fits all” model portfolio.

Investment advice is provided with the client making the final decision on investment selection in most cases. Some accounts that the firm oversees are handled on a fully discretionary basis. Clients have the choice to work on a limited or full discretion basis. In most cases, an evaluation of each client's initial situation is provided. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Our process is rooted in these simple premises:

Diversify client assets: Investors must look beyond the traditional pie chart. Client is at great risk if they believe a passive long-only index investing approach. Correlations and manager talent is important.

Avoid market timing: Investors tend to follow trends and get excited when the media over-emphasizes select aspects of a market or component of the economy.

Keep fees to a minimum: In a single-digit return environment, the reduction of fees can represent a statistically significant increase in investment returns and overall wealth. AWM’s multi-family office structure allows clients to benefit with a very competitive fee structure.

Clients are not a model: AWM constructs, manages, and monitors portfolios that are customized and optimized to each individual client. Investor’s unique return, risk, liquidity, income profile, tax circumstance, and allocation objectives are blended with their experience and expectations. While efficiencies and execution are essential, AWM has yet to meet two clients that were exactly the same.

Communication: AWM's reporting and aggregation systems are industry leading and keep client's complex financial picture clear daily.

The AWM IOC meets weekly and intelligently synthesizes diverse economic views and top investment research, allowing the IOC to manage asset allocations designed to maximize after-tax, after-fee, risk-adjusted returns.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis.

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis. The principal sources of this information includes commercially available investment services, financial newspapers and magazines, mutual fund rating services, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

AWM primarily uses fundamental and technical analysis when evaluating investments. Security selection is done using a number of tools, including commercially available software technology, security rating services, general market and financial information and specific investment analysis requested by the client.

AWM's advice is primarily based on long-term investment strategies that incorporate the principles of Modern Portfolio Theory. Our belief is that investors' returns are determined principally by asset allocation decision, not market timing. Individual securities are screened based on the basis of company financial strength, growth characteristics, and overall ability to meet client objectives.

Assets are invested primarily in no-load mutual funds, stocks, separately managed accounts, collective investment trusts, ETFs, bonds, notes, municipal securities, structured products, closed end funds, hedge funds, real estate investment trusts (REITs), private equity funds, warrants, corporate debt securities, commercial paper, certificates of deposit, investment company securities, U.S. government securities, options contracts, futures contracts, and interests in partnerships.

Private partnerships invested in public equity or debt generally provide capital account balance and performance data quarterly, monthly, or mid-month which AWM reflects on its statement as it receives the data. Private partnerships invested in private debt, private equity, real estate, or real estate debt are highly illiquid with generally no public or private market. For these securities, AWM conducts an individualized review of each investment to establish its "fair value" on a quarterly basis. The process varies depending on the information available to AWM with regard to the investment. AWM gets input from the general partner and from management of the underlying investment, and reviews available financial information (including both past performance and

management's projections for future performance, where available). In some cases, AWM has a third-party valuation that was obtained by management for other reasons, which AWM use as a guideline, rather than as a firm indication of value, as these usually presume an immediate sale and AWM views these as hold-to-maturity investments.

AWM may also provide advice about any type of investment held in a client's portfolio at the beginning of the advisory relationship.

Initial public offerings (IPOs) are available through AWM and the client's custodial Broker/Dealer.

Investment Strategies

AWM implements a variety of investment strategies for clients, and does not manage a specific, single strategy for its clients. The investment strategy for a specific client is based upon the objectives stated by the client during consultations, and varies by advisory team. The client may change these objectives at any time.

AWM's advice is primarily based on long-term investment strategies using asset allocation decisions and not market timing, however, AWM may implement short term trading strategies internally, or through our Sleeve Strategy Managers, Third Party Money Managers, or hedge fund managers. Individual securities are screened based on the basis of company financial strength, growth characteristics, and overall ability to meet client objectives.

Investment strategies are driven by an understanding of client constraints, risk tolerance, familiarity with investment behavior, accredited investor status, and tax status.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Investments in, for example, derivatives, international companies, emerging markets, or high yield debt can carry greater risks over other more conservative alternatives. Employing certain strategies in securities and derivatives may lead to losses that may exceed initial principle invested. Our investment approach keeps the risk of loss and client risk profile in mind; however, clients should be aware that loss of principal may occur with no guarantee of investment objectives being met. Investors face the following investment risks or a combination thereof:

- **Interest-Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.

- **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.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **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.
- **Default or Credit Risk:** Default risk stems from a company's potential failure to pay its contractual obligations, such as a bond. In such occurrences equity and debt pricing as well as credit ratings may be impacted adversely affecting the potential return of an investment and/or loss of principle. Credit risk is calculated based on a company's overall ability to repay.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, treasury bills are highly liquid, while real estate properties are not. Lack of liquidity can lead to the mispricing of a security or derivative, where changes in a securities value may not be reflected in the actual price of the derivative or underlying security.
- **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.
- **Leverage Risk:** Leverage is the use of borrowing to increase potential returns of an investment. One example is a mortgage on a home. The risk of using leverage in an investment strategy is the client's potential to lose more than the principle amount they originally invested.

- **Political Risk:** Often associated with investments in emerging markets or other international investments, political risk is the possibility that changes or instability in a government or country could have adverse effects on an investment leading to loss of principle.
- **Non-Diversification Risk:** the chance that the investment's performance may be hurt disproportionately by the poor performance of relatively few stocks or even a single stock. An investment is considered non-diversified, when it may invest a greater percentage of its assets in the securities of a small number of issuers as compared with other mutual funds.

Item 7: Disciplinary Information

Legal and Disciplinary

Registered investment advisers such as AWM are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of AWM or the integrity of its management. AWM does not have any such legal or disciplinary events and thus has no information to disclose with respect to this Item.

Item 8: Other Financial Industry Activities and Affiliations

Financial Industry Activities

Arete Wealth Management, LLC is the associated Broker/Dealer for AWM. Representatives of AWM may offer securities through the Broker/Dealer. Certain advisors may be dually registered with the corporate RIA of Arete Wealth Management, LLC. As of December 31, 2019, Arete had approximately \$1,200,000,000 in total assets under management, the vast majority of which is managed on a discretionary basis. Such offerings are dependent on a variety of factors including specific product requirements and other benefits to the client. Such investments are not charged the AUM fees listed in item 5. Additional compensation in the form of commissions may be paid on Broker/Dealer products to AWM Investment Advisor Representatives ("IARs") who are also Registered Representatives of Arete Wealth Management, LLC. Client should be aware that the receipt of additional compensation by Arete and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. We endeavor, at all times, to put the interest of our clients first.

Arete provides transaction and placement services for retail and institutional clients. Arete, as a Broker/Dealer, provides services to Axxcess. Arete provides regulatory and supervisory oversight of AWM. Arete approves and supervises all private securities transactions placed by AWM.

Michael Seid, AIFA® is the owner of Axxcess Wealth Management, LLC and previously also a 25% owner of Axxcess Healthcare Group, LLC, a firm specializing healthcare ventures, strategic advice, and investment banking. Services provided by Axxcess Healthcare Group, LLC include raising capital for hospital development, medical devices, biologics and various other life sciences,

and healthcare business ventures. This company has been wound down, and Mr. Seid no longer conducts these activities.

These relationships may or may not present a conflict of interest and are disclosed to clients at the time of entering into an advisory agreement with AWM. AWM clients are under no obligation to engage these businesses.

Asset Preservation Strategies Inc, Pathfinder Wealth, Magnolia Capital, Outwing Wealth, and Sentry Pacific Financial Group, LLC are independent companies or brands and are owned by licensed IARs of Axxcess Wealth Management, LLC. These companies are under the supervision of Axxcess Wealth Management, LLC as well as bound by their code of ethics.

AWM may enter into agreements with developers of limited partnership products whereby AWM may participate in the management of the partnership itself or the underlying products. AWM may, from time to time, recommend securities to clients in which key Executive Officers or associated persons may have a financial interest. If such recommendations are made, complete disclosure of all interests will be made at the time of the recommendation. AWM may also, from time to time, recommend securities to clients in which AWM may hold an investment position. AWM will never sell client's securities from its proprietary position nor will it cross trade with a customer for its own account, prior to obtaining written approval from the client.

Mr. Seid is a director of a publicly traded company, listed on the Toronto Venture Stock Exchange. In 2017 the board voted to begin providing equity compensation for board members and directors.

Please review AWM's Form ADV Part 2B's for further disclosures.

Recommendations of Third-Party Managers ("TPMs") and Related Conflicts

AWM may have arrangements with certain third-party managers whereby AWM receives a percentage of the fees charged by such managers. If AWM refers a client to a TPM where AWM investment professional receives compensation based on a percentage of the fees charged by such TPM, that investment professional may be compensated for its services by receipt of a referral fee paid directly by the TPM to AWM in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and any corresponding state securities laws, rules, regulations, or requirements. Any such fee will be paid solely from the TPM's investment management fees and will not result in any additional charge to the client.

A conflict in interest exists as the sharing of fees creates a financial incentive to recommend that clients invest with a certain TPM that customarily allows AWM investment professionals to share in the investment management fees or to invest with TPMs with a higher percentage splits of fees to AWM investment professionals. Any such arrangements are disclosed to clients prior to investment and this conflict is managed by the supervision of all TPM recommendations on behalf of clients by the Firm's Investment Committee to ensure the recommendation is within the parameters set forth by the Investment Committee, the Firm's method of analysis and by AWM Code of Ethics and fiduciary responsibility to each client.

If a TPM is available on the AWM Sleeve Manager Platform, AWM has been able to successfully negotiate an institutional rate with that TPM, and will retain a portion of the overall fee charged to client for trade order management, compliance, and investment operational services it provides to the program. AWM endeavors to provide Sleeve Manager TPMs at rate at or below the client could gain access to the TPM directly, or through the client's custodian. AWM will always put the interests of its clients first, but has not adopted a formal policy to mitigate potential conflicts of interest, other than in general; an investment professional of AWM does not receive compensation from the Sleeve Manager Platform and therefore has no incentive to preference a TPM that is on the platform. Certain AWM executives charged with the responsibility of operating and administering the platform perform dual roles, in both advising clients and providing recommendations to clients. AWM will always exercise its best judgement in recommending TPMs and will always put the interests of its clients first. However, a conflict of interest may still exist. Clients should understand that AWM has taken steps to mitigate this conflict of interest. AWMs makes these disclosures of existing and potential conflicts of interests herein and no assurance can be given that these or other conflicts of interest will in all cases be resolved to the satisfaction of the Client.

Item 9: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

AWM has adopted a Code of Ethics ("Code") designed to comply with Rule 204A-1 under the Investment Advisers act of 1940. As required by regulation and because it is good business, we have adopted a Code that governs a number of potential conflicts of interest we have when providing advisory services. This Code is designed to ensure we meet our fiduciary obligation to our clients and prospective clients and to emphasize a culture of compliance within the firm.

The Code is designed to ensure that the high ethical standards long maintained by AWM continue to be applied. The purpose of the Code is to preclude activities, which may lead to or give the appearance of conflicts of interest, insider trading, and other forms of prohibited or unethical business conduct. The excellent name and reputation of our firm continues to be a direct reflection of the conduct of each employee and IAR.

AWM expects every employee to demonstrate the highest standards of ethical conduct for continued employment with AWM. Our Code is comprehensive, is distributed to each employee at the time of hire, and annually thereafter (if there are changes). We also supplement the Code with annual training and ongoing monitoring of employee activity. Our Code includes the following:

- Requirements related to the confidentiality of your information

- Prohibitions on: insider trading (if we are in possession of material, non-public information)
- Rumor mongering
- The acceptance of gifts and entertainment that exceed our policy standards
- Reporting of gifts and business entertainment
- Pre-clearance of employee and firm transactions
- Reporting (on an on-going and quarterly basis) all personal securities transactions (what we call “reportable securities” as mandated by regulation)

On an annual basis, we require all employees to re-certify to our Code, identify members of their household and any account to which they have a beneficial ownership (they “own” the account or have “authority” over the account), securities held in certificate form and all securities they own at that time).

Our Code does not prohibit personal trading by employees (or our firm). As a professional IAR, we follow our own advice. As a result, we may purchase or sell the same or similar securities (or securities that are suitable for an employee or related account but not suitable for any client) at the same time that we place transactions for client accounts. Strict compliance with the provisions of the Code shall be considered a basic condition of employment with AWM. AWM’s reputation for fair and honest dealing with its clients has taken considerable time to build. This standing could be seriously damaged as the result of even a single securities transaction being considered questionable. Employees are urged to seek the advice of the Chief Compliance Officer (“CCO”) or designated person, for any questions about the Code or the application of the Code to their individual circumstances. A material breach of the provisions of the Code may constitute grounds for disciplinary action, including termination of employment with AWM. The provisions of the Code are not all-inclusive. Rather, they are intended as a guide for employees of AWM in their conduct. In those situations where an employee may be uncertain as to the intent or purpose of the Code, they are advised to consult with the compliance department. All questions arising in connection with personal securities trading should be resolved in favor of the client even at the expense of the interests of the employee. With any trades with blatant or the appearance of conflicts of interest, insider trading and other forms of prohibited clients may request a copy of the Code by contacting AWM at (858) 217-5347.

Participation or Interest in Client Transactions

AWM and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees may indirectly benefit from market activity generated by a security held in a client account. In accordance with the AWM Code of Ethics, AWM monitors the personal trading activity of all employees and prevents front running through various internal controls.

The CCO of AWM reviews all employee trades each quarter. The personal trading reviews ensure that the client interests are always placed before any personal interests. Since most employee trades typically involve small mutual fund or ETF trades, such transactions generally do not affect the securities markets.

Item 10: Brokerage Practices

Selecting Brokerage Firms

When performing investment management services, AWM generally places transactions through the Schwab Institutional division of Charles Schwab & Co., Inc. ("CSI"), and/or another Broker/Dealer custodian. AWM periodically evaluates the commissions charged and the services provided by the custodian and compare those with other Broker/Dealers to evaluate whether overall best qualitative execution could be achieved by using alternative custodians. Other factors AWM may consider when evaluating its choice of custodians include:

- Ability to trade mutual funds and other investments that AWM determines are suitable for client portfolios
- The custodial relationship between the client and the Broker/Dealer
- Quality of customer service and interaction with AWM
- Discount transaction rates
- Reliability and financial stability

Specific custodian recommendations are made to clients based on their need for such services. AWM may recommend that clients establish brokerage and custodial accounts with CSI, TD Ameritrade, Fidelity IWS, NFS, Millennium Trust, Interactive Brokers, and/or First Mercantile Trust to maintain custody of the client's assets and to effect trades for their accounts. CSI provides AWM with the access to its institutional trading and operations services, which are typically not available to Schwab retail investors. These services generally are furnished to independent investment advisers at no charge to them so long as a total of at least \$10 million of the advisers' client's account assets are maintained at CSI. The choice between these brokers is ultimately the client's and AWM will not require or only recommend a client to open an account with CSI for the purpose of obtaining these services.

Certain clients, if approved by AWM, may be permitted to open brokerage accounts with brokers other than CSI for the purposes of trading fixed income investments, alternative investments, and structured products. In these circumstances, AWM will recommend those brokers it believes are in the client's best interests to use and shall consider factors such as best execution, commission rates, the financial stability and reputation of the broker, the quality of the investment research, investment strategies, special execution capabilities, clearance, settlement, custody, recordkeeping and other services provided by such broker, when making its recommendations. The choice of such broker is ultimately the client's. Clients should be aware that AWM may not be

able to negotiate specific brokerage commission rates with a Broker/Dealer on the client's behalf, or seek best execution services or prices from other Broker/Dealer. As a result, the client may pay higher commissions and/or receive less favorable net prices on transactions for their account than might otherwise be the case and AWM will have limited ability to ensure that the Broker/Dealer selected by the client will provide best possible execution.

Best Execution

To ensure that the brokerage firms recommended by AWM are conducting overall best qualitative execution, AWM reviews the execution of trades at each custodian each quarter. Trading fees charged by the custodians are also reviewed on a quarterly basis. AWM's evaluation will consider the full range of brokerage services offered, which may include, but is not limited to, price, commission, timing, research, aggregated trades, capable floor brokers or traders, competent block trading coverage, capital strength and stability, reliable and accurate communications and settlement processing, use of automation, knowledge of other buyers or sellers, and administrative ability. AWM does not receive any portion of the trading fees.

Research and Other Soft Dollars Benefits

AWM may select a Broker/Dealer in recognition of the value of various services or products, beyond transaction execution, that such Broker/Dealer provides where, considering all relevant factors, it believes the Broker/Dealer can provide best execution. Selecting a Broker/Dealer in recognition of the provision of services or products other than transaction execution is known as paying for those services or products with "soft dollars." The amount of compensation paid to such Broker/Dealer may be higher than what another, equally capable Broker/Dealer might charge. Except for the benefits received from CSI, AWM currently has no other soft dollar arrangement in place. The following discussion is intended to provide clients with certain important information regarding such practices, including the potential conflicts of interest that may arise should AWM enter into any soft dollar arrangement.

The custodial services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. CSI, Deutsche Bank, and Millennium Trust also make available to AWM other products and services that benefit AWM but may not benefit its client's accounts. Some of these other products and services assist AWM in managing and administering client's accounts (*e.g.*, software, other technology, and client account data such as trade confirmations and account statements), facilitate trade execution, provide research, pricing, information and other market data, facilitate payment of AWM's fees from its client accounts, and assist with back office support, recordkeeping, and client reporting. Many of these services generally may be used to service all or a substantial number of AWM's accounts. Consequently, AWM may have an incentive to select or recommend these Broker/Dealers based on its interests

in receiving the research and other services rather than on its client's interests in receiving most favorable execution.

The receipt of such services may benefit AWM, because AWM does not have to produce or pay for the research or other products or services when it obtains such products and services by using client commissions. Although customary, these arrangements present potential conflicts of interest in allocating securities transactional business to Broker/Dealers in exchange for soft dollar benefits, including an incentive to select or recommend a Broker/Dealer based on AWM's interest in receiving the research or other products or services, rather than on client's interest in receiving most favorable execution. Additionally, AWM may have an incentive to effect more transactions than might otherwise be the case in order to obtain those benefits. The agreements between AWM and its clients generally authorize AWM to use client soft dollars for a wide range of purposes. The extent of any such conflict depends in large part on the nature and uses of the services and products acquired with soft dollars.

AWM's policy is to comply with the provisions of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)") when entering into soft dollar arrangements. Section 28(e) recognizes the potential conflict of interest involved in this activity, but generally allows Investment Advisers to use client commissions to pay for certain research and brokerage products and services under certain circumstances without breaching their fiduciary duties to clients. For these purposes, "research" means services or products used to provide lawful and appropriate assistance to AWM in making investment decisions for its clients. "Brokerage" services and products are those used to effect securities transactions for AWM's clients or to assist in effecting those transactions.

Consistent with obtaining best execution, brokerage transactions may be directed to certain Broker/Dealers in return for investment research and brokerage products and services which assist AWM in its investment decision-making process. AWM may cause clients to pay commissions that are higher than those that another qualified Broker/Dealer might charge to effect the same transaction where AWM determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received.

Research and other products and services purchased with soft dollars will generally be used to service all of AWM's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio, as permitted by Section 28(e). In other words, there may be certain client accounts that benefit from the research services, which did not make the payment of commissions to the Broker/Dealer providing the services.

Research and related services furnished by brokers may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications; recommendations as to specific securities; portfolio evaluation services; financial database software and services; computerized news, pricing and statistical services; and discussions with research personnel, along with hardware, software, databases, and other technical and telecommunication services and

equipment utilized in the investment management process. Research received by AWM under such soft dollar arrangements may include both proprietary research (created or developed by the Broker/Dealer) and research created or developed by a third party.

AWM participates in CSI, NFS, and Millennium Trust's institutional customer programs and may recommend CSI, NFS, or Millennium Trust to clients for custody and brokerage services. There is no direct link between AWM participation in the program and the investment advice it gives to its clients, although AWM may receive economic benefits through its participation in the program. These benefits include, among other things, the following products and services which AWM receives without cost or at a discount: receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk service for advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transactions fees and to certain institutional money managers; and discounts on marketing, technology and practice management products or services provided to AWM by third party vendors. CSI, NFS, Fidelity, Millennium Trust also may pay for business consulting and professional services received by AWM or its employees. Some of the products and services made available by CSI, Deutsche Bank, Millennium Trust through the program may benefit AWM but may not benefit its client accounts. These products or services may assist AWM in managing and administering client accounts, including accounts not maintained at CSI, NFS, or Millennium Trust. Other services made available by CSI, NFS, Millennium Trust are intended to help AWM manage and further develop its business enterprise. The benefits received by AWM or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to CSI, NFS, Millennium Trust. As part of its fiduciary duties to clients, AWM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by AWM in and of itself creates a potential conflict of interest and may indirectly influence AWM choice of Charles Schwab, NFS, Millennium Trust for custody and brokerage services.

In the event AWM receives a software maintenance credit from any of the client custodians AWM will use this credit to help offset a portion of the annual maintenance fee for our portfolio management software. All clients benefit from this credit as it reduces the firm's overall expenses. AWM's selection of client custodians is not affected by this nominal credit.

Order Aggregation

When possible, CSI, or other brokers used by clients, may bunch orders of various clients for execution, which generally results in lower commission rates being attained. AWM periodically reviews the trade reports provided by such brokers to ensure that no client is favored over any other.

AWM seeks to allocate transactions and opportunities among the various accounts it manages in a manner it believes to be as equitable as possible. When doing so, AWM considers each account's objectives, limitations and capital available for investment.

Prime Brokerage, Custody, Clearing and Settling - Partnerships

AWM has a prime brokerage arrangement with the following registered Broker/Dealers (the "Prime Broker"): Stifel Nicolaus, and Deutsche Bank and Goldman Sachs. Under this arrangement, the Prime Broker, among other things: (i) arranges for the receipt and delivery of securities bought, sold, borrowed, and lent; (ii) makes and receives payments for securities; (iii) maintains custody of cash and securities; (iv) tenders securities in connection with tender offers, exchange offers, mergers, or other corporate reorganizations; and (v) provides detailed portfolio and related reports. AWM may cause clientele to pay for custodial and related services either in cash or by allocating a portion of its business to the Prime Broker.

Item 11: Review of Accounts

Periodic Reviews

Investment advisory accounts are reviewed by the Principal on a quarterly basis or sooner while the individual assets recommended and used in the portfolio allocations are reviewed on a monthly basis or sooner by the adviser or firm. Periodic investment committee meetings discuss the following: general conditions in the U.S. and foreign economics, stock and bond markets, and specific stock and bond analysis generated from both internal and external sources.

All accounts are reviewed by their designated advisor. There are no set minimum or maximum number of accounts reviewed by an advisor and compliance with stated client objectives is reviewed by the Chief Investment Officer and/or the Chief Compliance Officer no less than on a quarterly basis.

The review of accounts includes suitability of investments, asset allocation in relation to risk level, changes in client's goals or circumstances, market direction, economic factors, performance of securities, and/or political and world events.

Review Triggers

A variation in an investor's personal life situation or psychology may trigger a review of accounts. In addition, changes in monetary and fiscal policy, inflation, supply and demand, geo-political and social factors are monitored continuously. Factors triggering reviews and perhaps triggering investment changes include: changes in regulatory or tax conditions, changes in the general condition of the economy, changes in currency, stock or bond markets and changes in any type of investment vehicle or individual security, owned by clients.

Regular Reports

Account reviewers are members of the firm's IOC. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Monthly account statements are prepared by the custodian and are mailed directly to each client. Additionally, each client receives a transaction confirmation whenever an investment is bought or sold. Quarterly reports are provided by AWM upon request. The advisor will furnish to any client upon request or at scheduled meetings with the client, a report detailing performance, asset allocation, and asset holdings. Reports detailing year to date gain/losses and transactions are also available upon request.

Item 12: Client Referrals and Other Compensation

Compensation for Client Referrals

If a client is introduced to AWM by an affiliated solicitor, AWM may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee shall be paid solely from AWM's advisory fee, and shall not result in any additional charge to the client. If the client is introduced to AWM by a solicitor, the solicitor shall provide the client with a copy of AWM's Form ADV Part 2 or other written disclosure brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. The solicitor is required to obtain the client's signature acknowledging receipt of AWM's disclosure brochure and the solicitor's written disclosure statement. Since in some states, a solicitor is also required to be qualified and registered as an investment adviser representative, AWM has developed internal controls for ensuring registration as required.

Affiliations

AWM has arrangements that are material to its advisory business which includes Arete Wealth Management, other investment advisers, accounting firms, law firms, managing Broker/Dealers, insurance companies or agencies, and other entities that create limited partnerships.

AWM does not receive additional fees for referring clients to these arrangements. Individuals associated with AWM may receive typical and ordinary compensation related to securities or related placement agency transactions. This will not increase any fees to AWM clients.

Please refer to Item 10 for additional information. IARs of AWM who are affiliated with Arete may participate in placement or distribution fees from investments or products. The fair market value of such interests may be subject to an AUM fee or other fee. Any such fee generated by an IAR will generally be shared with AWM. As a result, one or more of the Principals may receive compensation indirectly as a result of investments in the participation due to the Principals' ownership or management in an affiliated entity or a Registered Investment Adviser ("RIA") that is recommending investments in the offerings or transactions.

Event Sponsorship

Periodically, AWM holds Advisor meetings which may be firm-only or include external attendees. These meetings provide sponsorship opportunities for investment issuers and other third-party providers. Sponsorship fees allow these companies access to our Advisors to discuss ideas, investments or services and the cost to host the event is lower to AWM. The sponsorship fees go to assist in the payment of the meeting or future meetings. This could be deemed a conflict, as AWM may refer business to a certain investment issuer due to their attendance and sponsorship. AWM attempts to mitigate any potential conflict as Sponsorship fees are not dependent on assets placed with any specific provider, or on the revenue generated by asset placement.

Other Compensation

Please refer to the paragraph above (Affiliations) and Item 8, 10 and 12, which describe AWM's other compensation arrangements.

Item 13: Custody

Pursuant to Rule 206(4)-2 of the Advisors Act AWM is deemed to have custody of client funds because it has the authority and ability to debit fees from client's accounts. To mitigate and potential conflict of interest all AWM client account assets will be maintained with an independent qualified custodian.

AWM does not have physical custody of client assets. The client always maintains asset control, and can choose to custody assets at a variety of third party firms, such as Charles Schwab, Fidelity, Ameritrade, Interactive Brokers, Deutsche Bank, Millennium Trust, First Mercantile Trust, or can custody certain assets directly. AWM places trades for clients under a limited power of attorney that includes both full and limited discretion engagements.

Custodial Account Statements

All assets are held at qualified a custodian, or held directly with the issuer, which means the custodians provide account statements directly to clients at their address of record at least quarterly.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by AWM and call AWM with any questions.

Net Worth Statements

Clients may generate net worth statements and net worth graphs through our client relationship management system, which include our Client Portal and Prospect Portal. Net worth statements

may contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. Axxcess will endeavor to provide reporting of positions and performance using our Private Asset Platform. PAP is an Axxcess reporting service which integrates directed investments in a consolidated manner. AWM makes no representations or guarantees about the accuracy of the information contained in its PAP reports. AWM specifically discloses in its PAP Enrollment forms that there can be no guarantee that PAP reports are accurate as of the date received or that it will continue to be accurate in the future.

The data contained in our Private Asset Platform generally comes from the administrator and or financial reports produced by alternative investment administrators. Axxcess does not guarantee the accuracy of the data the system obtains from third party sources or vendors.

Although AWM endeavors to provide accurate and timely information, it cannot guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Certain information contained in these illustrative financial statements may be superseded as new statements, valuations, guidance or interpretations are issued. Clients should note that only the audited financial statements issued by the sponsor or sponsors preparer should be used for valuation and other users of these illustrative financial statements are therefore cautioned to stay informed of, and carefully evaluate, subsequent authoritative and interpretative guidance provided by the sponsor. The values and performance shown through the Client Portal may be delayed, or out of date. The only official valuation statement is the investors custodial, or administrative statement generated by the fund or sponsor. The client is reminded that Net Worth Statements and the reporting of alternative investments or the Clients inputted investments in our system are used for long-term financial planning where the exact values of assets are generally not material to the financial planning tasks. Axxcess does not act in a fiduciary capacity with the client on assets directed individually or by a third party Investment Advisor.

Please refer to Item 12 for additional important disclosure relating to AWM's practices and relationships with custodians.

Item 14: Investment Discretion

Discretionary Authority for Trading

AWM accepts discretionary authority to manage securities accounts on behalf of clients. AWM has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, AWM consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

AWM may also select the Broker/Dealers for trade execution at its discretion. In selecting a broker for any transaction or series of transactions, AWM may consider a number of factors, including, for example, net price, the financial stability and reputation of the broker, the quality of the investment research, investment strategies, special execution capabilities, clearance, settlement, custody, recordkeeping and other services provided by such broker. AWM will negotiate the commission rate clients will pay. Clients may pay commissions or fees that are higher or lower than those that may be obtained from elsewhere for similar services. AWM does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

Limited Power of Attorney

By signing AWM's discretionary advisory agreement, client authorizes AWM to exercise discretionary authority with respect to all investment transactions involving the client's account. Pursuant to such agreement, AWM is designated as the client's attorney-in-fact with discretionary authority to effect investment transactions in the client's account which authorizes AWM to give instructions to third parties in furtherance of such authority.

Item 15: Voting Client Securities

Proxy Votes

AWM will vote any and all proxies for any account on which it has proxy voting authority. Decisions about how to vote on a proxy will be made based on the best interests of an account. In general, AWM will vote in favor of routine proposals, such as those for the election of auditors, and against proposals that in any way restrict a shareholder's ability to realize the full potential value of their investment (such as anti-takeover measures and cumulative voting rights). Other proposals, such as officer and director stock plans, will be reviewed on a case-by-case basis. In the event that voting on a proposal may cause a conflict of interest, AWM will vote as described above unless doing so does not address the potential conflict. In this case, AWM will communicate the proxy information and intended vote to the client. AWM will vote these proxies as decided by the client unless client does not respond within a reasonable period of time, in which case AWM will vote as communicated to the client.

AWM does not direct advisory client's participation in class actions. AWM shall forward any class action documentation inadvertently received to the appropriate advisory clients. These policies have been written and in place in accordance with Rule 206(4)-6 and High Tower acts in accordance with those procedures.

Item 16: Financial Information

Financial Condition

AWM does not have any financial impairment that will preclude the firm from meeting contractual and fiduciary obligations to clients and has not been the subject of a bankruptcy proceeding.

A balance sheet is not required to be provided because AWM does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

We look forward to working with you.