

## ITEM 1: Form ADV Part 2A Brochure

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### **CANTER STRATEGIC WEALTH MANAGEMENT, LLC D/B/A CANTER WEALTH**

*(Firm CRD # 167828)*

*7825 Fay Avenue, Suite 140*

*La Jolla, California 92037*

*Telephone: 858.812.7550*

*Fax: 858.454.2239*

*Website: [www.canterwealth.com](http://www.canterwealth.com)*

*As of March 1, 2020*

Form ADV, Part 2; our "Disclosure Brochure" or "brochure" as required by the Investment Advisers Act of 1940, is a very important document between clients ("you, "your") and Canter Strategic Wealth Management, LLC d/b/a Canter Wealth ("Canter Strategic Wealth Management, LLC," "Canter Wealth," "us," "we," or "our"). This brochure provides information about the investment advisory services, qualifications, and business practices of Canter Wealth, an investment advisory firm registered with the U.S. Securities and Exchange Commission. By federal and state regulations, this brochure is on file with the appropriate securities regulatory authorities, as required.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. The information provided in this brochure is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States or by the SEC. Nothing in this brochure is to be construed as an offer of securities; please refer to actual fund and investment offering documents for more complete disclosures. Registration of an investment adviser does not imply any level of skill or training; investments involve risk, including the possible loss of principal. The oral and written communications of an adviser provide you with information that you may use to determine whether to hire or retain an adviser.

Please contact Joseph P. Kalmanovitz, Chief Compliance Officer of Canter Wealth, directly at 858.812.7550 if you have any questions about the contents of this brochure.

Additional information about Canter Strategic Wealth Management, LLC d/b/a Canter Wealth, is available on the SEC's website at [www.Adviserinfo.sec.gov](http://www.Adviserinfo.sec.gov).

*(Click on the link, select "Investment Advisor Firm," and type in the firm name.  
Results will provide you with all parts of the firm's Form ADV.)*

## ITEM 2: Summary of Material Changes

### Update

In this Item, Canter Strategic Wealth Management, LLC, DBA "Canter Wealth," ("Canter Wealth," "C.W.," the "Firm," "Investment Adviser," "we," or "our"), is required to provide a summary of material changes since the date of its last annual updating amendment to this brochure. Since the date of its last annual updating amendment in March 2019, the Firm has transitioned from registration with the State of California to registration with the SEC as a result of an increase to the Firm's regulatory assets under management.

### Item 4: Advisory Business

#### *Assets Under Management*

The Adviser's Assets Under Management ("AUM") data was updated to reflect AUM as of March 1, 2020:

TYPE OF ACCOUNT	ASSETS UNDER MANAGEMENT
Discretionary	\$ 108,511,917
Non-Discretionary	\$ 0
Total	\$ 108,511,917

### Item 10: Other Financial Industry Activities & Affiliations

Real Estate Broker or Dealer - Additional language was added to this section to clarify the relationship between Canter Wealth Advisor Representatives and Canter Companies.

### Item 5: Fees & Compensation

Canter Wealth expanded disclosures and explanations of its advisory practices within Items 5, Fees & Compensation. While the explanatory edits to this area of the Adviser's ADV Brochure made may not necessarily be material in nature, the enhancements were provided to better aid client understanding of the Adviser's practices.

### Full Brochure Availability

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations, and routine annual updates as required by securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each client annually and if a material change occurs in the business practices of Canter Wealth.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at <http://www.Adviserinfo.sec.gov> by searching for our firm name or by our CRD number (CRD #167828). You may also request a copy of this Disclosure Brochure at any time by contacting us at 858.812.7550.

## ITEM 3: Table of Contents

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ITEM 1: Form ADV Part 2A Brochure .....	1
ITEM 2: Summary of Material Changes.....	2
ITEM 3: Table of Contents.....	3
ITEM 4: Advisory Business.....	4
ITEM 5: Fees & Compensation .....	7
ITEM 6: Performance-Based Fees & Side-by-Side Management .....	10
ITEM 7: Types of Clients.....	10
ITEM 8: Methods of Analysis, Investment Strategies & Risk of Loss .....	10
ITEM 9: Disciplinary Information .....	13
ITEM 10: Other Financial Industry Activities & Affiliations .....	14
ITEM 11: Code of Ethics, Participation, or Interest in Client Transactions & Personal Trading .....	15
ITEM 12: Brokerage Practices .....	16
ITEM 13: Review of Accounts.....	20
ITEM 14: Client Referrals & Other Compensation .....	21
ITEM 15: Custody .....	22
ITEM 16: Investment Discretion .....	23
ITEM 17: Voting Client Securities .....	23
ITEM 18: Financial Information .....	24

## ITEM 4: Advisory Business

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### Description of Advisory Firm

Canter Strategic Wealth Management, LLC d/b/a Canter Wealth ("Canter Wealth," "C.W.," us," "we," or "our"), is an SEC Registered Investment Adviser, located in La Jolla, CA. Canter Wealth was formed on May 20, 2013, as a California limited liability company.

### Principal Owners

Andrew E. Canter is a Principal of Canter Wealth. He is a 75% owner of the firm. Isaac G. Dixon, Partner of Canter Wealth, is a 10% owner of the firm. Babak Gahvari, the Managing Partner of Canter Wealth, is a 5% owner of the firm, and Todd A. Buchner, Partner of Canter Wealth, is a 10% owner of the firm. Mr. Gahvari and Mr. Buchner are each equity owners of the firm who can earn additional equity in the firm (5% and 10%, respectively), based on the attainment of specific asset under management ("AUM") targets. Realization of AUM targets will result in Andrew E. Canter's ownership of the firm decreasing from 75% to 60% over time; Andrew's ownership percentage will incrementally decrease as triggered by employee equity compensation. *(Please refer to Item 10: Other Financial Industry Activities & Affiliations for further details, and Form ADV Part 2Bs for Principal Owners' formal education and business backgrounds.)*

### Types of Advisory Services

Canter Wealth provides the following types of advisory services:

- Individual Client Asset Management Services
- Financial Planning Services
- ERISA Account Services
- Educational Seminars & Workshops
- Selection of Other Advisers

### Individual Client Asset Management Services

Canter Wealth provides portfolio management services to clients using asset allocation models. Models are designed for diversification while targeting risk and return profiles. Advisory accounts are managed on a discretionary basis and are aimed to meet client needs for risk tolerance, investment goals, cash flow, liquidity, stated objectives, and potential tax considerations. Canter Wealth's recommendations are not limited to any specific investments offered by a custodian or fund family but include mutual funds and exchange-listed securities. The client and their Advisor Representative will agree upon a portfolio allocation, which will be outlined in an Investment Policy Statement ("IPS"), signed by both parties. At that point, the client's account will maintain the allocation as set forth by their IPS, which model can only be changed by receipt of a revised IPS, also signed by both parties. Rebalancing, tax-loss harvesting, and other portfolio trading requirements will be executed as needed to maintain the integrity of the account allocation guidelines as set forth by the IPS.

An IPS is not a contract; an IPS is an investment philosophy summary intended to guide the client and the Adviser; it is not to be construed as offering any guarantees. *Clients are ultimately responsible for establishing their investment policy.* Advisor Representatives are restricted to providing the services and fees detailed in the client's IPS and the signed Advisory Agreement. Final fee structures are documented in each client's Advisory Agreement. *(Please refer to Item 5: Fees & Compensation, for further details.)*

***Clients are expected to notify Canter Wealth of any changes in their financial situation, investment objectives, or Account restrictions, promptly.***

### *Financial Planning Services*

Individual clients may engage Canter Wealth solely to provide fee-only financial planning services at the discretion of the firm. Financial planning services can include but are not limited to the following items:

- Cash Flow Projections
- Retirement Planning
- Investment Portfolio Analysis
- Tax Strategy
- Social Security & Pension Planning
- Risk Management & Insurance Planning
- Real Estate Planning
- Business Planning
- Estate Planning

Please note that in offering financial planning, a conflict exists between the Adviser and the client. Canter Wealth's clients are under no obligation to act upon the Adviser's recommendation. Further, if the client elects to act on any of the Adviser's recommendations, the client is under no obligation to effect the transaction through Canter Wealth or any third parties recommended by the Adviser. The client may act on the firm's recommendations by placing securities transactions with any brokerage firm of their choice. The Adviser does not make any representation that these products or services are offered at the lowest available cost, and the client may be able to obtain the same products or services at a lower cost from other providers. *(Please see Item 12: Directed Brokerage.)*

### *ERISA Account Services*

Canter Wealth provides investment due diligence, education, and other investment advisory services to clients that are employee benefit plans or other retirement accounts (i.e., IRAs) for a level fee. As such, the firm is considered a fiduciary under the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code") and is required to abide by the Impartial Conduct Standards, as defined by ERISA. To comply with the Impartial Code Standards, Canter Wealth provides advice to clients based on their best interests and charges no more than reasonable compensation [within the meaning of ERISA Section 408(b)(2) and Internal Revenue Code Section 4975(d)(2)], for such advice. The firm makes no misleading statements about investment transactions, compensation, conflicts of interest, or any other matters related to investment decisions. The firm maintains a non-variable compensation structure provided either based on a fixed percentage of the value of assets or a set fee that does not vary with investments recommended (as opposed to a commission or other transaction-based fees).

### *Educational Seminars & Workshops*

Canter Wealth may provide seminars on an "as announced" basis for groups seeking general education on investments and other areas of personal finance. The content of these seminars will vary depending upon the needs of the attendees. Topics may include issues related to asset/wealth management services, such as financial planning, investment planning, retirement planning, or various other economic and investment topics. These seminars are purely educational and do not involve the sale of any investment products. Information presented will not be based on an individual's person's need, and Canter Wealth will not provide individualized investment advice to attendees during these events. Canter Wealth does not provide investment advice to attendees unless engaged independently, and only where the attendee's individualized financial information, investment goals, and objectives are provided.

### *Selection of Other Advisers*

Canter Wealth retains the ability to select or recommend independent third-party investment advisers ("Independent Advisers") to advise and/or administer its clients' accounts. As of the date of this brochure, Adviser has only one legacy relationship with an Independent Adviser - TriVant Custom Portfolio Group, LLC, or "TriVant" - to whom it formerly introduced certain clients, and from whom Canter Wealth continues to receive compensation

in consideration for such previous introductions. It should be noted, however, that no current or future clients have been or will be introduced to TriVant or any other Independent Advisers. If at such time Canter Wealth enters into an arrangement with any future Independent Advisers, it shall further update this Item accordingly.

#### Types of Investments

Canter Wealth will generally provide investment advice and money management regarding:

- exchange-traded funds (ETFs),
- mutual fund shares, and
- fixed-income securities

#### Mutual Fund Share Class

As a fiduciary, an investment adviser is expected to provide investment advice that is in the client's best interest. When recommending investments in mutual funds, it is Canter Wealth's policy to consider all available share classes and to select the most appropriate share classes based on various factors including but not limited to: minimum investment requirements, trading restrictions, internal expense structure, transaction charges, availability, and other factors. Institutional share class mutual funds typically have a lower cost than other share classes and generally do not have an associated 12b-1 fee, leading to a lower overall expense ratio than other class shares of the same mutual fund. Therefore, it will be in the client's best interest to recommend or purchase share classes with the lowest cost (institutional share class) in most cases.

Canter Wealth avoids market timing but will increase cash holdings when necessary. Although Canter Wealth provides advice predominately on the products listed above, the Adviser reserves the right to offer advice on any investment product deemed suitable for a client's specific circumstances, tailored needs, individual goals, and objectives. Canter Wealth will also use other securities as well, to help diversify a portfolio when appropriate.

#### Client Imposed Restrictions

Clients may impose restrictions on investing in certain securities or types of securities according to their preferences, values, or beliefs. Such restrictions must be submitted to Canter Wealth in writing. However, sometimes the investment structures recommended (e.g., ETFs) can prevent Canter Wealth from controlling the specific outcome requested by the client. If so, the feasibility of the request will be discussed with the client to ensure their expectations are met. If the client-imposed restrictions prevent Canter Wealth from properly servicing the client's account, or if the restrictions would require Canter Wealth to deviate from its recommendations substantially, Canter Wealth reserves the right to end the relationship.

#### Assets Under Management

As of March 1, 2020, Canter Wealth's assets under management total \$108,511,917. The following represents Canter Wealth client assets under management, by account type:

TYPE OF ACCOUNT	ASSETS UNDER MANAGEMENT
Discretionary	\$ 108,511,917
Non-Discretionary	\$ 0
Total	\$ 108,511,917

#### Wrap Fee Programs

Canter Wealth does not participate in wrap fee programs by providing portfolio management services. Therefore the firm does not receive any portion of wrap fees for its services.

## ITEM 5: Fees & Compensation

A copy of Canter Wealth's Form ADV, Part 2A, & Part 2B Disclosure Brochure will be provided to clients before or upon execution of an Advisory Agreement. ***Unless a client has received the Firm's Disclosure Brochure at least 48 hours before signing their Advisory Agreement, the Advisory Agreement may be terminated by the client within five (5) business days of Agreement execution, without incurring any advisory fees.***

### Description of Advisory Fees

#### Tailored Services

Canter Wealth offers the same suite of services to all its clients, and all client portfolios are customized to the individual needs of each client, dependent upon the type of advisory services performed under each client's IPS.

#### Fee Negotiation Availability

Canter Wealth's advisory fees are based on a percentage of the client's assets under management and established on a client-by-client basis. Canter Wealth's advisory fees are negotiable; advisory fees are outlined in each client's Advisory Agreement. Some clients will require only limited services due to the nature of their investments, and limited services are offered at a discounted rate, as defined in each client's Advisory Agreement

To the extent that fees are negotiable, some clients may pay more or may pay less than other clients for the same advisory services, depending, but not limited to, account inception date, number of related investment accounts, or total assets under management. At Canter Wealth's discretion, assets of related accounts, such as family or business relationships, may also be aggregated for purposes of calculating the applicable Advisory fee.

### Types of Fees

#### Investment Supervisory Services Fees

The following are the Investment Supervisory Services Fees ("advisory fees") charged by Canter Wealth Advisors for services provided. As noted previously, Canter Wealth, in its discretion, may negotiate fees based on individual client account criteria such as anticipated future assets, a client's unique circumstances, and additional services performed up to the maximum annual rates listed below. Canter Wealth's annual Fee Schedule is as follows:

TOTAL ASSETS UNDER MANAGEMENT	ANNUAL FEE
\$1 - \$1,000,000	1.00%
\$1,000,001 - \$2,000,000	0.85%
\$2,000,001 - \$3,000,000	0.80%
\$3,000,001 - \$4,000,000	0.70%
\$4,000,001 - \$7,000,000	0.60%
\$7,000,001 - \$9,000,000	0.55%
\$9,000,001 - \$12,000,000	0.50%
\$12,000,001 - \$20,000,000	0.45%
Above \$20,000,000	0.40%

*Note: Lower fees for comparable services can, at times, be available from other sources.*

#### Financial Planning Services Fees

Canter Wealth provides financial planning and consulting services, including investment and non-investment related matters, on a stand-alone separate fee basis. These services are offered at rates from \$1,000-\$20,000, as agreed upon before engagement, and based on the complexity and scope of the engagement. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments. If the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for agreement. When a fee increase is necessary, the client must approve and agree to the change

of scope in advance of any additional work being performed. Prior to engaging Canter Wealth to provide planning or consulting services, clients are generally required to enter into a Financial Planning Agreement between the parties, setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client prior to Canter Wealth commencing services. If requested by the client, Canter Wealth may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Canter Wealth. Financial planning fees are due upon engagement. Under non-circumstance will a client be required to pre-pay a fee more than six months in advance and in excess of \$1,200.

#### *Selection of Other Advisers Fees*

Under certain circumstances, Canter Wealth will direct clients to Third-Party Advisers. Though Canter Wealth does not have any current arrangements with Third-Party Advisers as of the date of this brochure, Canter Wealth anticipates that it will be compensated via a fee share from such Third-Party Advisers to which it directs its clients. This relationship will be disclosed in each contract between Canter Wealth and each of the Third-Party Advisers to whom it introduces clients. Fees will be paid quarterly in accordance with the third-party advisor agreement, and the fees shared will not exceed any limit imposed by any regulatory agency.

***Clients will be expected to notify Canter Wealth of any changes in their financial situation, investment objectives, or account restrictions. Clients can also contact the third-party manager directly managing their account or sponsoring the program.***

#### *Mutual Fund & Exchange Traded Funds (ETFs) Fees*

Canter Wealth will usually recommend no-load funds, and no 12(b)1 fees. The fund's expense ratios typically include management fees and expenses and are paid by the fund's shareholders. Mutual funds recommended by us may be available directly from the fund company or through another financial service provider. Non-advisory accounts typically have upfront or back-end charges. Each fund describes its fees in detail in its prospectus, and clients should refer to each funds' prospectus for complete details of each mutual fund. We offer funds or share classes of funds that a client might not be qualified to purchase outside of our firm.

***Services available by us are available through other companies at differing costs. Please review the factors that determine charges and service calculations. Factors to consider should include account size, type(s) of account(s), transaction charges, the range of advisory services, and the ancillary charges of each service.***

#### *Educational Seminars & Workshops*

Fees for educational seminars and workshops may be charged either to participants, through a pre-determined ticket price (typically \$25-100), or to a sponsoring company via a flat fee. In limited circumstances, the fees may be waived.

#### *Third-Party Fees*

Canter Wealth's advisory fees in a standard managed Account do not include bank fees, another third-party's fees, or transaction/execution charges. Such fees may include but are not limited to Custodial fees, trading charges for odd-lot differentials, or fixed income or other transactional charges, including markups, markdowns, commissions, and dealer profits, charges imposed directly by a mutual fund or exchange-traded funds in the account (which will be disclosed in the applicable fund's prospectus), wire transfer and electronic fund fees, or other fees and taxes on brokerage accounts and/or securities transactions. Mutual fund fees and expenses are outlined in each applicable fund's prospectuses. A third-party can also impose charges for special services elected by their clients such as certificate delivery, American Depositary Receipt (ADR), and transfer taxes mandated by law. Certain portfolios managed by Canter Wealth can include transactions in foreign securities. These transactions can require execution on foreign stock exchanges, which will result in additional transaction expenses. Such charges, fees, and commissions are exclusive of and in addition to Canter Wealth's advisory fees. Canter Wealth does not receive any portion of these commissions, fees, or costs.



### Fee Billing

Canter Wealth's clients agree to pay an asset-based fee (Advisory fee) calculated according to a tiered Fee Schedule. Clients authorize Canter Wealth to automatically debit their Advisory fee(s) directly from their client Account(s) at their chosen Custodian. Canter Wealth does not accept any commissions from third parties or affiliated entities based on the advisory services it provides. The Advisory fee will be calculated and paid quarterly in advance based on the client's asset value on the last business day of the prior calendar quarter. If the client Advisory Agreement is executed after the first day of the calendar quarter, then the Advisory fee will be pro-rated for the remainder of the quarter. Fees will be adjusted during the subsequent quarterly billing cycle for any incoming or outgoing intra-quarter asset flows exceeding \$10,000. Transfers and deposits received for clients new to the firm by the 10<sup>th</sup> of the month of a new quarterly billing cycle will be billed in advance on a pro-rata basis.

Client Advisory Agreements must be completed and executed to engage in Canter Wealth's advisory services. Contracts shall continue in effect until terminated by either party by written notice, provided at least seven (7) days before the date of termination. Clients have five (5) business days after executing their client Advisory Agreement, to terminate the Agreement, without penalty or fees. If a client cancels services after the first five (5) days of executing their Advisory Agreement, then any final fee will be pro-rated. Fees are based on the number of days of service provided during the current quarter.

Effective with the date of termination, Canter Wealth shall refrain, without liability or obligation, from taking any further action in a client's account(s). From the date of termination, Canter Wealth will cease to be entitled to receive fees. If an Advisory Agreement is terminated after fees have been collected for a given period, a pro-rated refund of such fees will be promptly credited to the client for that period. Cancellation will be subject to any changes related to the settlement of transactions in progress. Any unearned pre-paid fees will be refunded to the client on a pro-rata basis based on the date of termination.

The Custodian maintains actual custody of the client's assets. Canter Wealth requires our clients to authorize us to deduct fees from their Account(s) held by the Custodian. To do this, the client will:

- provide written limited authorization instructions directly to their Custodian directing the Custodian to allow Canter Wealth to withdraw any advisory fees due. The limited authorization will specifically authorize the Adviser to invoice the Custodian directly for the client's advisory fees due and will instruct the Custodian to automatically debit the advisory fees due, directly from the client's Custodial account. The Custodian will maintain actual custody of the client's assets. Clients may elect to have their quarterly fees charged to either one account or split between their other Accounts at the Custodian (if applicable). And, will receive Custodial statements showing the advisory fees debited from the designated Custodial Account(s). Also, the written instructions will request the Custodian provide a "transfer of funds" notice to the client at their address of record after each Advisory fee payment transfer occurs. *(These instructions may be provided on the qualified Custodian's form, or separately by the client.)*

OR

- Clients will authorize Canter Wealth to invoice them directly for the payment of their advisory fees due. Clients fee payments to Canter Wealth must be made by separate check, and under no circumstance will any advisory fees be deducted from amounts held in the client's Custodial Account(s).

Accepting real estate commissions presents a conflict of interest and can give Canter Wealth or its Advisor Representatives an incentive to recommend that clients receive real estate services through real estate agencies of whom certain of its Advisor Representatives are agents due to the compensation such Advisor Representatives will receive, rather than on a client's needs. Canter Wealth mitigates this conflict by placing client interests ahead of those of Canter Wealth, its Advisor Representatives, and its other Associates, always. It also fulsomely discloses this practice in this brochure and the time any such recommendation is made.

Clients are not required to execute transactions through any Custodian or broker-dealer recommended by Canter Wealth or to purchase such products or services. Canter Wealth may but is not required to accept clients who instruct us to execute all transactions through a broker-dealer. Additional details of how Canter Wealth mitigates conflicts of interest in its brokerage practices can be found in the firm's comprehensive compliance Policies & Procedures Manual and its Code of Ethics document.

## **ITEM 6: Performance-Based Fees & Side-by-Side Management**

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Canter Wealth does not receive performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client. Canter Wealth does not engage in the side-by-side management of accounts charged a performance-based fee with accounts that are charged with another type of fee (such as assets under management). Canter Wealth's Advisory fee is based solely on client assets under management.

## **ITEM 7: Types of Clients**

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Canter Wealth provides supervisory management services to individuals and institutions. Individual clients include high-net-worth individuals, families, and/or trust accounts. Institutional clients include other registered investment advisers, endowments, foundations, non-profits, and retirement plans.

### **Minimum Account Size**

Canter Wealth's minimum asset requirement for new clients is \$500,000. However, the Adviser may make an exception to its minimum asset requirement, at its sole discretion. There are no ongoing contribution requirements for client accounts, although this practice is highly recommended for continuing savings, asset allocation, and tax efficiency purposes.

## **ITEM 8: Methods of Analysis, Investment Strategies & Risk of Loss**

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### **Methods of Analysis**

Canter Wealth's method of analysis used in formulating investment advice or managing assets is fundamental. Canter Wealth provides customized investment recommendations and assists clients in creating an IPS based on each client's specific circumstances, including but not limited to: risk tolerance, investment goals, cash flow needs, liquidity requirements, stated objectives, and potential tax considerations. Once a client's IPS and investment strategy or asset allocation is determined, Canter Wealth will select asset fund managers within each asset class that has met certain criteria, as determined by Canter Wealth's Investment Committee.

Canter Wealth's Investment Committee is comprised of Babak Gahvari, Managing Partner, Michael Bernier, Senior Wealth Advisor, and Joseph Kalmanovitz, Head of Financial Planning and Chief Compliance Officer. The Investment Committee evaluates potential asset managers by employing both qualitative and quantitative analysis. Our qualitative and quantitative research focuses on evaluating the performance, fees, investment process, portfolio management team, research capabilities, trade execution, business operations, compliance, and risk management.

### **Investment Strategies**

Canter Wealth's investment strategy involves the use of factor-based investment vehicles, with the goal of designing low cost, tax-efficient, globally diversified portfolios.

### **Risk of Investment Loss**

Investing in securities involves risk of loss that you should be prepared to bear. Canter Wealth does not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. Past performance is not indicative of future results. Investing in securities (including stocks, mutual funds, and bonds) involves the risk of loss. Further, depending on the distinct types of investments, varying degrees of risk exist.

The success of our investment activities will be affected by global, national, and local economic and market conditions. Economic or market conditions may move unpredictably, or with the correlation of market components behaving outside the range of expectations, which may result in material loss. All investments present the risk of loss of principal – the risk that the value of securities when sold or otherwise disposed of, may be less than the price paid for the securities.

***Clients should be aware that there could be a loss or depreciation to the value of the client's Account, which they should be prepared to bear.***

There can be no assurance that the client's investment objectives will be obtained, and no inference to the contrary should be made. There can be no guarantee of the success of the strategies offered by Canter Wealth. Clients are advised that they should only commit assets for management that can be invested for the long term, that volatility from investing can occur, that all investing is subject to risk and consequently, the value of the client's Account can, at any time be worth more or less than the amount invested. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

#### Types of Risk

Depending on the distinct types of investments, varying degrees of risk will exist. Global, national, and local economic and market conditions affect the success of investment activities. Economic or market conditions may move unpredictably, or with the correlation of market components behaving outside the range of expectations, which can result in material loss. The below list is not all-inclusive but details many of the risks of which clients should be aware of. *(Please note the below list is presented alphabetically, for ease of reading, not in order of importance):*

- **Adviser's Investment Activities** - The Adviser's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors that are neither within the control of nor predictable by the Adviser. Such factors include a wide range of economic, political, competitive, technological, and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The securities markets may be volatile, which may adversely affect the ability of the Adviser to realize profits.
- **Business** - Risks associated with a specific industry or a particular company within an industry.
- **Conflicts of Interest** - In the administration of client accounts, portfolios, and financial reporting, the Adviser faces inherent conflicts of interest, which are described in this brochure. Generally, the Adviser mitigates these conflicts through its Code of Ethics, which provides that the client's interest is always held above that of the Firm and its associated persons.
- **Credit** - The return on fixed-income investments (e.g., bonds and preferred stock) is dependent on the issuer of the security meeting its commitment to making agreed-upon payments. Credit risk is the risk that the issuer does not meet that obligation.
- **Currency** - Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. Currency Risk is also referred to as "Exchange Rate Risk."
- **Equity Investment** - Generally refers to buying shares of stocks by an individual or firm in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value; the investment may incur a loss.
- **Exchange-Traded Funds (ETF)** - ETFs are securities that track an index, a commodity, or a basket of assets like an index fund, but that trade like a stock on an exchange. ETFs experience price changes throughout the day as they are bought and sold.
- **Financial** - The possibility that shareholders will lose money when they invest in a company that has debt if the company's cash flow proves inadequate to meet its financial obligations. When a company

uses debt financing, its creditors will be repaid before its shareholders if the company becomes insolvent. Financial risk also refers to the possibility of a corporation or government defaulting on its bonds, which would cause those bondholders to lose money.

- *Inflation* - When any 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.
- *Interest-Rate* - Fluctuations in interest rates will cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Lack of Diversification* - The Portfolio portfolios may not be widely diversified among sectors, industries, geographic areas, or types of securities. Further, the portfolios may not necessarily be diversified among a wide range of issuers. Accordingly, the portfolios may be subject to more rapid change in value than would be the case if the Investment Vehicles were required to maintain a wide diversification among companies or industry groups.
- *Liquidity* - Liquidity is the ability to convert an investment into cash readily. Generally, assets are more liquid if there is a high interest in a standardized product. *(For example, Treasury Bills are highly liquid, while real estate properties are not.)*
- *Long-Term Trading* - Long-term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risks that will typically surface at various intervals during the time the client owns the investments. These risks include, but are not limited to, inflation (purchasing power) risk, interest-rate risk, economic risk, market risk, and political/regulatory risk.
- *Market* - The price of a security, option, bond, or mutual fund can drop in reaction to tangible and intangible events and conditions. External factors cause this type of risk, independent of a security's underlying circumstances. For example, political, economic, and social conditions can trigger market events.
- *Material Non-Public Information* - By reason of their responsibilities in connection with other activities of the Adviser and/or its affiliates, certain principals or employees of the Adviser and/or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Adviser will not be free to act upon any such information. Due to these restrictions, the Adviser may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.
- *Municipal Securities* - Municipal securities are backed by either the full faith and credit of the issuer or by revenue that is generated by a specific project (like a toll road or parking garage) for which the securities were issued. The latter type of securities could quickly lose value or even become virtually worthless if the expected project revenue does not meet expectations.
- *Mutual Funds* - Investing in mutual funds carries the risk of capital loss, and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond "fixed income" nature (lower risk) or stock "equity" nature.
- *Non-U.S. Investments* - Investment in non-U.S. issuers or securities principally traded outside the United States may involve certain special risks due to economic, political and legal developments, including favorable or unfavorable changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, and the imposition of withholding taxes on dividend or interest payments.
- *Political & Legislative* - Companies face a complex set of laws and circumstances in each country in which they operate. The political and legal environment can change rapidly and without warning, with significant impact, especially for companies operating outside of the United States or those companies that conduct a substantial amount of their business outside of the United States.
- *Real Estate* - Real Estate funds face several kinds of risks that are inherent in this sector of the market. Liquidity risk, market risk, and interest-rate risk are just some of the factors that can influence the gain or loss that is passed on to the investor. Liquidity and market risk tend to have a greater effect on funds that are more growth-oriented, as the sale of appreciated properties depends upon market demand.

Conversely, interest rate risk impacts the amount of dividend income that is paid by income-oriented funds.

- *Real Estate Investment Trusts (REITs)* - REITs have specific risks, including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.
- *Reinvestment* - This is the risk that future proceeds from investments must be reinvested at a potentially lower rate of return. Reinvestment Risk primarily relates to fixed income securities.
- *Stock Market* - The market value of stocks will generally fluctuate with market conditions. While stocks have historically outperformed other asset classes over the long term, they tend to fluctuate over the short term because of factors affecting the individual companies, industries, or the securities market. The past performance of investments is no guarantee of future results.
- *Strategy Restrictions* - Certain institutions may be restricted from directly utilizing investment strategies of the type in which the Adviser may engage. Such institutions, including entities subject to ERISA, should consult their own advisors, counsel, and accountants to determine what restrictions may apply and whether an investment in the Adviser is appropriate.
- *Systematic* - These are risks related to a broad universe of investments. These risks are also known as non-diversifiable risks as diversification within the system will not provide risk reduction if the entire system loses value (*e.g., a diversified portfolio of high-quality bonds in a rising interest rate environment or the S&P 500 in a bear market*).
- *Unsystematic* - These are risks uniquely related to a specific investment. This is also known as "diversifiable risks," as, at least theoretically, unsystematic risks may be reduced significantly by diversifying between different investments.

#### Risks of Specific Securities Utilized

Canter Wealth seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and international equity and fixed-income markets. In addition to the above, investing carries with it the risk of missing out on more favorable returns that could be achieved by investing in alternate securities or commodities. Clients are advised that investing in securities involves the risk of loss of the entire principal amount invested, including any gains. Clients should not invest unless they can bear these losses. Any of the above investment strategies may lead to a loss of investments, especially if the markets move against the client.

***Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that clients should be prepared to bear.***

#### Practices Regarding Cash Balances in Client Accounts

Canter Wealth usually invests client's cash balances in FDIC Insured deposit accounts, money market funds, or FDIC Insured Certificates of Deposit. In most cases, at least a partial cash balance will be maintained in a money market or FDIC insured deposit account, to allow for the debit of advisory fees or anticipated cash distributions to clients, as applicable.

## ITEM 9: Disciplinary Information

Registered investment advisers such as Canter Wealth 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 the investment adviser or the integrity of its management. Neither Canter Wealth nor any of its Advisor Representatives have been involved in a disciplinary proceeding. Nor have they been involved in any legal proceeding that might reasonably be considered material to a client's evaluation of the firm's advisory business or the integrity of its management. Clients may also review [www.Adviserinfo.sec.gov](http://www.Adviserinfo.sec.gov) for items they may wish to consider when evaluating an advisor's background.

## ITEM 10: Other Financial Industry Activities & Affiliations

### Broker-Dealer or Registered Representative

Currently, neither Canter Wealth nor any of its Advisor Representatives are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

### Futures Commission Merchant/Commodities Commodity Broker

Neither the Adviser nor any of its management persons are registered or intend to register with the Commodity Futures Trading Commission as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the other preceding entities.

### Real Estate Broker or Dealer

Canter Wealth HoldCo, LLC, is an owner of Canter Wealth. Canter Wealth HoldCo, LLC is wholly owned by The Canter Group, LLC. The Canter Group, LLC is wholly owned by Canter Holdings, LLC, which is wholly owned by Andrew E. Canter, through a Trust.

The Canter Group operates a range of businesses through controlled entities, collectively referred to as the "Canter Companies," which are described below. To the extent clients of Canter Wealth also use the services of one or more of the Canter Companies, the activities, and fees of the Canter Companies will be important to understand. Canter Wealth advisory clients should be aware that when they are using the services of affiliated entities of Canter Wealth, such services are not provided by Canter Wealth, are subject to separate contractual arrangements, and are not part of the advisory services provided by Canter Wealth. Moreover, the protections afforded a client under applicable investment advisory laws and regulations generally do not apply to the services provided by non-advisory affiliates. From time to time and when appropriate for a client, Advisor Representatives of Canter Wealth will recommend that such clients consider the services of other affiliated Canter Companies. Personnel of other Canter Companies also retain the discretion to introduce non-advisory clients to Canter Wealth. This presents a conflict of interest since the Canter Group, LLC, will generally receive additional compensation if a Canter Wealth advisory client elects to utilize the services of another of the Canter Companies.

The following are affiliated businesses owned and operated by the Canter Companies:

- Canter Management, LLC: a subsidiary of The Canter Group, is in the business of managing real estate holdings.
- Canter Capital, LLC: a subsidiary of The Canter Group, seeks private investment opportunities related to Venture Capital, Private Equity, and Private Real Estate Investments.
- Canter Development, LLC: a subsidiary of The Canter Group, is a real estate developer that is currently active in the San Diego market.
- Iconic Property Management, Inc.: a subsidiary of The Canter Group, is a real estate property manager.
- Canter Real Estate Group, Inc.: a subsidiary of The Canter Group, is a pass-through entity that has partnered with an independent and unaffiliated real estate brokerage firm.

Certain of Canter Wealth's Advisor Representatives are also licensed real estate agents of an independent and unaffiliated real-estate brokerage and agency. And, from time to time, Advisor Representatives offer clients advice or services from Canter Companies or other non-related parties. The ultimate decision to retain these separate services remains within the sole discretion of the client. Clients should be aware that these services involve a conflict of interest due to the additional compensation that will be received in connection with the transaction. Canter Wealth addresses this conflict of interest by requiring Associates to disclose the relationships to clients, by making recommendations that are in each client's best interests as a fiduciary, and by providing full disclosure in this Brochure. Associates satisfy this requirement by advising clients of the nature of the transaction or relationship, by noting their role in the transaction and by disclosing any compensation to be received by them in connection with the transaction (including commissions and trails, if applicable).



## Other Material Relationships or Arrangements with Financial Industry

### *Stifel*

Effective March 2019, Canter Wealth entered into a relationship with Stifel, a registered broker-dealer and self-clearing firm (member NYSE, FINRA, SIPC). Stifel will serve as T.D.'s clearing broker for select securities. Client transactions in these certain securities will be executed in T.D.'s Custodial account, for the benefit of Canter Wealth, and delivered on the settlement date to T.D. against payment in full by T.D. on Canter Wealth's client's behalf.

### *TriVant Custom Portfolio Group*

Canter Wealth previously maintained a third-party advisory relationship with TriVant Custom Portfolio Group, LLC. As of February 15<sup>th</sup>, 2018, Canter Wealth and TriVant discontinued this relationship. For any client remaining with TriVant Custom Portfolio Group, LLC, after February 15, 2018, TriVant will pay Canter Wealth 50% of the management (revenue share) fee TriVant receives until each remaining client closes their account. TriVant's clients are no longer clients of Canter Wealth; we have discontinued the direct relationship with such clients.

## Conflicts of Interest

Outside of the relationship referenced herein, neither the Adviser nor any of its management persons have any other material relationships or conflicts of interest with any financial industry participants. Canter Wealth makes no assurance that the products or the products of another entity are offered at the lowest available cost. Clients are under no obligation to implement any recommended transaction(s) through any other recommended entity and are not obligated to utilize the services of any of the Canter Companies. Additional details of how Canter Wealth mitigates conflicts of interest can be found in the firm's comprehensive written supervisory Compliance Policies & Procedures Manual and its Code of Ethics.

## ITEM 11: Code of Ethics, Participation, or Interest in Client Transactions & Personal Trading

### Code of Ethics

Canter Wealth has adopted a Code of Ethics ("Code") under Rule 204A-1 that sets forth the standards of business conduct required of Canter Wealth's Supervised Covered Persons and requires an affirmative commitment that they will comply with federal securities laws. The Code is designed to address and avoid potential conflicts of interest and applies to *all* Covered Persons. The Code of Ethics may also be applied to any other person designated by Canter Wealth's Chief Compliance Officer. Canter Wealth's Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts, the reporting of certain outside activities, and personal securities trading procedures for Covered Persons, among other things. Our Code of Ethics is available free upon request to any client or prospective client.

### Recommending Securities with Material Financial Interest

Canter Wealth does not currently recommend securities in which Canter Wealth has a material financial interest.

### Investing in The Same Securities Recommended to Clients

From time to time, Canter Wealth or its related persons will invest in the same securities (or related securities such as warrants, options or futures) that Canter Wealth or a related person recommends to clients, which may be at or around the same time as such recommendation is made to clients. This has the potential to create a conflict of interest because it affords Canter Wealth or its related persons the opportunity to profit from the investment recommendations made to clients. Canter Wealth's policies and procedures and code of ethics address this potential conflict of interest by prohibiting such trading by Canter Wealth or its related persons if it would be to the detriment of any client and by monitoring for compliance through the reporting and review of personal securities transactions. Furthermore, this conflict of interest is mitigated because Canter Wealth primarily recommends mutual funds and ETFs.

In all instances, Canter Wealth will act in the best interests of its clients.

## Personal Trading Policies

Canter Wealth requires that all Associates report their personal securities holdings annually and personal securities transactions, at least quarterly. Every quarter, Canter Wealth performs an Associate Trading Review by reviewing every trade made by the firm. The Trading Review is evaluated against everyone on Canter Wealth's Investment team and all Covered Persons of the firm, to ensure full compliance with trading policies and procedures, and no conflicts have occurred. Canter Wealth's process is to immediately alert the firm's Chief Compliance Officer ("CCO") if a conflict is discovered. The CCO is responsible for dealing with such situations.

Canter Wealth mitigates conflict by placing client interests ahead of those of Canter Wealth, its Advisor Representatives, and its other Associates, always. Additional details of how Canter Wealth mitigates conflicts can be found in the firm's comprehensive written supervisory Compliance Policies & Procedures Manual and its Code of Ethics.

## ITEM 12: Brokerage Practices

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### Factors Used to Select Custodians & broker-dealers

Canter Wealth seeks to select and recommend Custodians & broker-dealers ("Custodians," "Qualified Custodians" or "Preferred Custodians") who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services.

While Canter Wealth has designated Preferred Custodians, occasionally, we will review alternative Custodians in the marketplace for comparison to the currently used Custodians. In evaluating and selecting Preferred Custodians, Canter Wealth considers a wide range of factors, including, among others, the below:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody),
- capability to execute, clear and settle trades (buy and sell securities for client accounts),
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.),
- competitive trading commissions costs,
- reporting tools, including cost basis and 1099 reports facilitating tax management strategies,
- personal money management tools
  - electronic fund transfer capabilities
  - dividend reinvestment programs
  - electronic communication delivery capabilities
- financial stability to ensure individual accounts, including primary and backup account insurance,
- the breadth of investment products made available (stocks, bonds, mutual funds, ETFs, etc.),
- availability of investment research and tools that assist us in making investment decisions,
- customer service levels and quality of services,
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them,
- reputation, financial strength, and stability of the provider,
- Custodian & broker-dealers prior service to us and our other clients, and
- availability of other products and services that benefit us, as discussed below.

Clients should receive at least quarterly statements from their Custodians, broker-dealers, or banks holding and maintaining their investment assets. We urge clients to carefully review such statements and compare such official custodial records to the account statements or reports that we may provide to you. *(Please Note: Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.)*



### Preferred Custodians & Brokers-Dealers

Canter Wealth does not maintain custody of the assets we manage on your behalf. Client assets must be maintained in an account at a "Qualified Custodian," generally a broker-dealer or bank. Canter Wealth primarily recommends that in most cases, our clients use either Charles Schwab & Co., Inc. ("Schwab") or T.D. Ameritrade ("T.D."), our "Preferred Custodians." Charles Schwab & Co., Inc., is a FINRA-registered broker-dealer, member SIPC. T.D. Ameritrade is a member of FINRA/SIPC and is an independent (and unaffiliated) SEC-registered broker-dealer. Canter Wealth is independently owned and operated and not affiliated with Schwab or T.D.

Schwab or T.D. will hold our clients' assets in a brokerage account and buy and sell securities upon Canter Wealth's instructions. While not all investment advisers require their clients to use directed brokerage, Canter Wealth primarily recommends the use of its Preferred Custodians. Clients will enter into an account agreement directly with their chosen Custodian; Canter Wealth does not open custodial accounts on their behalf. Even so, Canter Wealth can be deemed to have limited custody of client assets because clients provide Canter Wealth with authority to withdraw its fees from their accounts. *(Please refer to Item 15: Custody, below.)*

### Charles Schwab & Co., Inc. & TD Ameritrade

Charles Schwab & Co., Inc. and T.D. Ameritrade are in business serving independent investment advisory firms like Canter Wealth. They provide Canter Wealth and its clients with access to institutional brokerage – trading, custody, reporting, and related services – many of which are not typically available to retail customers. They also make available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's and T.D.'s support services are generally available on an unsolicited basis (*i.e.*, Canter Wealth does not have to request them) and at no charge to us if we keep a qualifying number of clients' assets in accounts with each firm. *(Please contact us directly for the most current qualifying amount of client assets numbers.)*

Below please find a description of some of Schwab's and T.D.'s support services:

**Services That Benefit You** - Schwab and T.D. Custodian services include access to a broad range of institutional investment products, execution of securities transactions, and custody of client assets. The investment products available include some of which Canter Wealth might not otherwise have access or some that would require a significantly higher minimum initial investment by our clients. While services available are subject to change at the discretion of each Custodian, below please find a list of services available:

**Services That Will Not Always Directly Benefit You** - Schwab and T.D. also make available to us other products and services that benefit us but will perhaps not directly benefit you or your account. These products and services assist Canter Wealth in managing and administering our clients' accounts. They include investment research, both Schwab's and T.D.'s own and that of third-parties which Canter Wealth can use to service all, some, or a substantial number of our clients' accounts. In addition to investment research, software and other technology are also made available that:

- provide access to client account data (such as duplicate trade confirmations and account statements),
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts,
- provide pricing and other market data,
- facilitate payment of our fees from our clients' accounts, and
- assist with back-office functions, recordkeeping, and client reporting.

**Services that Generally Benefit Only Us** - Schwab and T.D. also offer other services intended to help us manage and further develop our business enterprise. These services can include:

- educational conferences and events,
- technology, compliance, legal, and business consulting,

- publications and conferences on practice management and business succession, and
- access to employee benefits providers, human capital consultants, and insurance providers.

Schwab and T.D. provide some of the above services themselves. In other cases, they will arrange for third-party vendors to provide services to us. Schwab and T.D. can also discount or waive their fees for some of these services or pay all or a part of a third-party's fees. They can also provide Canter Wealth with other benefits such as occasional business entertainment of our personnel. In addition to investment research, our Custodians also make available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements),
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts,
- provide pricing and other market data,
- facilitate payment of our fees from our clients' accounts, and
- assist with back-office functions, recordkeeping, and client reporting.

#### Directed Brokerage

A client may direct Canter Wealth in writing to use a particular Custodian to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Custodian, and Canter Wealth will not seek better execution services, better prices, or be able to aggregate client transactions for execution through other Custodians with orders for other accounts managed by Canter Wealth. As a result, the client may be unable to achieve the most favorable execution of client transactions; this directed brokerage may cost the client money. The client may pay higher commissions or other transaction costs or greater spreads, may not be able to aggregate orders to reduce transaction costs, or may receive less favorable prices on transactions for the account that would otherwise be the case.

Subject to its duty to seek best execution, Canter Wealth may decline a client's request to direct brokerage if, in our discretion, such directed brokerage arrangements would result in additional operational difficulties.

#### Directed Brokerage - Special Considerations for ERISA clients

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific Custodian to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan.

#### Custody & Brokerage Costs

Canter Wealth's Custodians generally do not charge our client's accounts separately for their services. They are compensated by charging client's commissions or other fees on trades they execute or that settle into client Custodian accounts. [For some accounts, the Custodian will charge clients a percentage of the dollar amount of assets in the account instead of commissions. Custodian commission rates [and asset-based fees] applicable to Canter Wealth client accounts are/were negotiated based on our commitment to maintaining Canter Wealth client assets in accounts at their firms. This commitment benefits our clients because the overall commission rates [and asset-based fees] paid are lower than clients would be if Canter Wealth had not committed. In addition to commissions, [or asset-based fees] our Custodians can charge their fees are in addition to the commissions or other compensation the client pays the executing broker-dealer. *(For more details, please refer to each Custodian's specific fee schedule.)*

#### Soft Dollar Benefits

An investment adviser receives soft dollar benefits from a Custodian when the investment adviser receives research or other products and services in exchange for client securities transactions or maintaining an account balance with the Custodian.

The Custodians that we use offer various services to us, including custody of client securities; trade execution; clearance and settlement of transactions; access to platform systems; duplicate client statements; research-related products and tools; access to trading desks; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); 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 transaction fees and to certain institutional money managers; and use of overnight courier services. Some of these services may benefit us but may not benefit our clients, and receipt of these economic benefits creates a conflict of interest and could directly or indirectly influence us to recommend Schwab or T.D. Ameritrade to clients for custody and brokerage services. These custody services are paid for as part of the client's fee.

Client transactions and the transaction compensation charged by our Custodians might not be the lowest compensation Canter Wealth might otherwise be able to negotiate. There are only a few possible Custodians that meet Canter Wealth's sourcing criteria for providing a strong and satisfactory custodial platform for Canter Wealth clients. These Custodians offer similar soft dollar programs, leveling the playing field, and as such, Canter Wealth mitigates the conflict of interest by not considering this factor in our selection of an appropriate Custodian. Also, the firm could have an incentive to cause clients to engage in more securities transactions that would otherwise be optimal to generate brokerage compensation with which to acquire products and services. Canter Wealth eliminates this conflict by having a quantitative investment process that creates trades only when the investment model signals the appropriateness of the trade, and do not make extra trades. Furthermore, the client receives benefits from Canter Wealth, receiving greater access to advanced research and advanced portfolio management tools that improve service offered to clients.

#### *Beneficial Interest in Custodial Services*

The availability of these services from Canter Wealth's Custodians benefits us because Canter Wealth does not have to produce or purchase them. Canter Wealth does not have to pay for Custodian services so long as we keep a required minimum of client assets in accounts at each Custodian. The required minimum can give Canter Wealth an incentive to recommend that our clients maintain their accounts with our Preferred Custodians based on our interest in receiving Custodial services that benefit our business rather than based on a client's interest in receiving the best value in custody services and the most favorable execution of their transactions. The availability of these services from our Custodians is a potential conflict of interest.

Canter Wealth believes, however, that our selection of our Custodians is in the best interests of our clients. The scope, quality, and price of the services we receive support the belief that services provided by our Custodians do not benefit only us, based on the factors discussed above. Given the client assets we have under management, we do not believe that maintaining at least the required minimum of those assets per Custodian, to avoid paying each Custodian quarterly service fees presents a material conflict of interest. (See *"How We Select Custodians & broker-dealers."*)

#### *Best Execution*

As a matter of policy and practice, Canter Wealth conducts initial and on-going due diligence policies, procedures, and practices regarding soft dollars, best execution, and directed brokerage. Canter Wealth seeks to ensure compliance with clients' IPS and observe best practices.

Canter Wealth acts on its duty to seek "best execution." However, a client may pay a commission that is higher than another Qualified Custodian might charge to affect the same transaction when it is determined, in good faith, that the commission is reasonable about the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest cost possible, but whether the transaction represents the best qualitative execution, taking into consideration the full range services available, including among others, the value of research provided, execution capability, financial strength, commission rates, and responsiveness. While Canter Wealth will seek competitive rates, they may not necessarily obtain the lowest commission rates for client transactions.

### Investment Allocation & Trade Aggregation Policy

Canter Wealth's allocation and aggregation process require fair and equitable treatment of all client orders. When non-ETF mutual funds are traded, there is no value to aggregation as each trade receives the same price. To the extent other securities are purchased or sold that lend themselves to aggregation or block trading (for example, stocks or exchange-traded funds); Canter Wealth aggregates client transactions or allocates orders whenever possible. The aggregation of orders provides the effect of lower transaction per share costs. To the extent that we aggregate client orders for the purchase or sale of securities, including securities in which our principals and Covered Persons invest, we shall generally do so by the parameters outlined in SEC No-Action Letter, *SMC Capital, and Incorporated*. We will not receive any additional compensation or remuneration because of the aggregation.

### Client Participation in Transactions

In general, we make investment decisions and trade accounts in aggregation, particularly when clients have similar objectives. We will seek to be consistent in our investment approach for all accounts with the same or similar investment goals, strategies, and restrictions.

### Trading Errors

Even with our best efforts and controls, trade errors may happen. All trade errors will be brought to the attention of our Custodians immediately upon discovery. Canter Wealth will work to formulate the best resolution for the client. In the event of a trade error, errors will be corrected before the current day market close (if possible) and no later than the next market close date or as soon as practicable, with the intent to make the client whole. Ideally, when possible, trade errors are moved from the client's account to either our trade error account with the appropriate Custodian that executed the trade or that Custodian's error account, depending upon which party is responsible for the error. In cases in which we hold responsibility for the error, all losses will be paid by us, and the Custodian will retain all gains. In cases in which the Custodian is responsible for the error, we will follow the procedures of the Custodian on any gains or losses in the trade error account. Any trade errors that result from inaccurate instructions provided by the client remain the financial responsibility of the client.

Client interests are placed ahead of those of Canter Wealth, its Advisor Representatives, and its other Control Persons, always. Clients are not required to effect transactions through any Custodian recommended by Canter Wealth. Canter Wealth may but is not required to accept clients who instruct us to execute all transactions through a particular Custodian. While a conflict of interest exists in that Canter Wealth may have an incentive to select or recommend a Custodian based on its interest in receiving client referrals, rather than on client interests in receiving the most favorable execution, Canter Wealth's Preferred Custodians meet the firm's sourcing criteria for providing a strong and satisfactory custodial platform for its clients. Additional details of how Canter Wealth mitigates conflicts of interest in its Brokerage Practices can be found in the firm's comprehensive compliance Policies & Procedures Manual and its Code of Ethics document.

## ITEM 13: Review of Accounts

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### Periodic Reviews

Periodically, but no less frequently than annually, Canter Wealth's Investment Committee will review each client's account. Quarterly, the Investment Committee will also formally conduct asset manager due diligence meetings and reviews portfolio exposures.

### Review Triggers

More frequent reviews are triggered by requests from a client, material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### Regular Reports

Each client will receive monthly, or quarterly account statements and trade confirms from the Custodian showing all activity during the reporting period, including transactions and account holdings as well as the deduction of any

fees, expenses, or other charges from the account.

Canter Wealth can provide additional written reports on at least a quarterly basis as requested by clients. This report package can include such items as:

- performance,
- holdings,
- transactions,
- other pertinent information as deemed appropriate, and
- documents necessary for tax preparation.

## ITEM 14: Client Referrals & Other Compensation

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### Economic Benefits

Canter Wealth does not receive any economic benefit, directly or indirectly, from any third-party for investment advice or other advisory services that Canter Wealth renders to clients.

### Third-Party Solicitors

Canter Wealth has engaged in a Solicitor's Agreement with Solicitors to pay fees for client referrals. Solicitors are generally non-advisory personnel associated with affiliates of Canter Wealth. Solicitors serve as a consultant and independent contractor and not as an employee of Canter Wealth. Solicitors solicit and refer as clients to Canter Wealth, those individuals or entities which are suitable and appropriate for the investment advisory services provided by Canter Wealth.

A Solicitor does not have any authority to accept any client(s) on behalf of Canter Wealth, and Canter Wealth does not have any responsibility to accept any prospective client referred by any Solicitor. The solicitation services may also include impersonal advisory services which include: (i) written materials or oral statements which do not purport to meet the objectives or needs of the specific client, (ii) statistical information containing no expressions of opinions as to the investment merits of particular securities, and (iii) periodic contact, if requested or appropriate, to assist the solicited client in understanding the advisory services of Canter Wealth and/or obtaining or updating client information on behalf of Canter Wealth. Any specific client advice will be delivered to a solicited client by Canter Wealth, and Canter Wealth will provide any formal financial planning for a solicited client.

Solicitor payouts come out of client fees; they are not in addition to a client's fee. Clients do not pay a higher fee than if they had contracted directly with Canter Wealth. Solicitor payouts range from 0 – 10% of collected client fees.

### Additional Compensation

#### *Non-Advisory Business*

Certain associates are also licensed real estate agents, and from time to time, will receive additional compensation that results from the consummation of applicable real estate transactions or other property management services. To the extent a client of Canter Wealth also receives separate real estate services through an affiliate or third-party partner of a Canter affiliate, such client will generally pay separate compensation to the affiliate or third-party partner of a Canter affiliate, which in turn would be passed down to the licensed real estate agents that are also associates of Canter Wealth. Such compensation would be in addition to the advisory fees paid to Canter Wealth. Such compensation provides the licensed real estate agents with an incentive to recommend the separate real estate services based on the compensation they will receive as a result. Canter Wealth mitigates this conflict of interest by only making real estate recommendations that are in the client's best interests by fully disclosing any additional compensation that will be earned and by fully disclosing this practice in this Brochure.

Your Advisor Representative also provides you with this information in their Form ADV 2B Brochure Supplement. Canter Wealth has implemented supervisory controls for acknowledgment and oversight of conflict of interest concerns or issues. Additional details of how Canter Wealth mitigates conflicts of interest in its brokerage practices can be found in the firm's comprehensive written supervisory Compliance Policies & Procedures Manual and its Code of Ethics document.

## ITEM 15: Custody

Canter Wealth does not accept or permit the firm or its Associates to obtain custody of client assets including cash, securities, acting as a trustee, provide bill paying service, to have password access to client accounts to control Account activity, or to have any other form of client asset control.

The Adviser will not take title to any assets or have the authority to withdraw funds from the client's Accounts, except to cover payment of the agreed to "Advisory Management Fees" specified within the client's Advisory Services Agreement, or at the client's specific and written direction. All checks or wire transfers to fund client Accounts must be made out to/sent to the client's Custodian. Regardless, under federal regulations, Canter Wealth is deemed to have limited custody of client assets if a client authorizes the Adviser to instruct the Custodian to deduct the Adviser's fees directly from their client's account.

The Custodian will maintain actual custody of the client's assets. The client will provide the above written limited authorization instructions directly to their Custodian and will request the Custodian provide a "transfer of funds" notice to them at their address of record after each Advisory fee payment transfer occurs. The client will provide these instructions either on the qualified Custodian's form or separately.

Clients will receive account statements directly from the Custodian to the email or postal mailing address of record, which the client provided to the Custodian. And, will receive at least quarterly statements from their Custodian reflecting all disbursements for the account, including the amounts of any assessed advisory fees. Clients should review statements provided by their Custodian promptly upon receipt. Canter Wealth urges clients to compare the statements they receive directly from their Custodian with the information outlined in any reports or periodic portfolio statements received from the Adviser, to ensure the accuracy of all account transactions. The reports received from Canter Wealth may vary from Custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Canter Wealth encourages our clients to promptly raise any questions with us about the custody, safety, or security of their assets.

### Third-Party Transfers

Canter Wealth meets the conditions the SEC has outlined in their No-Action Letter of February 21, 2017, that are intended to protect client assets in such situations and is therefore not subject to an annual surprise audit. For SLOA's, Canter Wealth ensures:

- the client provides an instruction to the qualified Custodian, in writing, that includes the client's signature, the third-party's name, and either the third-party's address or the third-party's account number at a Custodian to which the transfer should be directed,
- the client authorizes Canter Wealth, in writing, either on the Qualified Custodian's form or separately, to direct transfers to the third-party either on a specified schedule or from time to time,
- the client's Custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer,
- the client has the ability to terminate or change the instruction to the client's Custodian,
- Canter Wealth has no authority or ability to designate or change the identity of the third-party, the address, or any other information about the third-party contained in the client's instruction,
- Canter Wealth maintains records showing that the third-party is not a related party of the Adviser or

- located at the same address as the Adviser, and
- the client's Custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Canter Wealth urges clients to compare the account statements they receive from their Custodian with those reports they may receive from Canter Wealth. The reports may vary from Custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## ITEM 16: Investment Discretion

Canter Wealth provides individually tailored client investment strategies and recommendation services to its clients on a discretionary basis. Clients will provide Canter Wealth discretionary authority on their Accounts, via a limited power-of-attorney in their Advisory Agreement and the contract between the client and their chosen Custodian. Details of this relationship are disclosed fully to the client before any advisory relationship commences.

### Discretionary Authorization

Under the discretionary authorization, Canter Wealth executes securities transactions for clients without having to obtain specific client consent before each transaction. Discretionary authority is limited to investments within a client's managed Accounts, and clients may impose restrictions on investing in certain securities or types of securities. Clients may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions. Canter Wealth clients sign a full trading authorization agreement through their Custodian.

Canter Wealth is only required to maintain or solicit the consent of clients for trades made on positions that were specifically discussed during the introductory interview (e.g., inherited stock that the client would like to hold on to for sentimental reasons, etc.). Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell,
- determine the amount of security to buy or sell, and
- determine the timing of when to buy or sell.

If a client objects to any investment decision, they may discuss this with Canter Wealth, and a mutually agreed-upon decision will be made and documented if necessary. It is always preferred that the client and Canter Wealth engage in a discussion to resolve any potential differences in opinion. However, if the client repeatedly acts in a manner inconsistent with the mutually agreed upon investment objectives, Canter Wealth reserves the right to cancel the client's Advisory Agreement after providing written notice to the client. Similarly, the client reserves the right to cancel their contract with Canter Wealth at any time if they so desire.

## ITEM 17: Voting Client Securities

### Proxies

Canter Wealth will not ask for, nor accept voting authority for client securities for as a matter of policy, Canter Wealth does not vote client securities. Clients either retain the responsibility to vote proxies. Clients will receive proxy material directly from the issuer of the security or the Custodian. Under circumstances where Canter Wealth receives proxy material on behalf of a client involving any security held in the client's Account, Canter Wealth will promptly forward such material to the client's attention. Proxy voting for plans governed by ERISA must conform to the plan document in effect. In the case where the investment manager is listed as the fiduciary responsible for voting proxies, the responsibility will be designated to another fiduciary and reflected in the Plan document.



Clients are responsible for exercising their right to vote proxies. However, if a client has any questions regarding a proxy, we are happy to answer their questions. While Canter Wealth shall not be deemed to have proxy voting authority solely because of providing advice or information about a particular proxy vote to a client in either of the above situations, it is the client's responsibility to vote their proxy; clients should direct all proxy questions to the issuer of the security.

#### Class Action Suits

A class action is a procedural device used in litigation to determine the rights of and remedies, if any, for large numbers of people whose cases involve common questions of law and fact. Class action suits often arise against companies that publicly issue securities, including securities recommended by investment advisors to clients. The client or their Agent will have the responsibility for class action suits, claims or bankruptcies, involving securities purchased for or held in your account. Canter Wealth does not provide such services and is not obligated to forward copies of class action notices received to either clients or their Agents.

## ITEM 18: Financial Information

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#### Balance Sheet

Canter Wealth does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore does not need to include a balance sheet with this brochure.

#### Financial Conditions & Bankruptcy

Since its inception in 2013, Canter Wealth has not had any condition that would impair the Adviser's abilities to meet commitments to its clients. A balance sheet is not required to be provided, as Canter Wealth (i) does not solicit fees more than six months in advance; (ii) does not have a financial condition that is likely to impair its ability to meet contractual commitments to clients; and (iii) has not been subject to any bankruptcy proceeding during the past ten years.

No member of management, officer or a principal of the firm has been involved in an award or otherwise found liable in an arbitration claim alleging damages in excess of \$2,500 in an activity involving investment or investment-related activity; fraud, false statements or omissions; theft, embezzlement or other wrongful taking of property; bribery, forgery, counterfeiting or extortion; dishonest, unfair or unethical practices. Further, no member of management, an officer or a principal of the Adviser has been found liable in a civil, self-regulatory organization or administrative proceeding involving investment or investment-related activity; fraud, false statements or omissions; theft, embezzlement or other wrongful taking of property; bribery, forgery, counterfeiting or extortion; dishonest, unfair or unethical practices.