

## **Item 1 Cover Page**

Wrap Program Brochure

### **WCG ISC Portfolios**

Registered As: WCG Wealth Advisors, LLC

Doing Business As: The Wealth Consulting Group

Registered Investment Advisor  
8925 West Post Road Suite 200 | Las Vegas, Nevada 89148  
(800) 346-4063 – phone  
(702) 977-7750 – Fax

March 20, 2020

This wrap fee program brochure provides information about the qualifications and business practices of WCG Wealth Advisors, LLC. If you have any questions about the contents of this brochure, please contact WCG Wealth Advisors, LLC at (602) 466-7353 or [shelley@wealthcg.com](mailto:shelley@wealthcg.com). 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. Registration does not imply a certain level of skill or training.

Additional information about WCG Wealth Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 Summary of Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

There have been no material changes since our last annual updating amendment, dated March 29, 2019.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Disclosure Brochure may be requested by contacting us at (602) 466-7353 or at [shelley@wealthcg.com](mailto:shelley@wealthcg.com).

Additional information about WCG Wealth Advisors, LLC is also available via the SEC's Web Site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's Web Site also provides information about any persons affiliated with WCG Wealth Advisors, LLC who are registered, or are required to be registered, as investment advisor representatives of WCG Wealth Advisors, LLC.

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## **Item 4 Services, Fees, and Compensation**

### **Services**

WCG Wealth Advisors, LLC ("Advisor") d/b/a The Wealth Consulting Group offers asset management services based on the individual needs of the client. This Brochure provides a description of the advisory services offered under WCG ISC Portfolios. For more information about Advisor's other investment advisory services, please contact Advisor for a copy of a similar brochure that describes such services or go to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

In WCG ISC Portfolios, Advisor provides ongoing investment advice and management on assets in the client's account. Advisor provides advice on the purchase and sale of various types of investments, such as mutual funds, exchange-traded funds ("ETFs"), variable annuity subaccounts, equities, fixed income securities. Advisor provides advice that is tailored to the individual needs of the client based on the investment objective chosen by the client. Clients may impose restrictions on investing in certain securities or groups of securities by indicating in the written advisory agreement with Advisor.

Advisor provides management services on a discretionary or non-discretionary basis. The client may authorize the Advisor to have discretion on the advisory agreement.

Assets for program accounts are held at LPL Financial ("LPL"), Charles Schwab & Co., Inc. and/or TD Ameritrade, Inc. as custodian(s).

### **Fees**

In WCG ISC Portfolios, clients pay Advisor a single annual advisory fee for advisory services and execution of transactions. Clients do not pay brokerage commissions, markups or transaction charges for execution of transactions in addition to the advisory fee. The advisory fee is negotiable between the client and the Advisor and is set out in the advisory agreement. The advisory fee is a percentage based on the value of all assets in the account, including cash holdings. The maximum advisory fee is 2.5 %. The advisory fee may be higher than the fee charged by other investment advisors for similar services. The advisory fee is paid to Advisor and is shared between Advisor and its associated persons. Advisor does not accept performance-based fees for program accounts.

The advisory fee is deducted from the account by LPL Financial as the custodian of assets based on a written authorization from the client. LPL Financial calculates and deducts the advisory fee quarterly in advance. If the advisory agreement is terminated before the end of the quarterly period, client is entitled to a pro-rated refund of any pre-paid quarterly advisory fee based on the number of days remaining in the quarter after the termination date.

Although clients do not pay a transaction charge for transactions in a program account, clients should be aware that Advisor pays LPL Financial transaction charges for the transactions. The transaction charges paid by Advisor vary based on the type of transaction (e.g., mutual fund, equity or fixed income security) and range from \$0 to \$50. Because Advisor pays the transaction charges in program accounts, there is a conflict of interest. Clients should understand that the cost to Advisor of transaction charges may be a factor that the Advisor considers when deciding which securities to select and how frequently to place transactions in a program account.

## Other Types of Fees and Charges

Program accounts will incur additional fees and charges from parties other than the Advisor as noted below. These fees and charges are in addition to the advisory fee paid to Advisor. Advisor does not share in any portion of these third party fees.

LPL Financial, as the custodian and broker-dealer providing brokerage and execution services on program accounts, will impose certain fees and charges. LPL Financial notifies clients of these charges at account opening and makes available a list of these fees and charges on its website at [www.lpl.com](http://www.lpl.com). LPL Financial will deduct these fees and charges directly from the client's program account.

There are other fees and charges that are imposed by other third parties that apply to investments in program accounts. Some of these fees and charges are described below.

- If a client's assets are invested in mutual funds or other pooled investment products, clients should be aware that there will be two layers of advisory fees and expenses for those assets. Client will pay an advisory fee to the fund manager and other expenses as a shareholder of the fund. Client will also pay Advisor the advisory fee with respect to those assets. Most of the mutual funds available in the program may be purchased directly. Therefore, clients could generally avoid the second layer of fees by not using the management services of Advisor and by making their own investment decisions.
- Certain mutual funds impose fees and charges such as contingent deferred sales charges, early redemption fees and charges for frequent trading. These charges may apply if client transfers into or purchases such a fund with the applicable charges in a program account.
- Although only no-load and load-waived mutual funds can be purchased in a program account, client should understand that some mutual funds pay asset based sales charges or service fees (e.g., 12b-1 fees) to the custodian with respect to account holdings.
- If client holds a variable annuity as part of an account, there are mortality, expense and administrative charges, fees for additional riders on the contract and charges for excessive transfers within a calendar year imposed by the variable annuity sponsor.

Further information regarding fees assessed by a mutual fund, or variable annuity is available in the appropriate prospectus, which is available upon request from the Advisor or from the product sponsor directly.

## Other Important Considerations

- The advisory fee is an ongoing wrap fee for investment advisory services, the execution of transactions and other administrative and custodial services. The advisory fee may cost the client more than purchasing the program services separately, for example, paying an advisory fee plus commissions for each transaction in the account. Factors that bear upon the cost of the account in relation to the cost of the same services purchased separately include the type and size of the account, historical and or expected size or number of trades for the account, and number and range of supplementary advisory and client-related services provided to the client.
- The advisory fee also may cost the client more than if assets were held in a traditional brokerage account. In a brokerage account, a client is charged a commission for each

transaction, and the representative has no duty to provide ongoing advice with respect to the account. If the client plans to follow a buy and hold strategy for the account or does not wish to purchase ongoing investment advice or management services, the client should consider opening a brokerage account rather than a program account.

- The Advisor recommending the program to the client receives compensation as a result of the client's participation in the program. This compensation includes the advisory fee and also may include other compensation, such as bonuses, awards or other things of value offered by LPL Financial to the Advisor or its associated persons. The amount of this compensation may be more or less than what the Advisor would receive if the client participated in other LPL Financial programs, programs of other investment advisors or paid separately for investment advice, brokerage and other client services. Therefore, the Advisor may have a financial incentive to recommend a program account over other programs and services.
- The investment products available to be purchased in the program can be purchased by clients outside of a program account, through broker-dealers or other investment firms not affiliated with Advisor.

### **Economic Benefits**

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products are in addition to any benefits or research we pay for with soft dollars, and may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

### **TD Ameritrade Institutional**

We participate in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the Program. As disclosed above, we participate in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to you for custody and brokerage services. There is no direct link between our participation in the Program and the investment advice we give you, although we receive economic benefits through our participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided 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 serving our participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to your accounts); the ability to have advisory fees deducted directly from your accounts; access to an electronic communications network for order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit us but may

not benefit your accounts. These products or services may assist us in managing and administering your accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by us or our personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to you, we endeavor at all times to put your interests first. You should be aware, however, that the receipt of economic benefits by us or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

Advisor also receives from TD Ameritrade certain additional economic benefits (“Additional Services”) that may or may not be offered to any other independent investment Advisors participating in the program. Specifically, the Additional Services include Orion, TD Ameritrade provides the Additional Services to the Firm in its sole discretion and at its own expense, and Advisor does not pay any fees to TD Ameritrade for the Additional Services. The Firm and TD Ameritrade have entered into a separate agreement (“Additional Services Addendum”) to govern the terms of the provision of the Additional Services.

The Firm’s receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Firm, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, Advisor’s Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with Firm, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, Advisor may have an incentive to recommend to its Clients that the assets under management by Firm be held in custody with TD Ameritrade and to place transactions for the Client accounts with TD Ameritrade. The Firm’s receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including to seek best execution of trades for Client accounts.

### **Charles Schwab & Co., Inc. - Institutional**

In addition, we receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. The availability to us of Schwab’s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

#### Services that Benefit You

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

#### Services that May Not Directly Benefit You

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts. They include investment research, both Schwab’s own and that of third parties. We may use this research to service all or some substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes 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; or 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 also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession;
- access to employee benefits providers, human capital consultants and insurance providers;
- discount of up to \$4,250 on PortfolioCenter® software.

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

#### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

#### **Mutual Fund Share Classes**

Mutual funds are sold with different share classes, which carry different cost structures. Each available share class is described in the mutual fund's prospectus. When we purchase, or recommend the purchase of, mutual funds for a client, we select the share class that is deemed to be in the client's best interest, taking into consideration cost, tax implications, and other factors. When the fund is available for purchase at net asset value, we will purchase, or recommend the purchase of, the fund at net asset value. We also review the mutual funds held in accounts that come under our management to determine whether a more beneficial share class is available, considering cost, tax implications, and the impact of contingent deferred sales charges.

### **Item 5 Retirement Plan Services**

WCG Wealth Advisors, LLC is focused on providing advisory services to retirement plan sponsors and to individual participants holding assets in retirement plans. Services provided to retirement plans covered by ERISA will be identified as WCG Fiduciary Management Services, WCG Fiduciary Consulting Services or WCG Non-Fiduciary Services in the Advisory Agreement. Clients are required to execute an Investment Advisory Agreement which will disclose the details and provisions of the selected retirement plan services.

For services categorized as WCG Fiduciary Management Services, WCG Wealth Advisors, LLC will act as the Investment Manager as defined by Section 3(38) of ERISA. When providing WCG Fiduciary Management Services, WCG Wealth Advisors, LLC's services include discretionary authority to make investment decisions over assets of a retirement plan. WCG Wealth Advisors, LLC acknowledges that it is a fiduciary with respect to its exercise of investment decisions over these assets of a retirement plan. WCG Wealth Advisors, LLC acknowledges that in performing Fiduciary Management, WCG Wealth Advisors, LLC is acting as a "fiduciary" as such term is defined under Section 3(21)(A)(ii) of



Employee Retirement Income Security Act of 1974 (“ERISA”). WCG Wealth Advisors, LLC will act in a manner consistent with the requirements of a fiduciary under ERISA for all services for which WCG Wealth Advisors, LLC is considered a fiduciary under ERISA.

For services categorized as WCG Fiduciary Consulting Services as defined by Section 3(21) of ERISA, all recommendations of investment options and portfolios will be submitted to the client for the client’s ultimate approval or rejection. For WCG Fiduciary Consulting Services, the retirement plan sponsor client who elects to implement any recommendations made by WCG Wealth Advisors, LLC is solely responsible for implementing all transactions.

WCG Fiduciary Consulting Services are not management services, and WCG Wealth Advisors, LLC does not serve as administrator or trustee of the retirement plan. WCG Wealth Advisors, LLC does not act as custodian for any client account or have authority to initiate third-party disbursements of client funds or securities with the exception of, for some accounts, having written authorization from the client to deduct our fees.

WCG Wealth Advisors, LLC will act in a manner consistent with the requirements of a fiduciary under ERISA for all services for which WCG Wealth Advisors, LLC is considered a fiduciary under ERISA. If a retirement plan has elected to receive WCG Fiduciary Consulting Services and not WCG Fiduciary Management Services, WCG Wealth Advisors, LLC (a) has no responsibility and will not (i) exercise any discretionary authority or discretionary control respecting management of Client’s retirement plan, (ii) exercise any authority or control respecting management or disposition of assets of Client’s retirement plan, or (iii) have any discretionary authority or discretionary responsibility in the administration of Client’s retirement plan or the interpretation of Client’s retirement plan documents, (b) is not an “investment manager” as defined in Section 3(38) of ERISA and does not have the power to manage, acquire or dispose of any plan assets, and (c) is not the “Administrator” of Client’s retirement plan as defined in ERISA.

Although an investment advisor is considered a fiduciary under the Investment Advisors Act of 1940 and required to meet the fiduciary duties as defined by the Advisors Act, the retirement plan services that are identified as Non-Fiduciary should not be considered fiduciary services for the purposes of ERISA since WCG Wealth Advisors, LLC is not acting as a fiduciary to the Plan as the term “fiduciary” is defined in Section 3(21)(A)(ii) of ERISA. The exact suite of services provided to a client will be listed and detailed in the Investment Advisory Agreement.

To the extent required by ERISA Regulation Section 2550.408b-2(c), WCG Wealth Advisors, LLC will disclose any change to the information that we are required to disclose under ERISA Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable, but no later than sixty (60) days from the date on which we are informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable).

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), WCG Wealth Advisors, LLC will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary or Plan Administrator (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable) all information related to the Retirement Plan Services Agreement and any compensation or fees received in connection with that Agreement that is required for the Plan to comply with the reporting and disclosure requirements of Title 1 of ERISA and the regulations, forms and schedules issued thereunder.

## **Fees for Retirement Plan Services**

For the Retirement Plan Services provided by WCG Wealth Advisors, LLC, clients will be charged a fee as described in the Advisory Agreement. Fees are charged in advance at the beginning of each calendar quarter. Payments for services are due within thirty (30) days after the quarter end.

WCG Wealth Advisors, LLC will not be compensated based on capital gains or capital appreciation of the funds held by the Plan. WCG Wealth Advisors, LLC will not maintain custody of any Plan assets. Clients will authorize any broker-dealer or mutual fund sponsor that maintains custody of the Plan's assets to automatically deduct all fees owed to WCG Wealth Advisors, LLC from the Plan's assets and to pay such fees directly to WCG Wealth Advisors, LLC when they are due.

Fees are prorated (based on the number of days' services will be provided) for partial billing periods. If services begin other than on the first day of the quarter, the prorated fee for the initial partial quarter will be calculated on the total plan(s) value on the last day of that initial calendar quarter, billed in arrears, and prorated from the effective date of the Agreement. The initial pro-rated fee for the initial partial quarter's services will be billed at the same time as the first full quarter's fees are billed in advance.

WCG Wealth Advisors, LLC believes that its annual fee is reasonable in relation to the services provided and the fees charged by other retirement plan consultants, including investment advisors, offering similar services/programs. However, WCG Wealth Advisors, LLC's annual fee may be higher or lower than that charged by other consultants offering similar services and programs. In addition to WCG Wealth Advisors, LLC's compensation, clients will incur charges imposed at the investment level (e.g., mutual fund advisory fees and other fund expenses) and charges imposed by the Plan's custodian and Third-Party Administrator (if applicable). A description of mutual fund fees and expenses are available in each mutual fund prospectus.

The Plan's custodian or the Third-Party Administrator to the Plan will send statements to the Plan, at least quarterly, showing all disbursements from the Plan, including, if applicable, the amount of the fee paid to WCG Wealth Advisors, LLC directly from the Plan and when such fee is deducted directly from the Plan. Any discrepancies between fee billing notices received from WCG Wealth Advisors, LLC and the statements received from the Plan custodian or Third-Party Administrator should be immediately reported to WCG Wealth Advisors, LLC and/or to the issuer of the account statements (the Plan custodian or Third-Party Administrator).

Brokerage commissions and/or transaction ticket fees charged by the custodian will be billed directly to the client by the custodian. WCG Wealth Advisors, LLC will not receive any portion of such brokerage commissions or transaction fees from the custodian or the client.

The fees charged by WCG Wealth Advisors, LLC are in addition to other costs charged by third parties for custodial, legal, accounting, or record keeping tasks. In addition, the client may incur certain charges imposed by third parties other than WCG Wealth Advisors, LLC in connection with investments made through the Plan, including but not limited to, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, and qualified retirement plan fees.

## **Item 6 Account Requirements and Types of Clients**

A minimum account value of \$25,000 is generally required for the program. In certain instances, Advisor will permit a lower minimum account size.

The program is available for individuals and High Net-Worth Individuals.

## Item 7 Portfolio Manager Selection and Evaluation

WCG Wealth Advisors, LLC through its' Investment Advisor Representatives, is responsible for tailored investment advice and asset management on the purchase and sale of various types of investments, such as:

- mutual funds
- exchange-traded funds ("ETFs")
- variable annuity subaccounts
- equities
- fixed income securities

Advice is provided to clients based on their individual needs and investment objectives. Clients may impose restrictions on investing in certain securities or groups of securities in the written advisory agreement.

WCG Wealth Advisors, LLC generally requires that Investment Advisor Representatives involved in determining or giving investment advice have several years of experience dealing with individuals and/or small businesses. WCG Wealth Advisors, LLC does not select, review or recommend partners or portfolio managers not registered with the firm.

There are no differences between how the wrap fee program is managed and how other accounts are managed.

The other non-wrap fee programs provided by the advisor include:

- **Asset Management**

WCG Wealth Advisors, LLC through its investment advisor representatives provides ongoing investment advice and management on assets in the client's custodial Strategic Wealth Management (SWM) account held at LPL Financial. Strategic Wealth Management is the name of the custodial account offered through LPL Financial to support investment advisory services provided by WCG Wealth Advisors, LLC to our clients. More specific account information and acknowledgements are further detailed on the account application.

Investment advisor representatives provide advice on the purchase and sale of various types of investments, such as mutual funds, exchange-traded funds ("ETFs"), variable annuity subaccounts, real estate investment trusts ("REITs"), equities, and fixed income securities. The advice is tailored to the individual needs of the client based on the investment objective chosen by the client in order to help assist clients in attempting to meet their financial goals. Accounts are reviewed on a regular basis and rebalanced as necessary according to each client's investment profile.

A minimum account value of \$25,000 is generally required for the program. In certain instances, WCG Wealth Advisors, LLC will permit a lower minimum account size.

Assets managed in a wrap fee account are not managed differently from a non-wrap fee account. However, WCG Wealth Advisors, LLC may charge a higher fee, up to 2.5%, and receive a portion of the wrap fee for services provided.

WCG Wealth Advisors, LLC offers asset management on a discretionary and non-discretionary basis. As of November 23, 2016, the firm has \$828,963,890 in discretionary assets under management and \$8,128,531 in non-discretionary assets under management.

- **Third Party Advisory Services**

The Advisor has entered into agreements with various third-party advisors. Under these agreements, the Advisor offers clients various types of programs sponsored by these advisors. All third-party investment advisors to whom the Advisor will refer clients will be licensed as investment advisors by their resident state and any applicable jurisdictions or registered investment advisors with the Securities and Exchange Commission.

After gathering information about a client's financial situation and investment objectives, the Advisor will assist the client in selecting a particular third-party program. The Advisor receives compensation pursuant to its agreements with these third-party advisors for introducing clients to these third-party advisors and for certain ongoing services provided to clients.

This compensation is disclosed to the client in a separate disclosure document and is typically equal to a percentage of the investment advisory fee charged by that third-party advisor or a fixed fee. The disclosure document provided by the Advisor will clearly state the fees payable to the Advisor and the impact to the overall fees due to these payments.

Since compensation the Advisor receives may differ depending on the agreement with each third-party advisor, the Advisor may have an incentive to recommend one third-party advisors over another, if the compensation arrangements are more favorable. Since the independent third-party advisor may pay the fee for the investment advisory services of the Advisor, the fee paid to the Advisor is not negotiable, under most circumstances.

Fees paid by clients to independent third-parties are established and payable in accordance with the Form ADV 2A or other equivalent disclosure document of each independent third- party advisor to whom the Advisor refers its clients, and may or may not be negotiable, as disclosed in the disclosure documents of the third-party advisor.

Clients who are referred to third-party investment advisors will receive full disclosure, including services rendered and fee schedules, at the time of the referral, by delivery of a copy of the relevant third-party advisor's Form ADV 2A or equivalent disclosure document at the same time as the Form ADV 2A or equivalent disclosure document of the Advisor.

In addition, if the investment program recommended to a client is a wrap fee program the client will also receive the wrap fee brochure provided by the sponsor of the program. The Advisor will provide to each client all appropriate disclosure statements, including disclosure of solicitation fees to the Advisor and its advisory associates.

- **Optimum Market Portfolios Program (OMP)**

OMP offers clients the ability to participate in a professionally managed asset allocation program using Optimum Funds Class I shares. Under OMP, client will authorize LPL Financial on a discretionary basis to purchase and sell Optimum Funds pursuant to investment objectives chosen by the client. Advisor will assist the client in determining the suitability of OMP for the client and assist the client in setting an appropriate investment objective. Advisor will have discretion to select a mutual fund asset allocation portfolio designed by LPL Financial consistent with the client's investment objective. LPL Financial will have discretion to purchase and sell Optimum Funds pursuant to the portfolio selected for the client. LPL Financial will also have authority to rebalance the account.

A minimum account value of \$15,000 is required for OMP.

- **Personal Wealth Portfolios Program (PWP)**

PWP offers clients an asset management account using asset allocation model portfolios designed by LPL Financial. Advisor will have discretion for selecting the asset allocation model portfolio based on client's investment objective. Advisor will also have discretion for selecting third party money managers (PWP Advisors) or mutual funds within each asset class of the model portfolio. LPL Financial will act as the overlay portfolio manager on all PWP accounts and will be authorized to purchase and sell on a discretionary basis mutual funds and equity and fixed income securities.

A minimum account value of \$250,000 is required for PWP.

- **Model Wealth Portfolios Program (MWP)**

MWP offers clients a professionally managed mutual fund asset allocation program. WCG Wealth Advisors, LLC investment advisor representatives will obtain the necessary financial data from the client, assist the client in determining the suitability of the MWP program and assist the client in setting an appropriate investment objective. The Advisor will initiate the steps necessary to open an MWP account and have discretion to select a model portfolio designed by LPL Financials Research Department consistent with the client's stated investment objective. LPL Financials Research Department is responsible for selecting the mutual funds within a model portfolio and for making changes to the mutual funds selected.

The client will authorize LPL Financial to act on a discretionary basis to purchase and sell mutual funds (including in certain circumstances exchange traded funds) and to liquidate previously purchased securities. The client will also authorize LPL Financial to effect rebalancing for MWP accounts.

In the future, the MWP program may make available model portfolios designed by strategists other than LPL Financials Research Department. If such models are made available, Advisor will have discretion to choose among the available models designed by LPL Financial and outside strategists.

A minimum account value of \$25,000 is required for MWP.

- **Manager Access Select Program**

Manager Access Select provides clients access to the investment advisory services of professional portfolio management firms for the individual management of client accounts. Advisor will assist client in identifying a third party portfolio manager (Portfolio Manager) from a list of Portfolio Managers made available by LPL Financial. The Portfolio Manager manages client's assets on a discretionary basis. Advisor will provide initial and ongoing assistance regarding the Portfolio Manager selection process.

A minimum account value of \$100,000 is required for Manager Access Select, however, in certain instances, the minimum account size may be lower or higher.

An advisor recommending the wrap fee program receives compensation as a result of a client's participation in the program. The amount of this compensation may be more than what the person would receive if the client participated in other programs or paid separately for investment advice, brokerage, and other services. Therefore, advisors may have a financial incentive to recommend the wrap fee program over other programs or services.

There may be addition fees on assets held in the wrap program, such as mutual fund expenses and mark-ups, mark-downs, or spreads paid to market makers. A more detailed description of these fees

and circumstances is detailed above in Item 4 above.

For more information about the associated person of Advisor managing the account, client should refer to the Brochure Supplement for the associated person, which client should have received along with this Brochure at the time client opened the account.

LPL Financial performs certain administrative services for Advisor, including generation of quarterly performance reports for program accounts. Client will receive an individual quarterly performance report, which provides performance information on a time weighted basis. The performance reports are intended to inform clients as to how their investments have performed for a period, both on an absolute basis and compared to leading investment indices.

## **Methods of Analysis and Investment Strategies**

- **Alternative Strategy Mutual Funds.** Certain mutual funds available in the program invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be suitable for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund's concentration in the real estate industry.
- **Closed-End Funds.** Client should be aware that closed-end funds available within the program are not readily marketable. In an effort to provide investor liquidity, the funds may offer to repurchase a certain percentage of shares at net asset value on a periodic basis. Thus, clients may be unable to liquidate all or a portion of their shares in these types of funds.
- **Exchange-Traded Funds (ETFs).** ETFs are typically investment companies that are legally classified as open end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity, and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company.
- **Exchange-Traded Notes (ETNs).** An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a variety of assets, for example, commodity futures, foreign currency and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. Some of the more common risks of an ETN are as follows. The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the ETN issuer's ability to pay. In addition, the trading price of the ETN in the secondary market may be adversely impacted if the issuer's credit rating is downgraded. The index or asset class for performance replication in an ETN may or may not be concentrated in a specific sector, asset class or country and may therefore carry specific risks.

- **Leveraged and Inverse ETFs, ETNs and Mutual Funds.** Leveraged ETFs, ETNs and mutual funds, sometimes labeled “ultra” or “2x” for example, are designed to provide a multiple of the underlying index's return, typically on a daily basis. Inverse products are designed to provide the opposite of the return of the underlying index, typically on a daily basis. These products are different from and can be riskier than traditional ETFs, ETNs and mutual funds. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of fund expenses and other factors. This is referred to as tracking error. Continual re-setting of returns within the product may add to the underlying costs and increase the tracking error. As a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, in particular for leveraged products. In highly volatile markets with large positive and negative swings, return distortions are magnified over time. Because of these distortions, these products should be actively monitored, as frequently as daily, and are generally not appropriate as an intermediate or long-term holding. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs, ETNs and mutual funds.
- **Options.** Certain types of option trading are permitted in order to generate income or hedge a security held in the program account; namely, the selling (writing) of covered call options or the purchasing of put options on a security held in the program account. Client should be aware that the use of options involves additional risks. The risks of covered call writing include the potential for the market to rise sharply. In such case, the security may be called away and the program account will no longer hold the security. The risk of buying long puts is limited to the loss of the premium paid for the purchase of the put if the option is not exercised or otherwise sold by the program account.
- **Structured Products.** Structured products are securities derived from another asset, such as a security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the reference asset. Structured products are senior unsecured debt of the issuing bank and subject to the credit risk associated with that issuer. This credit risk exists whether or not the investment held in the account offers principal protection. The creditworthiness of the issuer does not affect or enhance the likely performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity are dependent on the issuer's ability to pay.

In addition, the trading price of the security in the secondary market, if there is one, may be adversely impacted if the issuer's credit rating is downgraded. Some structured products offer full protection of the principal invested, others offer only partial or no protection. Investors may be sacrificing a higher yield to obtain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation protection. An investor in a structured product never has a claim on the underlying investment, whether a security, zero coupon bond, or option. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. Tax treatment of structured products may be different from other investments held in the account (e.g., income may be taxed as ordinary income even though payment is not received until maturity). Structured CDs that are insured by the FDIC are subject to applicable FDIC limits.

- **Hedge Funds and Managed Futures.** Hedge and managed futures funds are available for

purchase in the program by clients meeting certain qualification standards. Investing in these funds involves additional risks including, but not limited to, the risk of investment loss due to the use of leveraging and other speculative investment practices and the lack of liquidity and performance volatility. In addition, these funds are not required to provide periodic pricing or valuation information to investors and may involve complex tax structures and delays in distributing important tax information. Client should be aware that these funds are not liquid as there is no secondary trading market available. At the absolute discretion of the issuer of the fund, there may be certain repurchase offers made from time to time. However, there is no guarantee that client will be able to redeem the fund during the repurchase offer.

- **Variable Annuities.** If client purchases a variable annuity that is part of the program, client will receive a prospectus and should rely solely on the disclosure contained in the prospectus with respect to the terms and conditions of the variable annuity. Client should also be aware that certain riders purchased with a variable annuity may limit the investment options and the ability to manage the subaccounts.
- **Margin Accounts.** Client should be aware that margin borrowing involves additional risks.

Margin borrowing will result in increased gain if the value of the securities in the account go up, but will result in increased losses if the value of the securities in the account goes down. The custodian, acting as the client's creditor, will have the authority to liquidate all or part of the account to repay any portion of the margin loan, even if the timing would be disadvantageous to the client. For performance illustration purposes, the margin interest charge will be treated as a withdrawal and will, therefore, not negatively impact the performance figures reflected on the quarterly advisory reports.

**It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable. Investing in securities involves the risk of loss that clients should be prepared to bear.**

### **Voting Client Securities**

Advisor does not accept authority to vote client securities. Clients retain the right to vote all proxies that are solicited for securities held in the account. Clients will receive proxies or other solicitations from the custodian of assets. If clients have questions regarding the solicitation, they should contact the Advisor or the contact person that the issuer identifies in the proxy materials. In addition, Advisor does not accept authority to take action with respect to legal proceedings relating to securities held in the account.

### **Item 8 Client Information Provided to Portfolio Managers**

In WCG ISC Portfolios, the Advisor is responsible for account management; there is no separate portfolio manager involved. The Advisor obtains the necessary financial data from the client and assists the client in setting an appropriate investment objective for the account. The Advisor obtains this information by having the client complete an advisory agreement and other documentation. Clients are encouraged to contact the Advisor if there have been any changes in the client's financial situation or investment objectives or if they wish to impose any reasonable restrictions on the management of the account or reasonably modify existing restrictions. Client should be aware that the investment objective selected for the program is an overall objective for the entire account and may be inconsistent with a particular holding and the account's performance at any time. Client should further be aware that achievement of the stated investment objective is a long-term goal for the account.

The Firm policy requires an annual client meeting (one review every 12 months) to determine if there



have been any changes in the client's financial situation, investment objectives, or restrictions. In addition, the meeting should incorporate the account performance, appropriateness of the account, and any other information determined pertinent to the client situation. The annual meeting may occur by phone, in person, via e-mail, or via video conference and documentation will be maintained to evidence that for example the following topics were reviewed:

- Client's financial status
- Risk Tolerance
- Time Horizon
- Investment Objective and Goals
- Asset Allocation and/or Account Holdings

Additionally, on a quarterly basis, IARs should review the performance of the client's advisory account and investment objectives.

## **Item 9 Client Contact with Portfolio Managers**

Client should contact Advisor at any time with questions regarding program account.

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

Neither our firm, nor any of our management persons have a material relationship or arrangement with any issuer of securities.

## **Item 11 Additional Information**

### **Disciplinary Information**

None

### **Other Financial Industry Activities and Affiliations**

Advisor is only in the business of providing investment advice. However, associated persons of Advisor are separately licensed as registered representatives through LPL Financial. In this capacity, the associated person can sell securities to clients and receive normal and customary compensation in the form of commissions.

Associated persons are also insurance agents. In such capacity, they may offer fixed and variable life insurance products and receive normal and customary commissions as a result of any purchases made by clients.

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

A copy of Advisor's code of ethics is available to clients or prospective clients upon request by contacting Shelley Echeverria, Chief Compliance Officer at (602) 466-7353 or [shelley@wealthcgc.com](mailto:shelley@wealthcgc.com).

Advisor and its associated persons may invest in or otherwise own an interest in the same securities that are recommended to clients within program accounts. This creates a potential conflict of interest. All associated persons are required to place the interests of clients ahead of their own when making personal investments. In addition, Advisor requires that client transactions be placed before associated person personal transactions. Personal trading by associated persons is monitored by the

Advisor. Associated persons may also buy or sell a specific security for their own account based on personal investment considerations, which the Advisor may not deem appropriate to buy or sell for clients.

Advisor does not engage in principal transactions with its clients in program accounts.

Neither WCG Wealth Advisors, LLC nor a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest.

## **Review of Accounts**

In addition, all program accounts are subjected to a risk based exception reporting system that flags accounts on a quarterly basis for criteria such as performance, trading activity, and concentration. The exception reporting identifies accounts where additional scrutiny or analysis by Advisor may be appropriate.

For those clients to whom WCG Wealth Advisors, LLC provides investment supervisory services, account reviews are conducted on an ongoing basis by Shelley Echeverria, the CCO.

Shelley Echeverria, the Chief Compliance Officer, may also conduct account reviews based on the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and by client request.

During any month that there is activity in the program account, client will receive a monthly account statement from LPL Financial showing account activity as well as positions held in the account at month end.

Additionally, client will receive a confirmation of each transaction that occurs within the program account unless the transaction is the result of a systematic purchase, redemption or exchange. Client will also receive a detailed quarterly report showing performance, positions and activity from LPL Financial.

## **Other Compensation**

Advisor and its associated persons may receive additional non-cash compensation from product sponsors. However, such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives. Product sponsors may also pay for education or training events that may be attended by Advisor's employees and associated persons.

There are no other economic benefits provided by someone who is not a client for providing investment advice.

## **Financial Information**

### **Custody**

LPL Financial is the qualified custodian and maintains custody of client funds and securities in a separate account for each client under the client's name. LPL Financial as a qualified custodian sends account statements showing all transactions, positions, and all deposits and withdrawals of principal and income. LPL Financial sends account statements monthly when the account has had activity or

quarterly if there has been no activity. Clients should carefully review those account statements.

Although most securities available in program accounts are custodied at LPL Financial, there are certain securities managed as part of the account that are held at third parties, and not at LPL Financial. For example, variable annuities, hedge funds and managed futures are often held directly with the investment sponsor. For those outside positions, client will receive confirmations and statements directly from the investment sponsor.

For outside positions not custodied at LPL Financial, LPL Financial may receive information (e.g., number of shares held and market value) from the investment sponsor and display that information on statements and reports prepared by LPL Financial. Such information also may be used to calculate performance in performance reports prepared by LPL Financial. Although Advisor believes that the information provided by LPL Financial is accurate, Advisor recommends that clients refer to the statements and reports received directly from the investment sponsor and compare them with the information provided in any statements or reports from LPL Financial. The statements and reports provided by LPL Financial with respect to outside positions should not replace the statements and reports received directly from the investment sponsor.

## **Brokerage Practices**

In WCG ISC Portfolios, Advisor requires that clients direct LPL Financial as the sole and exclusive broker-dealer to execute transactions in the account. LPL Financial is not paid a commission for executing transactions.

Because associated persons of the Advisor are licensed with LPL Financial, this presents a conflict of interest. Clients should understand that not all advisors require their clients to direct brokerage. By directing brokerage to LPL Financial, clients may be unable to achieve the most favorable execution of client transactions. Therefore, directed brokerage may cost clients more money.

Advisor may receive support services and/or products from LPL Financial, which assist the Advisor to better monitor and service program accounts maintained at LPL Financial. These support services and/or products may be received without cost, at a discount, and/or at another negotiated rate, and may include the following:

- Investment-related research
- Pricing information and market data
- Software and other technology that provide access to client account data
- Compliance and/or practice management-related publications
- Consulting services
- Attendance at conferences, meetings, and other educational and/or social events
- Marketing support
- Computer hardware and/or software
- Other products used by Advisor in furtherance of its investment advisory business operations

Clients do not pay more for services as a result of this arrangement. There is no corresponding commitment made by the Advisor to LPL Financial or any other entity to invest any specific amount or percentage of client assets in any specific securities as a result of the arrangement.

Advisor may aggregate transactions in equity and fixed income securities for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained.

Advisor may determine not to aggregate transactions, for example, based on the size of the trades, the

number of client accounts, the timing of the trades, the liquidity of the securities and the discretionary or non-discretionary nature of the trades. If Advisor does not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating may cost clients more money.