



## Item 1 – Cover Page

CWM, LLC  
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The purpose of this brochure is to disclose to you what we do and who we are at CWM, LLC (CWM). Knowing these elements will allow you to use the services we offer far more effectively. If you have any questions about the contents of this brochure, please do not hesitate to contact us at the telephone number listed above.

CWM is a United States Securities and Exchange Commission (SEC) registered investment advisor. Oral and written communications of an advisor provide you with information about whether you decide to engage an advisor. The advisory services described in this brochure are not insured or otherwise protected by the U.S. Government, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other government agency and involves risk, including the possible loss of principal.

The information in this brochure has not been approved or verified by the SEC, or by any state securities authority. Additional information about CWM is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view CWM's information on this website by searching for CWM, LLC. You may also search for information by using CWM's CRD number, 155344.

## Item 2 – Material Changes

Since our last annual update was filed in March 2020, material changes made to this brochure include:

- In April 2020 CWM LLC's parent company and some representatives business entities entered into Payroll Protection Plan loans with the Small Business Administration. Please refer to Item 18 – Financial Information for more specific information.
- The firm has increased our investment strategy offerings with additional strategies designed to meet the needs of our clients. Please refer to **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss** for more specific information.

We will continue to ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes, if any, no later than April 30 each year. At that time, we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes, as necessary.

### Item 3 – Table of Contents

Item 1 – Cover Page .....	1
Item 2 – Material Changes .....	2
Item 3 – Table of Contents.....	3
Item 4 – Advisory Business .....	6
Principal Owners .....	6
Primary Advisory Services .....	6
Asset Management Services .....	6
Participation in Wrap Fee Programs .....	8
Carson Private Trust.....	9
Sub-Advisory Investment Management Services for Advisors .....	9
Use of Other Investment Advisory Firms as Sub-Advisors.....	9
Use of Other Investment Advisory Firms as Trade Signal Providers.....	10
Variable Sub-Account Management Services .....	10
Financial Planning Services .....	10
Carson Retirement Plan Services Platform .....	12
Retirement Plan Rollover Recommendations.....	16
Accounts Managed by Third-Party Money Managers .....	17
Types of Investments .....	18
Client Assets Managed by CWM.....	19
Item 5 – Fees and Compensation .....	19
Asset Management Fees .....	19
Variable Sub-Account Management Service Fees .....	22
Fees for Financial Planning Services .....	23
Fees for Retirement Plan Services .....	25
Third-Party Money Manager Program Fees.....	27
Carson Partners .....	27
Newsletters .....	27
Educational Seminars/Workshops .....	28
Item 6 – Performance-Based Fees and Side-by-Side Management .....	28
Item 7 – Types of Clients.....	28
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	28
Methods of Analysis.....	28
Investment Management Strategies .....	30
Strategy Summaries .....	31

Model Portfolios Managed Directly by CWM, LLC.....	31
Portfolios Managed on a Sub-Advisor Basis by Affiliated Advisory Firm (Carson Group Investing, LLC) .....	50
Portfolios Managed on a Sub-Advisor Basis by Unaffiliated Advisory Firms .....	53
Alternative Investment Strategy Options .....	56
Separately Managed Accounts .....	61
Retirement Plan Services Platform .....	61
Risk of Loss .....	62
Item 9 – Disciplinary Information .....	65
Item 10 – Other Financial Industry Activities and Affiliations .....	65
Affiliation with Carson Group Investing, LLC. ....	66
Affiliation with Carson Group Brokerage, LLC.....	66
Affiliation with Spectrum Wealth Management Group, LLC .....	66
Registered Representative of a Broker/Dealer .....	66
Dually Registered as an Investment Adviser Representatives.....	67
Third-Party Money Managers .....	67
Insurance Agent .....	68
Vendor Service Agreement .....	68
Affiliation with Carson Group Coaching.....	68
Affiliation with Mineral Interactive.....	68
CWM Advisor Representatives Other Business Activities – Banking or Thrift Institutions .....	70
Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading .....	70
Item 12 – Brokerage Practices .....	71
Asset Management Services .....	71
Directed Brokerage .....	74
Broker/Dealer Affiliation (Cetera Advisor Networks, LLC).....	74
Soft Dollar Benefits .....	74
Investment Allocation and Trade Aggregation Policy.....	75
Cross Transactions .....	75
Client Participation in Transactions .....	75
Trading Errors.....	76
Item 13 – Review of Accounts.....	76
Item 14 – Client Referrals and Other Compensation.....	77
Additional Compensation .....	79
Conflicts of Interest in General .....	82
Marketing Arrangements with Financial Institutions .....	82
Item 15 – Custody .....	83

Item 16 – Investment Discretion .....	84
Item 17 – Voting Client Securities .....	84
Item 18 – Financial Information .....	85
Privacy Policy – Our Commitment to You .....	86

## **Item 4 – Advisory Business**

CWM is a registered investment advisor based in Omaha, Nebraska. The firm was formed in November 2010 as a Limited Liability Company (LLC) under the laws of the State of Nebraska. CWM has established a network of partner offices that will provide advisory services under local “doing business as” names. A complete list of approved doing business as names can be found by searching for CWM, LLC, CRD# 155344 on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The investment advisory services of CWM are provided to you through an appropriately licensed and qualified individual who is an investment adviser representative of CWM (referred to as your investment adviser representative throughout this brochure). Your investment adviser representative may either be an employee of CWM or an independent contractor.

Investment adviser representatives are free, within the parameters set by CWM (as disclosed in **Item 5 – Fees and Compensation**), to negotiate the asset management, financial planning, and service fees charged to clients for the services provided and/or to waive, at the advisor’s expense, clients’ operational and custodian fees. It is possible that different investment adviser representatives may charge different fees for providing the same service to clients. The specific level of services you will receive, and the fees you will be charged, by CWM will be specified in your advisory services agreement.

As used in the brochure, the words, “we,” “our,” and “us” refer to CWM and the words “you,” “your,” and “client” refer to you as either a client or prospective client of our firm. In addition, you will see the term Supervised Person throughout this brochure. As used in this brochure, our Supervised Persons are our firm’s officers, employees and all individuals providing investment advice on behalf of our firm.

### **Principal Owners**

CWM, LLC is an affiliate of Carson Group Holdings, LLC. Carson Group Holdings, LLC. is the 100% owner of CWM, LLC. The majority shareholder of Carson Group Holdings, LLC. is Ronald L. Carson.

### **Primary Advisory Services**

Our main focus is to manage investment portfolios for individual clients, high net-worth families, foundations, endowments, and institutional investors. We also provide personal financial planning and investment advice. Our investment plans are designed to work with our clients’ financial goals, objectives and risk tolerances.

### **Asset Management Services**

We provide investment management services with personalized strategy recommendations based on your unique needs and objectives.

We sponsor managed asset programs that are offered on a wrap fee or non-wrap fee basis through our Carson Managed Account Program using accounts established with TD Ameritrade Institutional, Fidelity Institutional Wealth Services and other qualified custodians as approved by CWM, LLC as the account custodian. Through our managed account programs, we provide investment management services, including providing continuous investment advice to and making investments for you based on your individual needs. Through these services, we offer a customized and individualized investment program. During your initial meeting with your advisor, you are asked to complete a Confidential Client Profile to help us understand your risk tolerance and long-term financial goals. A specific asset allocation strategy and suitability profile is crafted to focus on your specific goals and objectives. The Confidential Client Profile defines your risk tolerance and investment objectives. Your information should be updated regularly, but at a minimum every 2 years.

You must appoint our firm as your investment advisor of record on specified accounts (collectively, the "Account"). The Account consists only of separate account(s) held by qualified custodian(s) under your name. The qualified custodians maintain physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise proxy voting and receive transaction confirmations) of the Account.

Our asset management services are provided on a discretionary basis. With discretionary authority, we make all decisions to buy, sell or hold securities, cash or other investments in the managed account in our sole discretion without consulting with you before implementing any transactions. You must provide us with written authorization to exercise this discretionary authority. Discretionary authority is limited. We do not have access to your funds and/or securities with the exception of having advisory fees deducted from your account and paid to us by the account custodian. Any fee deduction is done pursuant to your prior written authorization provided to the account custodian. You have the ability to place reasonable restrictions on the types of investments that will be purchased in an account. You are also allowed to place reasonable limitations on the discretionary power granted to us so long as the limitations are specifically set forth or included as an attachment to the client agreement. However, the firm retains the right to decline to enter into a management agreement with any client whose investment restrictions are contrary to the firm's investment strategies. *(Please see Item 16, Investment Discretion for additional information concerning discretionary authority.)*

We perform advisory services for other clients as well. Depending on each client's individual circumstances, the advice given, advisory fees or service fees charged, or actions taken for individual clients may differ from client to client. In addition, we may, but are not obligated to, purchase, sell or recommend for purchase or sale any security which we may purchase or sell for our own accounts or for the account of any other client.

Before we assess any fees or provide formal advice, we will provide you with an Investment Advisory Agreement ("Agreement") for your review, understanding and signature. The Agreement includes the terms and conditions under which your assets will be managed. Your execution of the

Agreement authorizes our firm to determine the specific securities, and the amount of securities to be purchased or sold for your account without your approval prior to each transaction. The Agreement will remain in effect between you and us until terminated by either party in writing according to the terms contained in the Agreement. In the event a conflict exists between the Agreement and our Form ADV, the Form ADV shall prevail.

The Agreement will include schedules of the investment accounts you wish us to manage, the specific advisory fees we propose to charge and how we propose to bill and collect those fees. You also have the ability to impose reasonable limits on investment selections and sectors. However, the firm retains the right to decline to enter into a management agreement with any client whose investment restrictions are contrary to the firm's investment strategies.

Advisory accounts will be held primarily by TD Ameritrade Institutional, Fidelity Institutional Wealth Services or other qualified custodians as approved by CWM, LLC (individually, a "Custodian"). The client must designate CWM as its Investment Advisor on their accounts. The client's qualified Custodian will maintain actual custody of all client funds and securities.

Custodians are also broker/dealers, and they can have different account fees, service fees, execution charges and capacities. The actual fees paid to a custodian by each client are determined at the discretion of the advisor. If you choose a different Custodian other than the one selected by us, you may pay higher account-related fees and execution charges. This can occur because custodial services are based on several factors. Factors include, but are not limited to cost, expected level of asset safety, client confidentiality, communication and reporting. We base all decisions on the individual investment circumstances of each client.

In certain circumstances the account Custodian can offer the option of charging execution fees based upon the level of assets maintained in the managed account (asset-based pricing) versus implementing a fee for each transaction executed. If asset-based pricing is provided as an option we will conduct a cost/benefit analysis to determine which pricing method would be in the long-term best interest of our clients. Whether transaction-based pricing or asset-based pricing is in the best interest of an individual client may vary over the span of a client relationship in response to possible service provider contractual changes and/or overall market condition adjustments to our pricing structure.

### ***Participation in Wrap Fee Programs***

CWM has the ability to offer asset management services through both wrap fee programs and non-wrap fee programs. A wrap fee program is defined as any advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions. Whenever a fee is charged to a client for



services described in this brochure (whether wrap fee or non-wrap fee), we will receive all or a portion of the fee charged.

### ***Important Disclosure Regarding Fee Based Asset Management Accounts***

When making the determination of whether one of the advisory programs available through CWM is appropriate for your needs, you should bear in mind that fee-based accounts, when compared with commission-based accounts, often result in lower costs during periods when trading activity is heavier, such as the year an account is established. However, during periods when trading activity is lower, the fee-based account arrangements could result in a higher annual cost for transactions. Thus, depending on a number of factors, the total cost for transactions under a fee account versus a commission account can vary significantly. Factors which affect the total cost include account size, amount of turnover, type and quantities of securities purchased or sold, commission rates and your tax situation. It should also be noted that lower fees for comparable service may be available from other sources. You should discuss the advantages and disadvantages of fee-based and commission-based accounts with your adviser representative.

### ***Carson Private Trust***

CWM's parent company Carson Group Holdings, LLC has entered into an agreement with National Advisors Holdings, LLC to act as an alternate custodian by offering trust reporting and administrative services to a limited number of our clients. The trust services will be labeled as the Carson Private Trust although neither CWM nor any of our affiliated companies will be acting as the ultimate custodian on any client assets. In addition, neither CWM nor any of our affiliated companies will receive any additional compensation for client assets that are held on this platform.

### ***Sub-Advisory Investment Management Services for Advisors***

CWM offers investment sub-advisory services to unaffiliated investment advisers. Unaffiliated RIAs may choose to engage CWM's Sub-Advisory Services for investment management of some or all of their clients' assets. CWM shall have day-to-day responsibility for the active discretionary management of the allocated assets through a limited power of attorney from the unaffiliated advisor's client. The unaffiliated advisor RIA shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives.

### ***Use of Other Investment Advisory Firms as Sub-Advisors***

At its discretion CWM can decide to utilize affiliated or unaffiliated investment advisory firms as sub-advisors to provide asset management services to selected Model Portfolios according to the terms and conditions of a written Sub-Advisor Agreement. With respect to its sub-advisory services, CWM, LLC will maintain both the initial and ongoing day-to-day relationship with the underlying client, including initial and ongoing determination of client suitability for the Sub-Advisor's Model Portfolios. In a sub-advisory

relationship, CWM is responsible for the recommendation and selection of the Sub-Advisor on behalf of the client and has the ability to remove the client's assets from the Sub-Advisor's management at our discretion.

### ***Use of Other Investment Advisory Firms as Trade Signal Providers***

At its discretion CWM can decide to utilize affiliated or unaffiliated investment advisory firms as sub-advisors serving as trade signal providers to assist us with the development and recommendation of appropriate investment options for our Model Portfolios and separately managed accounts. CWM will have final authority and responsibility to accept or reject all investment recommendations provided by the signal providers. The unaffiliated signal providers will not have access or have any responsibility to make investment changes to or place trades in the Model Portfolios or client accounts.

### ***Variable Sub-Account Management Services***

Under our Variable Insurance sub-account management services, CWM manages your variable annuity or variable life contract by selecting, monitoring and exchanging as necessary between sub-accounts available from the insurance company issuing the variable annuity or variable life contract.

Under this program, we assist you in completing a questionnaire which details your financial goals, risk tolerance and time horizon. You will have the opportunity to list on your investment advisory agreement with our firm any reasonable restrictions on the sub-accounts that may be utilized by CWM. However, the firm retains the right to decline to enter into a management agreement with any client whose investment restrictions are contrary to the firm's investment strategies.

You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however, we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives.

Once you have provided us with the necessary information and made the appropriate authorizations, CWM utilizes limited discretionary authority to select or exchange among the sub-accounts available under your variable annuity or variable life contract in accordance with your disclosed investment objective and risk tolerance. CWM may utilize signal providers for guidance regarding investment strategies, asset allocations and timing of exchanges. CWM will monitor your sub-accounts and exchange sub-accounts as necessary and in accordance with your investment objective and risk tolerance.

### ***Financial Planning Services***

#### **Traditional Financial Planning Services**

CWM provides personal financial planning services consistent with a client's financial status, investment objectives and tax status. When you retain the financial planning services of our firm, we meet with you

to gather information about your financial background, circumstances to consider and goals and objectives. Once we determine your long-term objectives (both financial and non-financial), we develop short-term, targeted objectives. At that point, we review and analyze the financial information you provided to us and deliver to you a written financial plan.

### **Focused Wealth Planning Program**

Focused Wealth Plans are offered to asset management clients of CWM that do not require an extensive analysis of their financial situation.

The Focused Wealth Plan Process includes:

- Construction of a recommended portfolio designed to help clients work towards their financial goals while limiting risk.
- Determine Family Index Number which will be updated at least on an annual basis.
- Personalized cash-flow based planning designed to identify and address specific goals and objectives.
- Risk management planning with a comprehensive analysis of life, disability, long-term care and other risk management solutions.
- A breakdown of potential social security claims.

### **True Wealth Plans**

Clients that need a more robust financial planning engagement can sign up for our True Wealth Plan Program. The True Wealth Plan includes information regarding retirement planning, education planning, planning for major purchases, life and disability insurance needs, long-term care needs and estate planning issues. The financial plan is designed to assist you in achieving your stated goals and objectives.

### **Financial Planning Support Platform**

On a limited basis, CWM, LLC provides back office support with the financial planning process for unaffiliated Registered Investment Advisors and unaffiliated Investment Advisor Representatives (collectively known as "Unaffiliates"). These entities and persons are not registered or affiliated with CWM, LLC. The scope of the financial planning process support to be provided to Unaffiliates will be outlined in a formal agreement executed between CWM, LLC and Unaffiliates. The responsible parties within CWM, LLC will utilize the E-money system to provide back office type support in the creation of financial plans solely based upon the information provided by the clients and/or Unaffiliates and no personalized investment advice will be provided by CWM, LLC. All advice provided to clients will be the responsibility of the Unaffiliates. Each client will be required to sign an authorization to share personal identifiable information between the Unaffiliates and CWM, LLC to ensure that CWM, LLC and the Unaffiliates are not in breach of their respective Privacy Policies. The extent of CWM, LLC's responsibility in the process ends with the delivery of the financial plan to the Unaffiliates.

## **General Information Related to our Financial Planning Services**

***You are under no obligation to act on our financial planning recommendations.*** Financial plans are based on your financial situation at the time we prepare the plan and on the financial information you provide. You must promptly notify us if your financial situation, goals, objectives or needs change.

Our financial planning services do not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or accounts. You have the sole responsibility for determining whether to implement our financial planning and consulting recommendations. To the extent that you would like to implement any of our investment recommendations through CWM, LLC or retain CWM, LLC to actively monitor and manage your investments, you must execute a separate written agreement with CWM, LLC for our asset management services.

You can elect to periodically update your financial plan during the term of the financial planning services as identified on the Financial Planning Agreement. There shall be no additional fees required for clients electing to update their True Wealth plan through CWM during the term of the financial planning services.

Tax services are offered separately. CWM has Certified Public Accountants who provide their services through a division of the firm, Carson Wealth Tax Planning. You may want to consider utilizing these services when determining the amount of taxes that you should withhold from any liquidation, sale or stream of income. Investment portfolio taxation is a complex area with many tax rates and offsetting factors. Some of those factors change from year-to-year as tax laws and IRS interpretations of the laws change. In our opinion, as the size of your portfolio increases, so does your need for the advice and assistance provided by a qualified tax professional.

## ***Carson Retirement Plan Services Platform***

Through our Retirement Plan Services Platform CWM offers:

- (1) Discretionary Investment Management Services,
- (2) Non-Discretionary Fiduciary Services and/or
- (3) Retirement Plan Consulting Services

Our Retirement Plan Services Platform will provide fiduciary and non-fiduciary services to both employer-sponsored participant-directed plans and trustee-directed plans and their participants. Depending on the type of the Plan and the specific arrangement with the Sponsor, we may provide one or more of these services. Prior to being engaged by the Sponsor, we will provide a copy of this Form ADV Part 2 along with a copy of our Privacy Policy and CWM Retirement Plan Client Agreement ("Agreement") that contains the information required under Sec. 408(b)(2) of the Employee Retirement Income Security Act ("ERISA") as applicable.

The Agreement authorizes our Investment Adviser Representatives ("IARs") to deliver one or more of the following services:

### **Discretionary Investment Management Services**

These services are designed to allow the Plan fiduciary to delegate responsibility for managing, acquiring and disposing of Plan assets that meet the requirements of the Employee Retirement Income Security Act of 1974 ("ERISA"). We will perform these investment management services through our IARs and charge fees as described in this Form ADV and the Agreement. If the Plan is subject to ERISA, we will perform these services as an "investment manager" as defined under ERISA Section 3(38) and as a "fiduciary" to the Plan as defined under ERISA Section 3(21). Specifically, the Sponsor may determine that we perform the following services:

#### **Selection, Monitoring & Replacement of Designated Investment Alternatives ("DIAs"):**

CWM will review with Sponsor the investment objectives, risk tolerance and goals of the Plan and provide to Sponsor an IPS that contains criteria from which CWM will select, monitor and replace the Plan's DIAs. Once approved by Sponsor, CWM will review the investment options available to the Plan and will select the Plan's DIAs in accordance with the criteria set forth in the IPS. On a periodic basis, CWM will monitor and evaluate the DIAs and replace any DIA(s) that no longer meet the IPS criteria.

#### **Creation & Maintenance of Model Asset Allocation Portfolios ("MODELS")**

CWM will create a series of risk-based Models comprised solely among the Plan's DIAs; and, on a periodic basis and/or upon reasonable request, CWM will reallocate and rebalance the Models in accordance with the IPS or other guidelines approved by Sponsor.

#### **Selection, Monitoring & Replacement of Qualified Default Investment Alternatives ("QDIA(s)")**

Based upon the options available to the Plan, CWM will select, monitor and replace the Plan's QDIA(s) in accordance with the IPS.

#### **Management of Trust Fund:**

CWM will review with Sponsor the investment objectives, risk tolerance and goals of the Plan and provide to Sponsor an IPS that contains criteria from which CWM will select, monitor and replace the Plan's investments. Once approved by Sponsor, CWM will review the investment options available to the Plan and will select the Plan's investments in accordance with the criteria set forth in the IPS. On a periodic basis, CWM will monitor and evaluate the investments and replace any investment(s) that no longer meet the IPS criteria.

### **Non-Discretionary Fiduciary Services**

These services are designed to allow the Sponsor to retain full discretionary authority or control over assets of the Plan. We will solely be making recommendations to the Sponsor. We will perform these Non-Discretionary investment advisory services through our IARs and charge fees as described in this

Form ADV and the Agreement. If the Plan is covered by ERISA, we will perform these investment advisory services to the Plan as a "fiduciary" defined under ERISA Section 3(21). The Sponsor may engage us to perform one or more of the following Non-Discretionary investment advisory services:

**Investment Policy Statement ("IPS"):**

CWM will review with Sponsor the investment objectives, risk tolerance and goals of the Plan. If the Plan does not have an IPS, CWM will provide recommendations to Sponsor to assist with establishing an IPS. If the Plan has an existing IPS, CWM will review it for consistency with the Plan's objectives. If the IPS does not represent the objectives of the Plan, CWM will recommend revisions to Sponsor to align the IPS with the Plan's objectives.

**Advice Regarding Designated Investment Alternatives ("DIAs"):**

Based on the Plan's IPS or other guidelines established by the Plan, CWM will review the investment options available to the Plan and will make recommendations to assist Sponsor with selecting DIAs to be offered to Plan participants. Once Sponsor selects the DIAs, CWM will, on a periodic basis and/or upon reasonable request, provide reports and information to assist Sponsor with monitoring the DIAs. If a DIA is required to be removed, CWM will provide recommendations to assist Sponsor with replacing the DIA.

**Advice Regarding Model Asset Allocation Portfolios ("Models"):**

Based on the Plan's IPS or other guidelines established by the Plan, CWM will make recommendations to assist Sponsor with creating risk-based Models comprised solely among the Plan's DIAs. Once Sponsor approves the Models, CWM will provide reports, information and recommendations, on a periodic basis, designed to assist Sponsor with monitoring the Models. Upon reasonable request, and depending upon the capabilities of the recordkeeper, CWM will make recommendations to Sponsor to reallocate and/or rebalance the Models to maintain their desired allocations.

**Advice Regarding Qualified Default Investment Alternative ("QDIA(S)"):**

Based on the Plan's IPS or other guidelines established by the Plan, CWM will review the investment options available to the Plan and will make recommendations to assist Sponsor with selecting or replacing the Plan's QDIA(s).

**Advice Regarding Investment of Trust Fund:**

Based on the Plan's IPS, CWM will review the investment options available to the Plan and will make recommendations to assist Sponsor with selecting investments that meet the IPS criteria. Once Sponsor selects the investment(s), CWM will, on a periodic basis and/or upon reasonable request, provide reports and information to assist Sponsor with monitoring the investment(s). If the IPS criteria require any investment(s) to be replaced, CWM will provide recommendations to assist Sponsor with replacing the investment(s).

## **Retirement Plan Consulting Services**

Retirement Plan Consulting Services are designed to allow our IARs to assist the Sponsor in meeting his/her fiduciary duties to administer the Plan in the best interests of Plan participants and their beneficiaries. Retirement Plan Consulting Services are performed so that they would not be considered "investment advice" under ERISA. The Sponsor may elect for our IARs to assist with any of the following services:

### **Administrative Support**

- Assist Sponsor in reviewing objectives and options available through the Plan
- Review Plan committee structure and administrative policies/procedures
- Assist with development/maintenance of fiduciary audit file and document retention policies
- Deliver fiduciary training and/or education periodically or upon reasonable request
- Recommend procedures for responding to Plan participant requests

### **Service Provider Support**

- Assist fiduciaries with a process to select, monitor and replace service providers
- Assist fiduciaries with review of Covered Service Providers ("CSP") and fee benchmarking
- Provide reports and/or information designed to assist fiduciaries with monitoring CSPs
- Assist with preparation and review of Requests for Proposals and/or Information
- Coordinate and assist with CSP replacement and conversion

### **Investment Monitoring Support**

- Periodic review of investment policy in the context of Plan objectives
- Assist the Plan committee with monitoring investment performance
- Educate Plan committee members, as needed, regarding replacement of DIA(s) and/or QDIA(s)

### **Participant Services**

- Facilitate group enrollment meetings and coordinate investment education
- Assist Plan participants with financial wellness education, retirement planning and/or gap analysis

### **Potential Additional Retirement Services Provided Outside of the Agreement**

In providing Retirement Plan Services, CWM and its IARs may establish a client relationship with one or more Plan participants or beneficiaries. Such client relationships develop in various ways, including, without limitation:

1. as a result of a decision by the Plan participant or beneficiary to purchase services from CWM not involving the use of Plan assets;
2. as part of an individual or family financial plan for which any specific recommendations

- concerning the allocation of assets or investment recommendations relating to assets held outside of the Plan; or
3. through a rollover of an Individual Retirement Account ("IRA Rollover").

If CWM is providing Retirement Plan Services to a plan, IARs may, when requested by a Plan participant or beneficiary, arrange to provide services to that participant or beneficiary through a separate agreement. If a Plan participant or beneficiary desires to affect an IRA Rollover from the Plan to an account advised or managed by CWM, IAR will have a conflict of interest if his/her fees are reasonably expected to be higher than those paid to CWM in connection with the Retirement Plan Services. IAR will disclose relevant information about the applicable fees charged by CWM prior to opening an IRA account. Any decision to affect the rollover or about what to do with the rollover assets remain that of the Plan participant or beneficiary alone.

In providing these optional services, we will offer employers and employees information on other financial and retirement products or services offered by **CWM** and our IARs.

#### **Individually Tailored Services**

When providing investment fiduciary services, we will tailor our advice or discretion to meet the investment policies or other written guidelines adopted by the Sponsor. When providing Participant Investment Advice, such advice will be based upon the investment objectives, risk tolerance and investment time horizon of each individual Plan participant.

#### ***Retirement Plan Rollover Recommendations***

To the extent we recommend you roll over your account from a current retirement plan to an individual retirement account ("Rollover IRA"), managed by CWM please know that CWM and our investment adviser representatives have a conflict of interest.

We can earn increased investment advisory fees by recommending that you roll over your account at the retirement plan to a Rollover IRA managed by CWM. We will earn fewer investment advisory fees if you do not roll over the funds in the retirement plan to a Rollover IRA managed by CWM.

Thus, our investment adviser representatives have an economic incentive to recommend a rollover of funds from a retirement plan to a Rollover IRA which is a conflict of interest because our recommendation that you open an IRA account to be managed by our firm can be based on our economic incentive and not based exclusively on whether or not moving the IRA to our management program is in your overall best interest.

We have taken steps to manage this conflict of interest. we have adopted an impartial conduct standard whereby our investment adviser representatives will (i) provide investment advice to a retirement plan participant regarding a rollover of funds from the retirement plan in accordance with the fiduciary status



described below, (ii) not recommend investments which result in CWM receiving unreasonable compensation related to the rollover of funds from the retirement plan to a Rollover IRA, and (iii) fully disclose compensation received by CWM and our supervised persons and any material conflicts of interest related to recommending the rollover of funds from the retirement plan to a Rollover IRA and refrain from making any materially misleading statements regarding such rollover.

To the extent we provide you investment advice as a participant in a retirement plan regarding whether to maintain investments and/or proceeds in the retirement plan, roll over such investment/proceeds from the retirement plan to a Rollover IRA or make a distribution from the retirement plan, CWM here by acknowledges our fiduciary obligations to you with regard to our investment advice about whether to maintain, roll over or distribute proceeds from the retirement plan, and as such a fiduciary with respect to its investment advice to you about whether to maintain, roll over or distribute proceeds from the retirement plan.

Our investment advisor representatives shall act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the investment objectives, risk, tolerance, financial circumstances, and a client's needs, without regard to the financial or other interests of CWM or our affiliated personnel.

#### ***Accounts Managed by Third-Party Money Managers***

CWM typically does not refer clients managed accounts to other investment advisory firms; however, certain clients that decide to have CWM manage a portion of their portfolio may have established prior relationships of another Third-Party Money Manager. For assets that it is determined that it would be in the client's best interest to not transfer 100% of their portfolio assets into CWM's investment strategies and to leave a portion of their assets in the Third-Party Money Manager program, the third-party managers are responsible for continuously monitoring client accounts and making trades in client accounts when necessary. As a result of the ongoing relationship, we are paid a portion of the total fee charged to your account.

Under this program, we are available to answer questions that you have regarding your account and act as the communication conduit between you and the third-party money manager. The third-party money manager might take discretionary authority to determine the securities to be purchased and sold for your account. We do not have any trading authority with respect to your designated account managed by the third-party money manager.

#### **Newsletters**

CWM occasionally prepares general, educational and informational newsletters. Newsletters are always offered on an impersonal basis and do not focus on the needs of a specific individual.

## **Educational Seminars/Workshops**

CWM occasionally provides seminars/workshops in areas such as financial planning, retirement planning, estate planning, college planning and charitable planning or other relevant financial topics. Seminars/ workshops are always offered on an impersonal basis and do not focus on the individual needs of participants.

## **Types of Investments**

We offer advice on a wide range of securities, including, and not limited to:

- Exchange-listed securities
- Securities traded over the counter
- Exchange Traded Funds (ETFs)
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable Annuities (but not the evaluation of any non-investment management aspects of annuities or other insurance products)
- Mutual fund shares
- United States government securities
- Options contracts on securities and commodities
- Futures contracts on tangibles and intangibles
- Interests in partnerships investing in real estate, and oil and gas interests
- Managed futures
- Shorting
- Private Equity

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that could be suitable for each client's specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we will increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We could also modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

## **Client Assets Managed by CWM**

On December 31, 2019, CWM's total assets under management are \$11,897,043,072. Managed assets are \$11,860,629,637 in discretionary assets for 58,932 accounts and \$36,413,435 in non-discretionary assets for 35 accounts.

## **Item 5 – Fees and Compensation**

This section provides details about the fees and compensation arrangements of each of our services.

### **Asset Management Fees**

CWM provides investment management services for an annual fee based upon a percentage of the market value of the aggregate client assets held under management or commonly termed as *household accounts*. The annual investment advisory fee charged range up to a maximum of 2.50% of the assets held in the account. Asset management Fees are negotiable depending on the representative providing the management services, the market value of the account, asset types, complexity of the client's portfolio, the client's financial situation, level of portfolio trading activity, anticipated future assets, the relationship of the client to the advisor, and additional services requested or performed. Fee waivers or discounts which are not available to clients may be offered to Owners, Directors, Officers and Associated Persons of CWM, LLC and our related companies as well as to family members and friends of associated persons of CWM.

It is important to note that it is possible that different investment advisor representatives may charge different asset management or account service fees or may waive certain custodian fees for providing the same types and level of service to clients. The specific level of services you will receive and the asset management fees you will be charged will be specified in your advisory services agreement. The annual fee is divided and paid quarterly in advance through a direct debit to your account or by some other methodology agreed upon between your advisor and CWM.

CWM is responsible for the fee calculation and requesting the debiting all fees from your accounts held at our approved custodians. You must provide the account custodian with written authorization to debit advisory fees from your accounts and pay the fees to CWM. Fees are based on the account's asset value as of the last business day of the prior calendar quarter. Fees for accounts opened at any time other than the beginning of a quarter are prorated based on the number of days remaining in the initial quarter.

Our fees may be higher or lower than fees charged by other financial professionals offering similar services. CWM reserves the right to modify its fee schedule in the future by providing you with 30 days advance notice of any modification.

## **Fees for Sub-Advisory Services**

Sub-Advisory Asset Management Services fees can range up to 1% and are negotiated on a case by-case basis based on the asset size, and other variables. Fees may be lower on Sub-Advisory services than to other direct clients of CWM for similar levels of assets due to the limited scope of service and other factors under the Sub-Advisory relationship.

The fees charged by CWM do not include the fees charged by the unaffiliated investment adviser introducing client account to CWM. Fees assessed by the introducing advisory firm are separate and in addition to the fees we charge. We strive to ensure that the combined fees charged by CWM and the unaffiliated investment advisers do not exceed industry standards. Each firm is separately responsible for calculating their fee and debiting their fee from your account.

## **Billing Cycle**

We bill the annual advisory fee on a quarterly basis and in advance, at the start of the calendar quarter. Fees are based on the value of the account on the last business day of the previous quarter. If asset management services are commenced in the middle of a billing period, the prorated fee for the initial billing period is billed in arrears at the same time as the next full billing period's fee is billed. In the event that a deposit in excess of \$1,000 occurs during a billing period after the fee calculation, the fee for the billing period will be recalculated at the end of the billing period and CWM will bill Client a second fee pro-rata, in arrears, on the additional deposits. In the event that a withdrawal in excess of \$1,000 occurs during a billing period after the fee calculation, the fee for that billing period will be recalculated at the end of the billing period and Client will be refunded the pro-rate fee that was attributable to the amount of the withdrawal. You have the ability to elect to have the quarterly fee charged to one account, or split between other accounts, or you can elect to pay us by check. We prefer to charge your accounts directly. The Custodian will send client statements at least quarterly, showing all payouts from the account including the advisory fee, if deducted from the account.

An Agreement must be completed to engage in advisory services. The Agreement shall continue in effect until terminated by either party by giving to the other notice in writing at least seven (7) days prior to the date of termination. We will provide a copy of this brochure (Form ADV, Part 2A) to you before or with the execution of the Agreement. If you did not receive this disclosure at least forty-eight (48) hours before executing the Agreement, then you will have five business days subsequent to executing the Agreement to terminate the Agreement without penalty or fees. If services are cancelled after the first five days, then the final fee will be pro-rated. The amount is based on the number of days of service provided during the current quarter. Effective with the date of termination, we shall refrain, without liability or obligation, from taking any further action in your Account(s). In addition, from the date of termination, we will cease to be entitled to receive fees. If a contract is terminated after fees have been collected for a given period, a prorated refund of such fees will promptly be credited to you for that period. This cancellation will be subject to any changes related to the settlement of transactions in progress and the final payment of advisory fees.

### ***Advisory Fees for Held Away Accounts***

For its services provided to Held Away Accounts (accounts with Custodians other than our primary approved custodians) CWM will be paid a management fee referenced on the Schedule A of their Client Agreement, based on the fair market value of the Client's Account. The fee will be calculated and billed quarterly in advance when Client funds or securities have been deposited to the managed account. Fees are prorated based on the number of days service is provided during each billing period. If asset management services are commenced in the middle of a billing period, the prorated fee for the initial billing period is billed in arrears at the same time as the next full billing period's fee is billed. Please note that the Billing Cycle section above that describes the billing process related to deposits or withdrawals in excess of \$1,000 known as "flow billing" will not be performed for Advisory Fees for Held Away Accounts. Client acknowledges that for the Held Away accounts set forth on Schedule A to this Agreement, FeeX Inc. shall have trading authority on the Held Away account and retain a portion of the fee collected by CWM

### **Third-Party Charges**

Our asset management fees in a standard managed account do not include the third-party custodial or execution charges. Examples of these fees include trading charges for odd-lot differentials and exchange fees, and fixed income transactional charges, including mark-ups, mark-downs, commissions and dealer profits. A third-party can also impose charges for special services elected by their clients including, but not limited to, electronic fund wire transfers, certificate delivery, American Depositary Receipt (ADR), annual maintenance fees, and transfer taxes mandated by law. Certain strategies managed by CWM may include transactions in foreign securities. These transactions may require execution on a foreign stock exchange which may result in additional transaction expenses. Investment advisor representatives have the ability to waive transaction or service fees at their sole discretion. Any fees waived may be charged to the investment advisor representative. It is possible that clients with similar financial, geographical and social-economic status will pay different levels of transaction and services fees.

For accounts held in CWM's Managed Account Program the annual fee is exclusive of and in addition to expenses related to the execution of transactions, sub advisor fees and other related cost or expenses. CWM **will not** receive a portion of the operational fees charged by third parties.

### **Retirement Plan Providers**

Our fees do not include the administrative costs for a qualified retirement plan. Third party service providers charge these fees under separate agreements with the plan or plan sponsor.

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

Each fund describes its fees in detail in its prospectus. The fund's expense ratios typically include the related fees and the fees are paid by the fund's shareholders including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges. CWM **does not** share in these fees charged by your mutual fund company.

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 backend charges. Please refer to each fund's prospectus. We might also offer funds or share classes of funds that you might not be qualified to purchase outside of our firm.

If you terminate your account with us, CWM may liquidate or exchange these investments for the share class corresponding to the size of your individual investment in the fund. Dollars received from the redemption of fund shares outside of our management can have tax consequences or additional costs from sales charges and or redemption fees. Such redemption fees would be in addition to our fee. Some or all of the services available through us could be available through other companies at a different cost. Please review the factors that determine the charges and how the services are calculated. Some factors to consider include the size of your account, type(s) of your account(s), transaction charges and the range of advisory services and ancillary charges of each.

## **Variable Sub-Account Management Service Fees**

Under our sub account management services, you will incur an annual investment advisory fee, which is based upon a percentage of the market value of your variable annuity and variable life contract under the management of CWM. For our Variable Sub-Account Management services clients will pay an annualized investment advisory fee ("Advisory Fee") which will not exceed 2.00% annually. The annual fee is paid quarterly in arrears and is calculated and due based upon the total value of your variable annuities and variable life contracts under management as of March 31, June 30, September 30 and December 31. The Advisory Fee will be calculated based on the contract value of the variable annuity on the last day of the calendar quarter. You will pay the investment advisory fees directly to CWM upon receipt of the quarterly invoice.

Under this program, the insurance companies issuing your variable annuities and variable life contracts will charge management expenses in addition to the investment advisory fee charged by CWM. In addition, your variable annuity and/or variable life contract could be subject to exchange fees and surrender charges. CWM **does not** share in these fees charged by your insurance company. Please refer to the prospectus of your variable annuity and/or variable life contract for more details about the insurance company's management expenses and any exchange or surrender fees.

In the event that your investment advisor representative sold you the variable annuity and/or variable life contract in his or her separate capacity as a registered representative of a broker/dealer, your

investment advisor representative most likely received commission and/or trail compensation for this transaction. This sales compensation is separate from and in addition to any investment advisory fee charged by CWM. If your investment advisor representative received a commission for selling you a variable annuity or variable life contract, CWM will not accept your variable annuity or variable life contract for management until it has been at least two years from the date of such sale or require the Advisor to rebate any commissions received over the course of those two years towards future advisory fees.

### **Variable Sub-Account Management Service Conflicts of Interest**

Our firm and its Supervised Persons can receive additional non-cash compensation from the variable annuity product sponsor. Such compensation might not be superficially tied to the sale of any variable products. Compensation can include such items as gifts valued at less than \$100 annually, an occasional dinner, a ticket to a sporting event, reimbursement in connection with educational meetings, marketing or advertising initiatives. Sponsors can also pay for advisor's education or training events. CWM manages this conflict of interest by only recommending Variable Sub Account Management Services to clients that are suitable for that activity.

### **Fees for Financial Planning Services**

Fees charged for our financial planning services are negotiable based upon the type of client, the services requested, the complexity of the client's situation, the composition of the client's account and other advisory services provided. The following are the fee arrangements available for financial planning services offered by CWM.

#### **Financial Planning Fees**

An hourly fee that can range up to \$500 per hour (depending on the complexity of the client's situation) is charged by CWM for financial planning services under this arrangement. Before commencing financial planning services, we will provide an estimate of the approximate hours needed to complete the requested financial planning services. If we anticipate exceeding the estimated amount of hours required, your Investment Advisor Representative will contact you to receive authorization to provide additional services. Upon presentment of the invoice to you, CWM will deduct the hourly fees due against any retainer balance you have and you will be responsible to immediately pay CWM any outstanding balance of hourly fees due.

We are also able to provide financial planning services under a fixed fee arrangement. There is a range in the amount of the fixed fee charged by CWM for financial planning services depending upon the complexity of the client's situation. The minimum fixed fee is generally \$500, and the maximum fixed fee can range up to \$25,000 or more for larger more complex financial planning engagements. The actual amount of the fixed fee for your engagement is specified in your financial planning agreement with CWM, LLC. At our sole discretion, you may be required to pay in advance a specified portion of the fixed fee at the time you execute an agreement with us; however, at no time will we require payment of

more than \$1,200 in fees more than six months in advance. Upon completion and delivery of the financial plan, the fixed fee is considered earned and any unpaid amount is immediately due.

### **Focused Wealth Planning Program**

The Focused Wealth Planning program is exclusively offered to CWM's Asset Management clients without additional charges.

### **True Wealth Financial Planning Program – Asset Based Fee**

True Wealth Plans have a one-time fee for the financial plan equal to 20 basis points (0.20%) of the financial plan's total assets. New and existing CWM clients who transfer assets to CWM for advisory services within six (6) months of the delivery of the financial plan shall receive a reduced fee of 10 basis points (0.10%) of the financial plan's total assets. The fee for the financial plan as stated herein is subject to a minimum Three Thousand Five Hundred and No/100 Dollars (\$3,500.00) fee. Adjustments to the fee for the financial plan for clients who transfer assets to CWM for advisory services within six (6) months of the delivery of the financial plan will be credited to the client's CWM account within two (2) weeks of such transfer.

### ***Other Fee Terms for Financial Planning Services***

To the extent CWM provides you with general investment recommendations as part of the financial planning services and you implement such investment recommendations through CWM, we may offer to waive or reduce the fees for financial planning services.

You may pay the investment advisory fees owed for the financial planning services by submitting payment directly (for example, by check), having the fee deducted from an existing investment account or credit card.

If you elect to pay by credit card, you will be responsible to providing all credit card information to an unaffiliated credit card processing service provider. Clients will also be responsible for approving the initial payment for one-time charges and/or for the on-going payment schedule for the ongoing service provided your Investment Advisor Representative. The unaffiliated credit card processor will process payment requests in the amounts and on such a time frames (monthly, quarterly etc.) as specified in your Financial Planning Client Agreement. All charges for using the credit card processing service will be borne by CWM and/or our representatives. CWM will be paid the financial planning fee net of any processing charges imposed by the credit card processor.

If you elect to pay by automatic deduction from an existing investment account, you will provide written authorization to CWM for such charge.

You should notify CWM within ten (10) days of receipt of an invoice if you have questions about or dispute any billing entry.



The financial planning services terminate upon either party providing the other party with written notice of termination.

In the event that you terminate the financial planning services at any time prior to presentment of the written plan by providing notice to us:

- For financial planning services performed by CWM under an hourly arrangement, you will pay CWM for any hourly fees incurred at the rates described above.
- For financial planning services performed by CWM under a fixed fee arrangement, you will pay CWM a pro-rated fixed fee equivalent to the percentage of work completed by CWM as determined by CWM.
- For financial planning service provided on an Asset Based fee option you will be responsible for a pro-rated amount of the asset-based fee based upon the level of services provided.

In the event that there is a remaining balance of any fees paid in advance after the deduction of fees from the final invoice, those remaining proceeds will be refunded by CWM to you.

### **Fees for Retirement Plan Services**

Fees for the Retirement Plan Services ("Fees") are negotiable. A description of the different types of fees for Retirement Plan Services appears in the fee schedule below:

<b>Fee Type</b>	<b>Fee Range</b>
Assets Under Management	.25% to 1%
Flat Fee	\$25,000 and up based on negotiation
Project Fee	\$10,000 and up based on negotiation

Depending upon the capabilities and requirements of the Plan's recordkeeper or custodian, we have the ability to collect our Fees in arrears or in advance based upon the needs of the client. Typically, Sponsors instruct the Plan's recordkeeper or custodian to automatically deduct our Fees from the Plan account; however, in some cases a Sponsor may request that we send invoices directly to the Sponsor or recordkeeper/custodian.

Sponsors receiving Retirement Plan Services may pay more than or less than a client might otherwise pay if purchasing the Retirement Plan Services separately or through another service provider. There are several factors that determine whether the costs would be more or less, including, but not limited to, the size of the Plan, the specific investments made by the Plan, the number of or locations of Plan participants, the Retirement Plan Services offered by another service provider, and the actual costs of Retirement Plan Services purchased elsewhere. In light of the specific Retirement Plan Services offered by CWM, the Fees charged may be more or less than those of other similar service providers.

In determining the value of the Account for purposes of calculating any asset-based Fees, CWM will rely upon the valuation of assets provided by Sponsor or the Plan's custodian or recordkeeper without independent verification. If, however, there are circumstances which, in the CWM's judgment, render

the custodian's valuation inappropriate in which case CWM will value securities listed on any national securities exchange at the closing price on the principal exchange on which they are traded and will value any other securities in a manner determined in good faith by CWM to reflect fair market value. In all events, any such valuation will not be any guarantee of the market value of any of the assets in the Plan.

Unless we agree otherwise, no adjustments or refunds will be made in respect of any period for (i) appreciation or depreciation in the value of the Plan account during that period or (ii) any partial withdrawal of assets from the account during that period. If the Agreement is terminated by us or by Sponsor, we will refund certain Fees to Sponsor to the extent provided in Section 8 of the Agreement. Unless we agree otherwise, all Fees shall be based on the total value of the assets in the account without regard to any debit balance.

All Fees paid to CWM for Retirement Plan Services are separate and distinct from the fees and expenses charged by mutual funds, variable annuities and exchange traded funds to their shareholders. These fees and expenses are described in each investment's prospectus. These fees will generally include a management fee, other expenses, and possible distribution fees. If the investment also imposes sales charges, a client may pay an initial or deferred sales charge. The Retirement Plan Services provided by CWM may, among other things, assist the client in determining which investments are most appropriate to each client's financial condition and objectives and to provide other administrative assistance as selected by the client. Accordingly, the client should review both the fees charged by the funds, the fund manager, the Plan's other service providers and the fees charged by CWM to fully understand the total amount of fees to be paid by the client and to evaluate the Retirement Plan Services being provided.

While not necessarily related to the Retirement Plan Services, various vendors, product providers, distributors and others may provide non-monetary compensation by paying some expenses related to training and education, including travel expenses, and attaining professional designations. We might receive payments to subsidize our own training programs. Certain vendors may invite us to participate in conferences, on-line training or provide publications that may further IARs and employees' skills and knowledge. Some may occasionally provide us with gifts, meals and entertainment of reasonable value consistent with industry rules and regulations.

If applicable, and in the event the payments are received in connection with or as a result of the Retirement Plan Services, we will disclose such fees to Sponsors in accordance with ERISA and Department of Labor regulations.

No increase in the Fees will be effective without prior written notice.

### **Third-Party Money Manager Program Fees**

CWM has developed, previously described in Item 4 of this disclosure brochure, designed to allow us to recommend and select third-party money managers for you. Third-party managers generally have account minimum requirements that will vary among third-party money managers. Account minimums are generally higher on fixed income accounts than for equity-based accounts. A complete description of the third-party money manager's services, fee schedules and account minimums will be disclosed in the third-party money manager's disclosure brochure which will be provided to you prior to or at the time an agreement for services is executed and the account is established.

The actual fee charged to you will vary depending on the third-party money manager. All fees are calculated and collected by the third-party money manager who will be responsible for delivering our portion of the fee paid by you to us.

Under this program, you may incur additional charges including but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges and IRA and qualified retirement plan fees. Neither CWM nor its investment advisor representatives, will receive any portion of the additional fees charged by third parties.

We have a conflict of interest by offering third-party money managers that have agreed to pay a portion of their advisory fee to us and have met the conditions of our due diligence review. There may be other third-party money managers that may be suitable for you that may be more or less costly. No guarantees can be made that your financial goals or objectives will be achieved. Further, no guarantees of performance can be offered.

### **Carson Partners**

Carson Partners is a program designed to present independent investment advisors the opportunity to join CWM and have access to various resources typically only available to CWM advisors. These resources may include investment management, marketing, technology, operations and compliance. If your advisor joins CWM, the advisory firm becomes CWM, and the doing business as name of your advisor may differ. Carson Partners assists advisors to align with and operate through CWM. Fees to the advisor range from 10 to 85 basis points (.10% to .85%) dependent upon AUM, the type of investment being managed, services provided and the advisor's business model.

### **Newsletters**

Newsletters are provided to clients and prospective clients free of charge.

## **Educational Seminars/Workshops**

No fees are charged for seminars. However, if we are hired by larger groups, such as corporations, we reserve the right to charge fees to cover the expenses incurred by us for presenting the seminars. In this case, all fees and payment provisions will be fully disclosed to you prior to the seminar being presented.

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

We do not charge or receive performance-based fees. Performance-based fees are fees based on a share of capital gains or the capital appreciation of your assets. We do not conduct side-by-side management situations where a combination of asset based and performance fees are collected.

## **Item 7 – Types of Clients**

We offer investment advisory services to a wide variety of clients including, but not limited to, individuals including those with high net worth and individuals who are considered a “qualified client” under Rule 205-3 of the Investment Advisors Act of 1940, or is a “qualified purchaser,” pension and profit sharing plans (other than plan participants), trusts, estates, 401(k) sponsor plans and Individual Retirement Accounts (IRA, SEP, ROTH IRA, ), charitable organizations, corporations and other business entities, including sole proprietorships.

Our Retirement Plan Services are available to clients that are sponsors or other fiduciaries to plans, including 401(k), 457(b), 403(b) and 401(a) plans. Plans include participant-directed defined contribution plans and defined benefit plans. Plans may or may not be subject to ERISA.

We do not require a minimum asset amount for Retirement Plan Consulting Services.

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

### **Methods of Analysis**

CWM may use the following methods of analysis in formulating investment advice:

**Charting** - This is a set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Charting is likely the most subjective analysis of all investment methods since it relies on proper interpretation of chart patterns. The risk of reliance upon chart patterns is that the next day's data can always negate the conclusions reached from prior days' patterns. Also, reliance upon chart patterns bears the risk of a certain pattern being negated by a larger, more encompassing pattern that has not shown itself yet.

**Fundamental** – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to an unfavorable investment decision.

**Technical** – This is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in

lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which can result in a premature purchase of a security.

There are risks involved in using any analysis method. To conduct analysis, CWM gathers information from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the SEC, and company press releases.

### **Investment Management Strategies**

CWM uses the following investment strategies when managing client assets within our model portfolios or separately managed accounts:

**Long term purchases** - Investments held at least a year.

**Short term purchases** - Investments sold within a year.

**Frequent trading** - This strategy refers to the practice of selling investments within 30 days of purchase.

**Option writing including cover options or spreading strategies** - Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

Our firm seeks to create a balance between risk and reward over a given time period by allocating client assets among our proprietary Model Portfolios. This typically involves employing a diverse mixture of securities within the Model Portfolios discussed below. Based on the information you provide us, we consider multiple time horizons (long, medium and short-term) when determining investment strategies. Depending on our clients' needs, we may engage in a variety of risk management strategies.

In the development and management of our Model Portfolios, CWM's Investment Committee (Committee) uses industry standard techniques that include technical analysis and fundamental analysis. The Committee may engage various types of execution tactics like long-term buys, short-term buys, shorting stock and option strategies to achieve its objectives. Each model engages in its own type of techniques, execution tactics and use of research tools to enhance the ability to manage its assets effectively to its stated philosophy. Examples of industry research sources and publications used by the firm include Thomson Reuters, Telemet, Orion Advisor Services, Dow Jones News, New York Stock Exchange (NYSE), NASDAQ and AMEX.

### ***Active Management of Strategies***

Ronald L. Carson is our Chief Investment Strategist and he is the leader of our Investment Committee. Our Investment Committee is comprised of our portfolio managers and knowledgeable, experienced investment professionals. The Committee and the portfolio managers actively manage to each model's

investment objective, driven by its investment philosophy and style. The AP and AP20 investment strategies are managed collectively by the members of the Committee. The remaining models are run by individual managers.

The Committee communicates weekly to evaluate current economic and market conditions, identify evolving trends and gauge inflows and outflows of cash. Based on its analysis and other portfolio related considerations, the Committee or its individual managers direct adjustments as needed.

The Committee continues to examine our clients' investment needs and monitors and/or develops investment strategies to align with their goals and objectives. To expand and diversify our offerings, the Committee will review and contract with selected sub-advisors. Each sub-advisor presents our clients with a unique strategy and management style.

### **Sub-Advisor Due Diligence**

If we determine a need for unique investment strategies, we will research and evaluate qualified sub-advisors to manage our client assets within the strategy. Due diligence is performed on sub-advisors prior to entering into a portfolio management agreement with the firm. The due diligence process involves careful considerations of portfolio manager's qualifications, expertise, financial stability, regulatory history, performance results, fees and the value of the offering brought to our clients. Other factors reviewed include, but are not limited to, the transparency in the sub-advisor's investment management process including research, risk tolerance allowed to meet performance expectations, tools employed to manage risk and proper controls to mitigate drift from investment style, objectives and philosophies.

Although the due diligence is ongoing, on an annual basis, key information is requested from the sub-advisors to ensure the most current information is on file and also for the firm review. CWM retains the discretionary authority to hire and fire its sub-advisors.

### **Strategy Summaries**

#### ***Model Portfolios Managed Directly by CWM, LLC***

##### **Advance & Protect Strategy**

The Advance & Protect strategy is designed for clients with irreplaceable capital, as defined by the clients, who seek capital preservation over appreciation. The objective is to secure gains in advancing markets and to protect capital in sideways to negative markets. The tactical nature of the Advance & Protect strategy allows the manager to include a wide range of styles and strategies with a focus on low-volatility and total return over market cycles – both short-term and long-term.

- Investors must emphasize risk management.

- Managers need to use a larger playbook and broaden the range of investment options.
- Combines fundamental research conducted by internal team of analysts with technical and quantitative data to ensure adequate risk protection.

Investment Minimum: \$100,000

Investment Objective: Growth with Income

Investment Horizon: Minimum of 3 years

### **AP20 Strategy**

The AP20 strategy is designed for clients that seek to achieve capital appreciation over a full market cycle while reducing the volatility within the strategy. AP20 utilizes the same proven, 4-step process of the Advance & Protect strategy and also allows increased market exposure due to a larger risk budget. The objective is to participate in advancing markets and to limit volatility in sideways to negative markets. The tactical nature of AP20 allows the Investment Committee to include a wide range of styles and strategies with a focus on reduced volatility and total return over market cycles – both short-term and long-term.

- Investors must emphasize risk management.
- Managers need to use a larger playbook and broaden the range of investment options.
- Combines fundamental research conducted by internal team of analysts with technical and quantitative data to ensure adequate risk protection.

Investment Minimum: \$100,000

Investment Objective: Growth with Income

Investment Horizon: Minimum of 3 years

### **All Seasons Tactical Strategy**

The All Seasons Tactical strategy was developed as a smaller account solution that utilizes ETFs. Most investors tend to be moderate investors until there is a big correction or large run up in the market. Then, investors typically transform from conservative to aggressive. The All Seasons Tactical strategy is designed to help navigate this type of emotional investing.

- Navigates the changing seasons in the market.
- Follows the same methodology as the Law of Supply & Demand - If demand increases, consumers are driven to purchase and therefore, cost increases.
- Provides a rules-based strategy in order to lessen emotional investment behavior.
- Determines areas with the most relative strength - the measurement of performance relative to a benchmark or to the rest of the universe.

Investment Minimum: \$5,000

Investment Objective: Growth

Investment Horizon: Minimum of 3 years



### **Balanced Strategy**

The Balanced strategy is a combination of All Seasons Tactical (60%) and Tactical Income (40%).

Investment minimum: \$5,000

Investment Objective: Growth with Income

Investment Horizon: Minimum of 3-5 years

### **Diversified Growth Strategy**

The Diversified Growth strategy is comprised of actively managed, no-transaction fee mutual funds. Its objective is to achieve long-term, risk-adjusted growth of principal through full market cycles.

Selected funds representing specific asset classes, sectors, industries or themes will be utilized in the strategy. The manager will annually allocate the strategy based upon long term strategic investment opportunities. Some holdings in the Diversified Growth strategy may also be found in other strategies.

Investment Minimum: Varies per Custodian \$1000 to \$50000

Investment Objective: Growth

Investment Horizon: Minimum of 3 years

### **Diversified Tactical Strategy**

The Diversified Tactical strategy is comprised of actively managed, no-transaction fee mutual funds. Its objective is to achieve long-term, risk-adjusted growth of principal with an added focus on current income through full market cycles. Technical analysis is used to determine the buys and sells in this strategy.

Selected funds representing specific asset classes, sectors, industries or themes will be utilized in the strategy. The manager will periodically re-allocate the strategy based upon long term strategic investment opportunities. Some holdings in the Diversified Tactical strategy may also be found in other strategies.

Investment Minimum: Varies per Custodian \$1000 to \$15000

Investment Objective: Growth with Income

Investment Horizon: Minimum of 3 years

### **Mission Core Bond**

The Core Bond strategy seeks to provide comprehensive fixed income exposure at low cost. It invests in a broadly diversified portfolio of Fixed Income Exchange Traded Funds (ETFs) that invest in U.S. Dollar fixed income markets, including U.S. treasuries, mortgage-backed securities, investment grade corporate bonds and high yield corporate bonds.

- The primary investment objective is to provide investors a low-cost way to diversify a portfolio using fixed income
- The strategy seeks to keep pace with the broad U.S. bond market
- The strategy can be used at the core of a portfolio to seek stability and income

Investment Minimum: \$10,000

Investment Objective: Broad fixed income exposure

Investment Horizon: Minimum of 3 years

### **Mission U.S. Growth**

The U.S. Growth strategy seeks long-term capital appreciation with an allocation to broad U.S. indices, including the S&P 500. The portfolio also provides exposure to a broad range of U.S. growth stocks, including those in the Nasdaq-100 index. It seeks higher tax efficiency by using Exchange Traded Funds (ETFs) to achieve its target exposure, minimizing portfolio turnover and capital gains distributions.

- The portfolio seeks to provide low-cost, tax-efficient access through ETFs that invest in U.S. equities
- The strategy will tilt the portfolio towards growth by investing in equity styles, sectors and factors that have historically outperformed, including Technology, Momentum and Quality
- The strategy can be used at the core of a portfolio to seek long-term growth

Investment Minimum: \$10,000

Investment Objective: Long-term growth

Investment Horizon: Minimum of 5 years

### **Parametric Municipal Bond Ladder**

The Parametric Vance Municipal Bond Ladder strategy offers a customized municipal bond solution which allows various maturity, credit quality, and state concentration options.

Investment Minimum \$250,000

Investment Objective: Various

Investment Horizon: Minimum 3-5 years

### **Parametric Corporate Bond Ladder**

The Parametric Corporate Bond Ladder strategy offers a customized corporate bond solution which allows various maturity and credit quality options.

Investment Minimum \$250,000

Investment Objective: Various

Investment Horizon: Minimum 3-5 years

### **Fixed Income Strategy**

The Fixed Income strategy invests in a broadly diversified portfolio of Fixed Income ETFs to provide current income. The strategy has exposure through the use of ETFs, U.S. government bonds, investment grade corporate bonds, mortgage-backed securities, international bonds and other fixed income securities.

- Primary investor objective is portfolio income.

- Use of ETFs is with the goal of reducing internal expenses of the strategy while providing daily liquidity.
- The strategy seeks to be broadly diversified across a number of types of fixed income securities.

Investment Minimum: \$5,000

Investment Objective: Income with Capital Preservation

Investment Horizon: Minimum of 3 years

### **Focused Energy Strategy**

The Focused Energy strategy seeks long-term capital appreciation through a concentrated portfolio of energy companies that are positioned to capitalize on the growth in unconventional energy.

Investments can span across all energy subsectors, such as exploration and production, pipelines, services, infrastructure, etc. Clients with a long-term investment horizon (at least three to five years) could potentially benefit from these emerging trends in the energy industry. The strategy will invest in a concentrated portfolio of equity securities (20 to 30 stocks) that research indicates have significant upside potential over a multi-year time horizon.

Investment Minimum: \$10,000

Investment Objective: Growth

Investment Horizon: Minimum of 3-5 years

### **Global Horizon Strategy**

The Global Horizons strategy seeks long-term capital appreciation through a concentrated portfolio of companies exposed to international growth. This strategy is composed of firms across all market capitalizations that have sustainable competitive advantages and are poised to experience the majority of future growth from global sources. Clients with a long-term investment horizon (at least three to five years) could potentially benefit from the broader set of growth opportunities international equities offer. The strategy will invest in a concentrated portfolio of foreign equity securities (20 to 30 stocks) that research indicates have significant upside potential over a multi-year time horizon. These transactions may be required to be executed on a stock exchange in a foreign country which will result in additional transaction expenses which may have a negative impact on the strategy's overall performance.

Investment Minimum: \$25,000

Investment Objective: Growth

Investment Horizon: Minimum of 3-5 years

### **Income with Moderate Growth Strategy**

The Income with Moderate Growth strategy is a combination of All Season Tactical (40%) and Tactical Income (60%).

Investment Minimum: \$5,000

Investment Objective: Income with Moderate Growth

Investment Horizon: Minimum of 3 years

### **Long-Term Trend Strategy**

The Long-Term Trend strategy consists of a concentrated portfolio of equities that are selected based upon attractive fundamentals and is positioned to benefit from long-term secular trends identified by the Investment Committee. Positions are taken with the intent that they can be held over prolonged time frames (a minimum of 3 – 5 years). Turnover and taxes should be kept to a minimum; the positions will be sold if they become significantly over-valued or if the fundamental picture has considerably changed.

- Identify long-term secular themes (see above as in the Advance & Protect Strategy),
- Fundamental research on stocks (and possibly ETFs) that are best positioned to benefit from such trends, and
- Continually monitor price and fundamental developments.

You need to be aware that this strategy is not the Advance and Protect strategy. It does not use hedges, so the downside risk is theoretically unlimited. Technical indicators will not be used. It does not attempt to “time” the market and will not be as liquid (smaller market capitalizations could result in thinner trading volumes).

Investment Minimum: \$25,000

Investment Objective: Growth

Investment Horizon: Minimum of 5 years

### ***Important Information Concerning the Mission Strategies***

The Mission Strategies have been designed to be held for the full investment cycle. Some of these strategies involve the use of covered option positions and unanticipated market fluctuations can result in positions held within the models to be liquidated prematurely including but not limited to early option assignment which can negatively impact the models intended returns. Clients requesting liquidation prior to the completion of the intended investment cycle also face the potential for less than anticipated investment returns.

### **Mission – Treasury No Cap**

The Mission – Treasury No Cap strategy is designed for clients with irreplaceable capital, as defined by the clients, who seek capital preservation over appreciation. The objective is to limit drawdowns while retaining upside potential. The strategy uses a core holding of US Treasury Bonds for principal protection along with call options on the SPDR S&P 500 ETF (SPY) for potential positive appreciation.

- Employs quantitative analysis to combine underlying fixed income with call options.
- Designed to be held until maturity and expiration of the bond and the options, respectively.
- US Treasury Bonds backed by the full faith and credit of the US Government.

Minimum: ~\$250,000, please check with your Advisor

Investment Objective: Capital Preservation

Investment Horizon: 18 months to 2 years

Minimum Holding Period: Maturity and expiration of the underlying securities

**Mission – Corporate No Cap**

The Mission – Corporate No Cap strategy is designed for clients with irreplaceable capital, as defined by the clients, who seek capital preservation over appreciation. The objective is to limit drawdowns while retaining upside potential. The strategy uses a core holding of Invesco Corporate BulletShare ETFs along with call options on the SPDR S&P 500 ETF (SPY) for potential positive appreciation.

- Employs quantitative analysis to combine underlying fixed income with call options.
- Designed to be held until maturity and expiration of the bond and the options, respectively.
- Invesco Corporate BulletShare ETFs allow for more potential upside participation in exchange for credit risk.

Minimum: ~\$250,000, please check with your Advisor

Investment Objective: Income with Moderate Growth

Investment Horizon: 18 months to 2 years

Minimum Holding Period: Maturity and expiration of the underlying securities

**Mission – High Yield No Cap**

The Mission – High Yield No Cap strategy is designed for clients with irreplaceable capital, as defined by the clients, who seek capital preservation over appreciation. The objective is to limit drawdowns while retaining upside potential. The strategy uses a core holding of Invesco High Yield BulletShare ETFs along with call options on the SPDR S&P 500 ETF (SPY) for potential positive appreciation.

- Employs quantitative analysis to combine underlying fixed income with call options.
- Designed to be held until maturity and expiration of the bond and the options, respectively.
- Invesco High Yield BulletShare ETFs allow for more potential upside participation in exchange for greater credit risk.

Minimum: ~\$250,000, please check with your Advisor

Investment Objective: Income with Moderate Growth

Investment Horizon: 18 months to 2 years

Minimum Holding Period: Maturity and expiration of the underlying securities

**Mission – Treasury Enhanced with Cap**

The Mission – Treasury Enhanced with Cap strategy is designed for clients with irreplaceable capital, as defined by the clients, who seek capital preservation over appreciation. The objective is to limit drawdowns while retaining upside potential. The strategy uses a core holding of US Treasury Bonds for principal protection along with both long and short call options on the SPDR S&P 500 ETF (SPY) for potential positive appreciation.

- Employs quantitative analysis to combine underlying fixed income with long and short call options.

- Designed to be held until maturity and expiration of the bond and the options, respectively.
- Combination of long at-the-money calls and short out-of-the-money calls effectively caps the upside potential.
- US Treasury Bonds backed by the full faith and credit of the US Government.

Minimum: ~\$250,000, please check with your Advisor

Investment Objective: Capital Preservation

Investment Horizon: 18 months to 2 years

Minimum Holding Period: Maturity and expiration of the underlying securities

#### **Mission – Corporate Enhanced with Cap**

The Mission – Corporate Enhanced with Cap strategy is designed for clients with irreplaceable capital, as defined by the clients, who seek capital preservation over appreciation. The objective is to limit drawdowns while retaining upside potential. The strategy uses a core holding of Invesco Corporate BulletShare ETFs along with both long and short call options on the SPDR S&P 500 ETF (SPY) for potential positive appreciation.

- Employs quantitative analysis to combine underlying fixed income with long and short call options.
- Designed to be held until maturity and expiration of the bond and the options, respectively.
- Combination of long at-the-money calls and short out-of-the-money calls effectively caps the upside potential.
- Invesco Corporate BulletShare ETFs allow for more potential upside participation in exchange for credit risk.

Minimum: ~\$250,000, please check with your Advisor

Investment Objective: Income with Moderate Growth

Investment Horizon: 18 months to 2 years

Minimum Holding Period: Maturity and expiration of the underlying securities

#### **Mission – High Yield Enhanced with Cap**

The Mission – High Yield Enhanced with Cap strategy is designed for clients with irreplaceable capital, as defined by the clients, who seek capital preservation over appreciation. The objective is to limit drawdowns while retaining upside potential. The strategy uses a core holding of Invesco High Yield BulletShare ETFs along with both long and short call options on the SPDR S&P 500 ETF (SPY) for potential positive appreciation.

- Employs quantitative analysis to combine underlying fixed income with long and short call options.
- Designed to be held until maturity and expiration of the bond and the options, respectively.
- Combination of long at-the-money calls and short out-of-the-money calls effectively caps the upside potential.
- Invesco High Yield BulletShare ETFs allow for more potential upside participation in exchange for greater credit risk.

Minimum: ~\$250,000, please check with your Advisor

Investment Objective: Income with Moderate Growth

Investment Horizon: 18 months to 2 years

Minimum Holding Period: Maturity and expiration of the underlying securities

### **Mission – Buffered, Enhanced with Cap**

The Mission – Buffered, Enhanced with Cap strategy is designed for clients with irreplaceable capital, as defined by the clients, who seek capital preservation over appreciation. The objective is to limit drawdowns while retaining upside potential. The strategy uses a core holding of the SPDR S&P 500 ETF (SPY) along with both long and short put and call options on the SPY for potential positive appreciation.

- Employs quantitative analysis to combine SPY with options.
- Designed to be held until expiration of the options.
- Combination of long at-the-money calls and short out-of-the-money calls effectively caps the upside potential while the combination of long at-the-money puts and short out-of-the-money puts buffers the downside.
- The strategy's buffer protects investors when SPY falls but only up to a point before investors begin to experience losses.

Minimum: ~\$250,000, please check with your Advisor

Investment Objective: Growth with Income

Investment Horizon: 18 months to 2 years

Minimum Holding Period: Maturity and expiration of the underlying securities

### **Mission Hedge 5%**

The Mission Hedge strategy is designed to hedge overall equity market exposure of clients assets, who seek protection against market risk. The objective is to limit the downside beyond 5% in the SPDR S&P 500 ETF (SPY). The strategy invests in put options on the SPDR S&P 500 ETF (SPY) for downside protection.

Minimum: ~\$1,000, please check with your Advisor

Investment Objective: Preservation of underlying investment beyond the 5% loss threshold subject to basis risk that arises from mismatches between the underlying investment and the hedging instrument

Investment Horizon: 3 months to 2 years

Minimum Holding Period: Maturity and expiration of the underlying securities

### **Mission Hedge 10%**

The Mission Hedge strategy is designed to hedge overall equity market exposure of clients assets, who seek protection against market risk. The objective is to limit the downside beyond 10% in the SPDR S&P 500 ETF (SPY). The strategy invests in put options on the SPDR S&P 500 ETF (SPY) for downside protection.

Minimum: ~\$1,000, please check with your Advisor

Investment Objective: Preservation of underlying investment beyond the 10% loss threshold subject to basis risk that arises from mismatches between the underlying investment and the hedging instrument

Investment Horizon: 3 months to 2 years

Minimum Holding Period: Maturity and expiration of the underlying securities

### **Mission Hedge 20%**

The Mission Hedge strategy is designed to hedge overall equity market exposure of clients assets, who seek protection against market risk. The objective is to limit the downside beyond 20% in the SPDR S&P 500 ETF (SPY). The strategy invests in put options on the SPDR S&P 500 ETF (SPY) for downside protection.

Minimum: ~\$1,000, please check with your Advisor

Investment Objective: Preservation of underlying investment beyond the 20% loss threshold subject to basis risk that arises from mismatches between the underlying investment and the hedging instrument

Investment Horizon: 3 months to 2 years

Minimum Holding Period: Maturity and expiration of the underlying securities

### **Passport Select**

Passport Select is a strategy for qualified purchasers that is comprised of six private alternative strategies, including Event Driven, Arbitrage and Long/Short Equity managers. Investors can choose between a defined model developed by our research team or customize with individual strategy offerings.

Passport Select (aka VCM Core Alternative Fund LLC), a limited partnership formed under the laws of the state of Delaware ("Fund"). The Fund is a pooled investment vehicle that is being offered to *qualified purchasers* pursuant to Regulation D under the Securities Act of 1933, as amended. The Fund also relies on an exemption from registration under the Investment Company Act of 1940. Given the client's investment objectives, financial situation and the minimum qualifications required by the Fund, we may recommend an investment in a Passport Select.

Investment in the Fund involves a heightened degree of risk. The relevant information, terms and conditions of an investment in the Fund, including the management fee to be paid to the manager, suitability considerations, the Fund's investment strategy and risk factors, are described in the Fund's documents. Those documents include the Private Offering memorandum, Partnership Agreement, Subscription Agreement and other important materials or forms, which each subscriber is required to receive and/or execute prior to being accepted as a limited partner of the Fund.

Minimum Investment: \$100,000

Investment Objective: Aggressive Growth

Investment Horizon: Long-Term



### **Perennial Growth Strategy – Long Only**

The Perennial Growth strategy – Long Only is a concentrated stock portfolio for clients with longer investment time horizons that seek capital appreciation over preservation. The objective is to outperform the Russell 2000 Growth PR on the upside and limit downside moves. It invests in stocks that are underappreciated relative to their long-term potential (3-5 years) and subject to near-term catalysts. This strategy invests in companies that should benefit from unique secular trends that can drive growth during times of weak economic conditions. It also seeks companies that have strong balance sheets, high returns on capital, and competitive advantages that enable them to gain market share profitably. The Perennial Growth strategy – Long Only mostly consists of small to mid-cap stocks.

Investment Minimum: \$25,000

Investment Objective: Aggressive Growth

Investment Horizon: Minimum of 5 years

### **Select Long/Short**

The Select Long/Short is managed in a very similar fashion to the Perennial Growth Strategy – Long Only except that it can short stocks to guard against market declines during periods of volatility.

Investment Minimum: \$25,000

Investment Objective: Aggressive Growth

Investment Horizon: Minimum of 5 years

### **Protector Strategies**

The Protector Strategy Models are designed to provide a diversified allocation across multiple strategies with an emphasis on downside protection. The models will normally allocate at least 20% of the portfolio to strategies designed to protect on the downside. The models may select existing strategies on the platform as well as use strategies specifically created for use inside the models, which are described below.

The Blend version of the models are comprised of individual stocks, ETFs, and mutual funds, with varying exposure to stocks and bonds, based on investment objective. The ETF version of the models are primarily invested in ETFs but may include mutual funds as well.

The Protector models are designed to be the core strategy for clients desiring a moderate allocation to protection strategies.

- Combines multiple strategies in one account and will own a significant number of securities
- Reevaluates strategy allocations quarterly and as needed based on market conditions
- Covers U.S. and foreign markets
- Maintains emphasis on downside protection

### **Protector Conservative Blend**

Investment Minimum: \$250,000

Investment Objective: Income with Moderate Growth

Investment Horizon: 3-5+ years

**Protector Moderate Blend**

Investment Minimum: \$250,000

Investment Objective: Growth and Income

Investment Horizon: 3-5+ years

**Protector Growth Blend**

Investment Minimum: \$250,000

Investment Objective: Growth

Investment Horizon: 3-5+ years

**Protector Conservative ETF**

Investment Minimum: \$100,000

Investment Objective: Income with Moderate Growth

Investment Horizon: 3-5+ years

**Protector Moderate ETF**

Investment Minimum: \$100,000

Investment Objective: Growth and Income

Investment Horizon: 3-5+ years

**Protector Growth ETF**

Investment Minimum: \$100,000

Investment Objective: Growth

Investment Horizon: 3-5+ years

**Strategies for Protector Model Use Only**

The Protector Model may allocate percentages to models already disclosed within the ADV or the following models below which are specifically designed to be utilized as part of the Protector Models only and cannot be purchased separately like other models disclosed in our ADV.

***Protection 75***

Protection 75 is a dynamic strategy that reduces risk as the market declines. When at its maximum risk, the strategy allocates to a portfolio of equity and bond ETFs. In the early stages of a decline, the strategy rotates to less volatile or less risky ETFs within the same asset class. If the market decline continues, it will rotate to cash for some or all of the trade amount.

***Volatility Managed***

Volatility managed blends ETFs that seek to prevent their underlying portfolio from exceeding a designated level with low-risk bonds.

***Low Risk Bond***

Low Risk Bond allocates to bond ETFs owned for the purpose of lowering risk in the model portfolio.

***Commodities***

The Commodities strategy allocates to one or more commodity ETFs.

**Targeted Allocations**

The Targeted Allocation strategies invest in a diversified portfolio in line with the firm's market outlook. It is comprised of Exchange Traded Funds (ETFs) with varying exposure to stocks and bonds, based on investment objective, and can use domestic, international, sector, commodity, and fixed income ETFs.

There are four risk levels:

- Aggressive: Investment Objective – Aggressive Growth
- Growth: Investment Objective –Growth
- Moderate: Investment Objective – Growth and Income
- Conservative: Investment Objective – Income and Moderate Growth

**Concentrated Allocations**

The Concentrated Allocation strategies target a small number of securities designed to fill any gaps in the portfolio, so it is in line with the firm's market outlook. It is comprised of Exchange Traded Funds (ETFs) with varying exposure to stocks and bonds, based on investment objective, and can use domestic, international, sector, commodity, and fixed income ETFs. There are four risk levels:

- Concentrated Equity: Investment Objective – Aggressive Growth
- Concentrated Growth: Investment Objective –Growth
- Concentrated Moderate: Investment Objective – Growth and Income
- Concentrated Conservative: Investment Objective – Income and Moderate Growth

**Pure Market Blend Strategy**

The Pure Market Blend Spectrum Strategy seeks to track the performance of blended, broad equity and fixed income indices. The strategy is entirely domestic, investing in large, mid and small cap stocks as well as investment grade bonds through various ETFs. It can provide the flexibility to complement existing strategies or be a core portion of the portfolio.

**Pure Market Blend Conservative**

- Investment Minimum \$10,000
- Investment Objective: Income with Moderate Growth
- Investment Horizon: Minimum 3-5 Years

**Pure Market Blend Moderate**

- Investment Minimum \$10,000
- Investment Objective: Growth with Income
- Investment Horizon: Minimum 3-5 Years

### **Pure Market Blend Growth**

- Investment Minimum \$10,000
- Investment Objective: Growth
- Investment Horizon: Minimum 3-5 Years

### **Short-Term Bond Strategy**

The Short-Term Bond strategy allocates to bond exchange traded funds (ETFs) primarily invested in a high-quality fixed income portfolio with lower duration than the broader bond market.

Investment Horizon: Minimum of 1 Year

Investment Minimum: \$10,000

Investment Objective: Income with Capital Preservation

### **Spectrum Allocation – Benchmark Strategy**

The Benchmark strategy was designed to closely follow performance of key benchmark indices. It is comprised of Exchange Traded Funds (ETFs) with varying exposure to stocks and bonds, based on investment objective. Benchmark provides flexibility in building investment portfolios, by acting as a core strategy to build upon or complementing existing strategies.

- Invests in exposure to a large number of securities in a single transaction
- Reevaluates allocations quarterly and as needed based on market conditions
- Covers U.S. and foreign markets, or a specific class of stock

### **Benchmark Conservative**

Investment Minimum: \$10,000

Investment Objective: Income with Moderate Growth

Investment Horizon: 3-5+ years

### **Benchmark Moderate**

Investment Minimum: \$10,000

Investment Objective: Growth with income

Investment Horizon: 3-5+ years

### **Benchmark Growth**

Investment Minimum: \$10,000

Investment Objective: Growth

Investment Horizon: 3-5+ years

### **Benchmark Aggressive Growth**

Investment Minimum: \$10,000

Investment Objective: Aggressive Growth

Investment Horizon: 3-5+ years

### **Spectrum Allocation – Diversified Blend Strategy**

The Diversified Blend strategies are global, multi-asset class strategies with exposure to both international developed and emerging markets equities. The strategy uses Exchange Traded Funds (ETFs) to achieve broad, global exposure in a balanced allocation. Diversified Blend has the flexibility to serve as the core of a portfolio or as a complement to existing strategies.

#### **Diversified Blend Conservative**

Investment Minimum: \$1,000

Investment Objective: Income with Moderate Growth

Investment Horizon: Minimum of 3-5+ years

#### **Diversified Blend Moderate**

Investment Minimum: \$1,000

Investment Objective: Growth with Income

Investment Horizon: Minimum of 3-5+ years

#### **Diversified Blend Growth**

Investment Minimum: \$1,000

Investment Objective: Growth

Investment Horizon: Minimum of 3-5+ years

### **Spectrum Allocation – Global Macro Strategy**

Global Macro mathematically evaluates macroeconomic business conditions to determine the most attractive asset classes in the global marketplace. The evaluation includes analysis of market fundamentals, price trends, sentiment, economic trends, and global valuations. Global Macro interprets the ever-changing market conditions and adjusts the portfolios in accordance with weight-of-the-evidence conclusions. The objective is to overweight areas with the greatest probability of success and underweight areas of weakness.

- Seeks flexibility to seize opportunities in the marketplace in a rational, unemotional, model-based manner.
- Allocation of stocks versus bonds is further refined through exposure to global equity styles and classes.
- Strategy is implemented using Exchange Traded Funds (ETFs).

#### **Global Macro Conservative**

Investment Minimum: \$10,000

Investment Objective: Income with Moderate Growth

Investment Horizon: Minimum of 3 years

#### **Global Macro Moderate**

Investment Minimum: \$10,000

Investment Objective: Growth with Income

Investment Horizon: Minimum of 3 years

**Global Macro Growth**

Investment Minimum: \$10,000

Investment Objective: Growth

Investment Horizon: Minimum of 3 years

**Spectrum Allocation – Nationwide Monument Advisor Variable Annuity Passive**

The Nationwide Monument Variable Annuity Passive strategies were designed to closely follow the MSCI ACWI and Barclays Capital US Universal benchmarks based on the targeted risk level. The portfolios are comprised of Variable Annuity subaccounts offered by Nationwide's Monument Advisor Platform, and the allocation portfolios have been constructed by the Carson Investment Team using quantitative and qualitative screening of the VA sub-accounts.

**Nationwide Monument VA Aggressive Passive**

Investment Minimum: \$15,000

Investment Objective: Aggressive Growth

Investment Horizon: 3-5+ years

**Nationwide Monument VA Growth Passive**

Investment Minimum: \$15,000

Investment Objective: Growth

Investment Horizon: 3-5+ years

**Nationwide Monument VA Moderate Passive**

Investment Minimum: \$15,000

Investment Objective: Growth with Income

Investment Horizon: 3-5+ years

**Nationwide Monument VA Conservative Passive**

Investment Minimum: \$15,000

Investment Objective: Conservative

Investment Horizon: 3-5+ years

**Nationwide Monument VA Very Conservative Passive**

Investment Minimum: \$15,000

Investment Objective: Capital Preservation

Investment Horizon: 3-5+ years

**Spectrum Allocation – Nationwide Monument Advisor Variable Annuity Active**

The Nationwide Monument Variable Annuity active strategies were designed with the objective to outperform the MSCI ACWI and Barclays Capital US Universal benchmarks based on the targeted risk level. The portfolios are comprised of Variable Annuity subaccounts offered by Nationwide's Monument Advisor Platform, and the allocation portfolios have been constructed by the Carson Investment Team using quantitative and qualitative screening of the VA sub-accounts.

**Nationwide Monument VA Aggressive Active**

Investment Minimum: \$15,000

Investment Objective: Aggressive Growth

Investment Horizon: 3-5+ years

**Nationwide Monument VA Growth Active**

Investment Minimum: \$15,000

Investment Objective: Growth

Investment Horizon: 3-5+ years

**Nationwide Monument VA Moderate Active**

Investment Minimum: \$15,000

Investment Objective: Growth with Income

Investment Horizon: 3-5+ years

**Nationwide Monument VA Conservative Active**

Investment Minimum: \$15,000

Investment Objective: Conservative

Investment Horizon: 3-5+ years

**Nationwide Monument VA Very Conservative Active**

Investment Minimum: \$15,000

Investment Objective: Capital Preservation

Investment Horizon: 3-5+ years

**Spectrum Allocation – Sustainable Impact Strategy**

The Sustainable Impact Strategy seeks to invest in a portfolio of ETFs whose holdings have positive environmental, social, governance (ESG) and impact characteristics as identified by the index provider. It is comprised of exchange Traded Funds (ETFs) with varying exposure to stocks and bonds based on investment objective. The ETFs selected incorporate ESG screens or societal impact as a part of their index methodology.

- Invests primarily in ETFs that look at the ESG score or economic impact when selecting holdings and allocations.
- Typically makes portfolio changes quarterly.
- Covers U.S. and foreign markets and specific asset classes based on capitalization, impact and country.

**Sustainable Impact Conservative**

Investment Minimum: \$10,000

Investment Objective: Income with Moderate Growth

Investment Horizon: Minimum 3-5 years

**Sustainable Impact Moderate**

Investment Minimum: \$10,000

Investment Objective: Growth with income

Investment Horizon: Minimum 3-5 years

**Sustainable Impact Growth**

Investment Minimum: \$10,000

Investment Objective: Growth

Investment Horizon: Minimum 3-5+ years

**Spectrum Allocation – Total Market Tilt Strategy**

The Total Market Tilt strategy seeks to produce a portfolio that tilts towards securities that pass a set of quantitative screens designed to increase allocations towards key factors. It is comprised of Exchange Traded Funds (ETFs) with varying exposure to stocks and bonds, based on investment objective. Total Market Tilt provides flexibility in building investment portfolios, by acting as a core strategy to build upon or complementing existing strategies.

- Invests primarily in ETFs that adjust their allocations to emphasize particular characteristics or factors (i.e. value, quality) more heavily than the parent index.
- Typically, only makes portfolio changes semi-annually.
- Covers U.S. and foreign markets, multi-factor strategies, and specific factors, or a class of stock.

**Total Market Tilt Conservative**

Investment Minimum: \$10,000

Investment Objective: Income with Moderate Growth

Investment Horizon: 3-5+ years

**Total Market Tilt Moderate**

Investment Minimum: \$10,000

Investment Objective: Growth with income

Investment Horizon: 3-5+ years

**Total Market Tilt Growth**

Investment Minimum: \$10,000

Investment Objective: Growth

Investment Horizon: 3-5+ years

**Total Market Tilt Aggressive Growth**

Investment Minimum: \$10,000

Investment Objective: Aggressive Growth

Investment Horizon: 3-5+ years

**Spectrum Allocation - Trend Strategy**

The Trend strategy is an adaptive, tactical model that takes advantage of the benefits of both strategic and technical management, while minimizing the risks of each. Trend uses strategic asset allocation to



maintain a steady base of performance, overlaid with a technical slant to play offense, defense or enhance base performance to help navigate emotional investing decisions typically tied to corrections or large valuation increases.

- Set strategic boundaries for asset classes with pre-defined, disciplined minimum and maximum allocations
- Overweight and underweight strategic boundaries through a constant tactical overlay based on market trends
- Rotate holdings within each asset class based on strength and leadership
- Rules-based strategy using Exchange Traded Funds (ETFs)

#### **Trend Conservative**

Investment Minimum: \$10,000

Investment Objective: Income with Moderate Growth

Investment Horizon: 3-5+ years

#### **Trend Moderate**

Investment Minimum: \$10,000

Investment Objective: Growth with income

Investment Horizon: 3-5+ years

#### **Trend Growth**

Investment Minimum: \$10,000

Investment Objective: Growth

Investment Horizon: 3-5+ years

#### **Strategic Alternatives Strategy**

Strategic Alternatives is an actively managed, multi-alternative strategy that seeks to provide uncorrelated returns derived from fundamentally-driven and differentiated alternative strategies, all in a daily liquid structure.

Investment Minimum: \$5,000

Investment Objective: Growth

Investment Horizon: Long Term

#### **Strategic Income Strategy**

Strategic Income is an actively managed fixed income strategy that looks to take advantage of opportunistic shifts to allocations across a broad range of fixed income investments. The strategy attempts to capitalize on top-down thematic views and bottoms-up fundamental due diligence as the research team manages investment allocations.

Investment Minimum: \$5,000

Investment Objective: Income

Investment Horizon: Long Term

### **Tactical Income Strategy**

The Tactical Income strategy is a portfolio of mutual funds or ETFs (6 – 7 positions) designed for a client with an investment objective of Income with Capital Preservation. The portfolio is designed to generate income for the client while focusing on low volatility and total return over market cycles. The objective is to secure gains in advancing markets and to protect capital in sideways to negative markets.

The portfolio is tactical in nature and will attempt to invest in those asset classes and sectors that have outperformed the broad market and are currently in favor. Each mutual fund or ETF will represent between 10 – 15% of the total amount invested. The Investment Committee has the ability to invest across multiple asset classes in the attempt to capture yield and total return. This strategy also has the ability to utilize heavy cash positions or market neutral funds to limit market risk.

Minimum Investment: \$5,000

Investment Objective: Income with Capital Preservation

Investment Horizon: Minimum 3-5 years

### **Write Income**

The Write Income strategy is solely focused on generating yield with an income component through writing covered calls on the SPDR® S&P 500® ETF with a focus on delivering a high single-digit yield. The SPDR® S&P 500® ETF Trust seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the S&P 500® Index. This strategy is comprised of purchasing the SPY as determined by our Investment Committee and writing covered calls against the positions as a possible income generating source. For investors that need their investments to produce a stream of income historically provided by fixed income, Write Income may be ideal for your portfolio.

- Features covered call writing for potential income generation
- The yield from dividends and option income can provide a “buffer” against a market decline

Investment Minimum: 100 shares times current price of SPY

Investment Objective: Growth with Income

Investment Horizon: Minimum of 3 years

### ***Portfolios Managed on a Sub-Advisor Basis by Affiliated Advisory Firm (Carson Group Investing, LLC)***

#### **Convex Global Dynamic Risk**

Convex Global Dynamic Risk strategy employs an unconstrained strategy with the ability to invest globally in liquid instruments (equity and fixed income) that seeks opportunistic return to add alpha over a market cycle.

Investment Minimum: \$10,000

Investment Objective: Growth

Investment Horizon: 3-5+ years

**Convex Global Tactical Income**

Convex Global Tactical Income strategy seeks positive absolute returns with 3-5% yield and capital preservation in bear markets through a tactical allocation among multiple asset classes.

Investment Minimum: \$10,000

Investment Objective: Growth with Income

Investment Horizon: 3-5+ years

**Convex Dynamic Choice Portfolios - Very Aggressive (DCP- Very Aggressive)**

Convex DCP- Very Aggressive strategy is derived of Convex Global Dynamic Risk with 90% investment in growth assets and 10% investment in diversifying assets under normal market conditions.

Investment Minimum: \$10,000

Investment Objective: Aggressive Growth

Investment Horizon: 3-5+ years

**Convex Dynamic Choice Portfolios - Aggressive (DCP- Aggressive)**

Convex DCP- Aggressive strategy is derived of Convex Global Dynamic Risk with 80% investment in growth assets and 20% investment in diversifying assets under normal market conditions.

Investment Minimum: \$10,000

Investment Objective: Growth

Investment Horizon: 3-5+ years

**Convex Dynamic Choice Portfolios - Moderate (DCP- Moderate)**

Convex DCP- Moderate strategy is derived of Convex Global Dynamic Risk with 60% investment in growth assets and 40% investment in diversifying assets under normal market conditions.

Investment Minimum: \$10,000

Investment Objective: Moderate Growth

Investment Horizon: 3-5+ years

**Convex Dynamic Choice Portfolios - Balanced (DCP- Balanced)**

Convex DCP- Balanced strategy is derived of Convex Global Dynamic Risk with 50% investment in growth assets and 50% investment in diversifying assets under normal market conditions.

Investment Minimum: \$10,000

Investment Objective: Modest Growth with Capital Preservation

Investment Horizon: 3-5+ years

**Convex Dynamic Choice Portfolios - Conservative (DCP- Conservative)**

Convex DCP- Conservative strategy derived of Convex Global Dynamic Risk with 30% investment in growth assets and 70% investment in diversifying assets, including 5% in cash and cash equivalents.

Investment Minimum: \$10,000

Investment Objective: Limited Growth with Capital Preservation

Investment Horizon: 3-5+ years

**Convex Dynamic Choice Portfolios – Preservation (DCP - Preservation)**

Convex DCP- Preservation strategy is derived of Convex Global Dynamic Risk with 2% investment in growth assets and 98% investment in diversifying assets, including 8% in cash and cash equivalents under normal market conditions.

Investment Minimum: \$10,000

Investment Objective: Capital Preservation

Investment Horizon: 3-5+ years

**Convex S&P Enhanced**

Convex S&P Enhanced strategy is a US large cap growth strategy that seeks capital appreciation by investing in core S&P 500 and 10 GICS sectors as satellites.

Investment Minimum: \$10,000

Investment Objective: Growth

Investment Horizon: 3-5+ years

**Convex Opportunistic Global Dynamic Risk**

Convex Opportunistic Global Dynamic Risk strategy is a derived strategy of Global Dynamic Risk with up to 200% investment in a combination of growth assets and diversifying assets under normal market conditions.

Investment Minimum: \$10,000

Investment Objective: Very Aggressive Growth

Investment Horizon: 3-5+ years

**Mission Opportunity**

The Mission Opportunity strategy seeks long-term capital appreciation with opportunistic investments in a concentrated portfolio of high-conviction stocks based on fundamental research and valuation measures.

- The strategy is based on investment philosophy that growth in earnings and cash flows drive share prices over the long term, that excess returns are generated by investing in market-leading companies that create economic value through long-duration competitive advantages
- The strategy can be used as an opportunistic investment to seek long-term growth
- The portfolio is non-diversified, which means that it may invest a relatively high percentage of its assets in a limited number of issuers, when compared to a diversified strategy. The strategy holds a concentrated portfolio of investments, typically investing in 15 to 35 companies with market capitalizations generally greater than \$10 billion (at cost).

Investment Minimum: \$50,000

Investment Objective: Long-term growth

Investment Horizon: 5+ years

### **QBI Low-Vol Global Large-Cap Strategy**

The QBI Low-Vol Global Large-Cap strategy is comprised of approximately 50 equally weighted stocks from high quality businesses across the globe that display low volatility characteristics but also have attractive valuations, financial strength and positive momentum. The strategy focuses on large-cap companies and will maintain a minimum of 65% in US stocks and no more than 10% combined exposure to any foreign country. The goal of the QBI Low-Vol Global Large-Cap strategy is to offer exposure to global securities with lower volatility than the MSCI All-Country World Index (ACWI).

Investment Minimum: \$25,000

Investment Objective: Growth

Investment Horizon: Minimum of 3 years

### **QBI Low-Vol US Large-Cap Strategy**

The QBI Low-Vol US Large-Cap strategy is comprised of approximately 50 equally weighted large-cap stocks from high quality businesses exclusively headquartered in the United States. These target companies display low volatility characteristics but also have attractive valuations, financial strength and positive momentum. The goal of the QBI Low-Vol US Large-Cap strategy is to offer exposure to domestic securities with significantly lower volatility than the S&P 500 Total Return.

Investment Minimum: \$25,000

Investment Objective: Growth

Investment Horizon: Minimum of 3 years

### **QBI Low Volatility US Small Cap**

The QBI Low Volatility US Small Cap strategy is comprised of approximately 50 equally weighted stocks from high quality businesses that display low volatility characteristics but also have attractive valuations, financial strength and positive momentum. The goal of the QBI Low Volatility US Small Cap strategy is to offer exposure to securities of companies headquartered in the United States with lower volatility than the Russell 2000 Value (TR) Index.

Investment Minimum: \$25,000

Investment Objective: Aggressive Growth

Investment Horizon: Minimum of 5 Years

### ***Portfolios Managed on a Sub-Advisor Basis by Unaffiliated Advisory Firms***

#### **Day Hagan Logix Smart Value**

The Day Hagan Tactical Dividend strategy is a sub-advised portfolio Managed by Day Hagan Asset Management which views dividends as an objective, controlled means of valuation, as earnings are often subjective and uncorrelated to future corporate performance. Companies that have a history of

consistent dividend payouts, balance sheet strength and sound corporate fundamentals have proven resilient to downturns and are considered valuable during up-moves.

- Tactically allocates assets based on the "weight-of-the-evidence" – an approach that considers the highest probability of success and believes that cash should be utilized as a defensive asset class when suitable "buy" candidates are not available.
- Diversification is important; single industry exposure is limited to 20% of the portfolio at cost and single equity exposure is limited to 5% of the portfolio at cost.
- Favors industries with relatively high dividend yields, low debt, strong cash flows, good margins and the ability to maintain and grow the dividend payout. Fundamental screens eliminate companies with questionable balance sheets.
- Utilizes long-only stock market exposure, attempts to minimize portfolio turnover (thus providing tax-efficiency) and allows for daily liquidity and transparency.

Investment Minimum: \$100,000

Investment Objective: Growth with Income

Investment Horizon: Minimum of 3 years

#### **PIMCO Capital Preservation**

The PIMCO Capital Preservation Model seeks to provide an attractive return above traditional cash investments with modest additional risk, while minimizing drawdown potential from rising interest rates or falling equity markets. It invests in a broadly diversified portfolio of PIMCO Fixed Income Exchange Traded Funds (ETFs), which include U.S. treasuries, mortgage-backed securities, investment grade corporate bonds and high yield corporate bonds.

- The strategy seeks to provide investors a with a higher yield and total return than traditional money market strategies
- The strategy can be used for conservative fixed income allocations with intermediate liquidity needs

Investment Minimum: \$10,000

Investment Objective: Capital Preservation

Investment Horizon: 1-3 Years

#### **PIMCO Tax Aware Capital Preservation**

Seeks to provide an attractive after-tax return, while minimizing drawdown potential from rising or falling equity markets. It invests in a broadly diversified portfolio of PIMCO Fixed Income Exchange Traded Funds (ETFs), which include municipal bonds, U.S. treasuries, mortgage-backed securities, investment grade corporate bonds and high yield corporate bonds.

- The strategy seeks to provide investors a with a higher after-tax yield and total return than traditional money market strategies

- The strategy can be used for tax-sensitive conservative fixed income allocations with intermediate liquidity needs

Investment Minimum: \$10,000

Investment Objective: Capital Preservation

Investment Horizon: 1-3 Years

### **PIMCO Tax Aware Enhanced Core**

Seeks to improve upon the low yields and high interest rate risk of passive municipal bond strategies while preserving equity diversification and tax efficiency. It invests in a broadly diversified portfolio of PIMCO Fixed Income Exchange Traded Funds (ETFs), which include municipal bonds, U.S. treasuries, mortgage-backed securities, investment grade corporate bonds and high yield corporate bonds.

- The strategy seeks to provide an attractive return relative to its reference benchmark through a diversified, tax-efficient fixed income portfolio
- The strategy can be used at the core of a tax-sensitive portfolio to seek stability and income

Investment Minimum: \$10,000

Investment Objective: Income with Capital Appreciation

Investment Horizon: Minimum of 3 years

### **Wisdom Tree Income**

WisdomTree Income provides exposure to a diversified allocation of stocks, REITs and bonds using ETFs. It seeks to maximize potential for capital growth and income for investors using yield-focused ETFs across asset classes. The evaluation balances global macro conditions and valuation analysis to arrive at asset allocation tilts. Next quantitative factor tilts are implemented through security selection.

WisdomTree Income and Tax Aware Income are open architecture and will feature ETFs from several providers. The objective is to provide income potential in a diversified strategy.

- Open architecture using ETFs from several providers
- Seeks to add value through both asset allocation AND fund selection
- Income potential in a diversified strategy

Investment Minimum: \$10,000

Investment Objective: Income with Moderate Growth

Investment Horizon: 3 Years

### **Wisdom Tree Tax Aware Income**

WisdomTree Tax Aware Income provides exposure to a diversified allocation of stocks, REITs and bonds using ETFs. It seeks to maximize potential for capital growth and income for investors using yield-

focused ETFs across asset classes. The evaluation balances global macro conditions and valuation analysis to arrive at asset allocation tilts. Next quantitative factor tilts are implemented through security selection. WisdomTree Income and Tax Aware Income are open architecture and will feature ETFs from several providers. The objective is to provide income potential in a diversified strategy.

- Open architecture using ETFs from several providers
- Seeks to add value through both asset allocation AND fund selection
- Income potential in a diversified strategy

Investment Minimum: \$10,000

Investment Objective: Income with Moderate Growth

Investment Horizon: 3 Years

### **Swan Defined Risk Strategy (DRS)**

The Swan Defined Risk strategy (DRS) is an index-based strategy sub-advised by Swan Wealth Advisors. The DRS strategy is an absolute return, market-neutral strategy that does not rely on market timing or stock selection. The DRS strategy invests in the S&P 500 Index or SPDR Selects ETFs and options trading. 85 – 90% of invested assets are placed in equities that include 9 equal-weighted S&P 500 Sector ETFs. The remaining 10-15% of invested assets is placed in long put options which are bought at or near the money and sized to give the client a defined risk of 7-10% maximum loss. If the market drops in value, the put option increases in value. Options on these indexes are additional primary components of the strategy and are used to protect the main holdings from down markets and to generate monthly income for the portfolios. Multiple adjustments and liquidation points are incorporated to minimize risk and maximize the frequency and size of the monthly returns.

If you choose the DRS management strategy, please be advised that Swan will charge you a separate annual management fee for assets under management for the management and implementation of the strategy. The use of some option strategies is restricted in certain retirement accounts that are covered by the Employee Retirement Income Security Act (ERISA). Therefore, the Swan Defined Risk Strategy may not be as effective for ERISA cover retirement accounts. Accounts opened for this strategy will be custodied at TD Ameritrade. This fee is in addition to the advisory fee paid to CWM.

Minimum Investment: \$100,000

Investment Objective: Conservative

Investment Horizon: Minimum of 3 years

### ***Alternative Investment Strategy Options***

#### **Important Information Concerning Alternative Investment Strategies**

As a registered investment advisor, CWM, LLC and its investment advisor representatives may only offer alternative investment products that are offered on a “RIA Only” only basis. No sales based compensation (commission) is paid on these types of investments.



Investment Adviser Representatives may only offer alternative investment products that have been reviewed and approved by the firm's investment committee.

Alternative Investments are privately offered investment vehicles that are unregistered private investment funds or pools that may invest in many different markets, strategies and instruments (including securities, non-securities and derivatives) and are NOT subject to the same regulatory requirements as mutual funds, including mutual fund requirements to provide certain periodic and standardized pricing and valuation information to investors. There are substantial risks in investing in Alternative Investments.

- Alternative Investments are **speculative** investments that involve a high degree of risk. An investor could lose all or a substantial portion of his/her investment. Investors must have the financial ability, sophistication/experience and willingness to bear the risks of an investment in an Alternative Investment.
- An investment in an Alternative Investment is typically **illiquid** in nature and there will be significant restrictions on liquidating or transferring interests in an Alternative Investment. There is currently no established secondary market for an investor's investment in an Alternative Investment and none is expected to develop.
- Any investment in Alternative Investment should be discretionary capital set aside strictly for long term **speculative** purposes.
- An investment in an Alternative Investment is not suitable or desirable for all investors. Only qualified eligible investors may invest in Alternative Investments.
- Alternative Investment offering documents are not reviewed or approved by federal or state regulators and the offering of fund interests will not be federally or state registered.
- Some Alternative Investments may have little or no operating history or performance and may use hypothetical or pro-forma performance which may not reflect actual trading done by the manager or advisor and should be reviewed carefully. Investors should not place undue reliance on hypothetical or pro-forma performance.
- An Alternative Investment's manager or advisor has total discretionary authority over the activities of the Alternative Investment.
- Alternative Investments are not required to provide periodic pricing or valuation information to investors.
- Some Alternative Investments may provide little or no transparency regarding their underlying investments to investors.
- Alternative Investments which make private equity investments have certain different risks, generally including, among other things, no or limited redemption rights; illiquid portfolios and valuation difficulties; asset, market or industry concentration; portfolio company risks including competition and fluctuating distributions; operational and control risks including "key-man" risk; particular industry risks including retail business risks; and financing or additional funding risks.
- An Alternative Investment's fees (including advisory fees and placement agent, distribution and/or portfolio acquisition fees) and expenses, which may be substantial regardless of any positive return,

will offset the Alternative Investment's investment profits. If an Alternative Investment's investments are not successful, these payments and expenses may, over a period of time, deplete the net asset value of the fund.

- Alternative Investment Funds may be leveraged (including highly leveraged), which increases risk, and an Alternative Investment Fund's performance may be volatile.
- Some Alternative Investment Funds may use a single advisor or employ a single strategy, which could mean a lack of diversification and higher risk.
- Some Alternative Investment Funds and their advisors rely on the investment expertise and experience of third-party advisors, the identity of which may not be disclosed to investors.
- Alternative Investment Funds and their managers/advisors may be subject to various conflicts of interest, including with respect to decisions which may affect their compensation.
- The net asset value of an Alternative Investment Fund may be determined by its administrator and/or its manager. Certain portfolio assets may be illiquid and without a readily ascertainable market value. The value assigned to such securities may differ from the value an Alternative Investment Fund is able to realize. Instances of mispriced portfolios, due to fraud or negligence, have occurred in the industry.
- Some Alternative Investment Funds may enter into swaps, futures, forwards, options and other derivative transactions for various hedging and/or speculative purposes that can result in more volatile fund performance.
- Some Alternative Investment Funds may trade commodity interests or may execute a substantial portion of trades on foreign exchanges, which may increase risk of loss and material economic conditions and/or events may affect future results.
- Some Alternative Investment Funds may involve complex tax structures, which should be reviewed carefully.
- Some Alternative Investment Funds may involve structures or strategies that may cause delays in important tax information being sent to investors.

This summary of certain risks is not a complete list of the risks and other important disclosures involved in investing in an Alternative Investment is subject to the more complete disclosures, including risk factors, contained in a specific Alternative Investment's respective offering documents, which must be reviewed carefully. An Alternative Investment's past performance is not indicative and is no guarantee of its future performance.

Due to the unique structure of fee-based Alternative Investment products, the account custodian holding, monitoring and providing reporting services for a particular non-traded alternative investment vehicle may charge a service fee to the client's account. Different custodians may charge different fees for providing such monitoring and reporting services. This fee may be waived at the sole discretion of the advisor. Factors in determining if services fees will be waived for a particular client may include the market value of the client's assets being managed, complexity of the client's portfolio, the client's financial situation, level of portfolio trading activity, anticipated future assets, the relationship of the client to the advisor, and additional services requested or performed for the client. Fee waivers or

discounts which are not available to clients may also be available for the Owners, Directors, Officers and Associated Persons of CWM, LLC and our related companies as well as to family members and friends of associated persons of CWM. If fees are waived for a client, the investment advisor representative may pay the service fee on behalf of the client. The ability to waive the imposition of these service fees creates a conflict of interest because the investment advisor representative may waive the service fee for a particular client and may not waive the service fee for another client, in the advisor's sole discretion.

The relevant information, terms and conditions of an investment in a particular alternative investment, including the management fee to be paid to the manager, suitability considerations, the investment strategy and risk factors, are described in the Alternative Investment's offering documents. Those documents include the Private Offering memorandum, Partnership Agreement, Subscription Agreement and other important materials or forms, which each subscriber is required to receive and/or execute prior to being accepted as an investor of the Alternative Investment.

### **CNL Strategic Capital, LLC**

CNL Strategic Capital, LLC ("Fund") is a self-reporting Regulation D offering under the Securities Act of 1933. The Fund is exempt from registration with the Securities and Exchange Commission ("SEC") under Regulation D Rule 506(b) of the Securities Act of 1933, as amended (the "Securities Act"). The Fund is being offered to *accredited investors* only pursuant to Regulation D Rule 501 of the Securities Act. The Fund also relies on an exemption from registration under the Investment Company Act of 1940. Given the client's investment objectives, financial situation and the minimum qualifications required by the Fund, we may recommend an investment in the Fund. CWM, LLC has approved the Class FA shares to be offered to clients of CWM, LLC.

Investment in the Fund involves a heightened degree of risk. The investment is considered illiquid- investors will not be able to access funds invested. The relevant information, terms and conditions of an investment in the Fund, including the management fee to be paid to the manager, suitability considerations, the Fund's investment strategy and risk factors, are described in the Fund's documents. Those documents include the Private Offering memorandum, Partnership Agreement, Subscription Agreement and other important materials or forms, which each subscriber is required to receive and/or execute prior to being accepted as an investor of the Fund.

Minimum Investment: \$50,000

Investment Objective: Aggressive Growth

Investment Horizon: Long-Term

### **Morrocroft Neighborhood Stabilization Funds**

CWM's CEO, Ron Carson, is a limited partner in the Morrocroft Neighborhood Stabilization Fund, L.P., a limited partnership formed under the laws of the state of Delaware ("Fund"). The Fund is a pooled investment vehicle that is being offered to *qualified purchasers* pursuant to Regulation D under the

Securities Act of 1933, as amended. The Fund also relies on an exemption from registration under the Investment Company Act of 1940. Given the client's investment objectives, financial situation and the minimum qualifications required by the Fund, we may recommend an investment in a Morrocroft Fund.

Investment in the Fund involves a heightened degree of risk. The relevant information, terms and conditions of an investment in the Fund, including the management fee to be paid to the manager, suitability considerations, the Fund's investment strategy and risk factors, are described in the Fund's documents. Those documents include the Private Offering memorandum, Partnership Agreement, Subscription Agreement and other important materials or forms, which each subscriber is required to receive and/or execute prior to being accepted as a limited partner of the Fund.

Minimum Investment: \$100,000

Investment Objective: Aggressive Growth with Income

Investment Horizon: Long-Term

**Owl Rock Technology Finance Corp.**

Owl Rock Technology Finance Corp. (the "Fund") is a Regulation D offering under the Securities Act of 1933. The Fund is exempt from registration with the Securities and Exchange Commission ("SEC") under the Regulation D Rule 506(b) of the Securities Act of 1933, as amended (the "Securities Act"). The Fund is being offered to accredited investors only pursuant to Regulation D Rule 501 of the Securities Act. Given the client's investment objectives, financial situation, and the minimum qualifications required by the Fund, we may recommend an investment in the Fund.

Owl Rock Technology Finance Corp. (the "Fund") is a Business Development Company (BDC) as defined under the Investment Company Act, 1940 that is engaged in originating and making debt and equity investments in technology-related companies based primarily in the United States. The Fund's investment objective is to provide total return by generating current income from its debt investments and other income producing securities, and capital appreciation from its equity and equity-linked investments. The Fund invests in senior secured or unsecured loans, subordinated loans or mezzanine loans and equity-related securities including common equity, warrants, preferred stock and similar forms of senior equity, which may or may not be convertible into a portfolio company's common equity. The Fund has a Lock-up period as defined in the Private Placement Memorandum (PPM), which includes contractual lock-up Agreement with the underwriters of any public offering of the Common Stock conducted in connection with an Exchange Listing or otherwise. Investment in a BDC involves significant risks and investors should refer to the PPM for full details prior to investing in the Fund.

Minimum Investment: \$100,000

Objective : Income

Investment Horizon: Long Term

## **Pender Capital**

Pender Capital Asset Based Lending Fund 1, LP (the “Fund”) is a Regulation D offering under the Securities Act of 1933. The Fund is exempt from registration with the Securities and Exchange Commission (“SEC”) under the Regulation D Rule 506(b) of the Securities Act of 1933, as amended (the “Securities Act”). The Fund is being offered to accredited investors only pursuant to Regulation D Rule 501 of the Securities Act. The Fund also relies on an exemption from registration under the Investment Company Act of 1940. . Given the client’s investment objectives, financial situation, and the minimum qualifications required by the Fund, we may recommend an investment in the Fund.

Pender Capital Asset Based Lending Fund I, LP is a direct commercial bridge lending company that is engaged in originating and servicing short-term commercial real estate (CRE) loans secured by first lien positions of the underlying real estate as collateral. The objective of the Fund is to provide investors yield as an alternative choice to fixed income and diversify investment portfolios. The investment has one-year lockup with quarterly liquidity from the second year. The Fund allocates each investor’s capital across each of its portfolio loans, providing diversification between asset classes and geographic regions but an investor’s capital could be exposed to risks specific to geographical real estate markets and their drivers. The target Loan-to-Value (LTV) of the Fund’s portfolio is 60-65% with maximum LTV of 70% on any loan. However, the LTV could be higher under certain economic environments and loan defaults can adversely impact cash flow of the Fund. Investors should refer to the Private Placement Memorandum (PPM) for full details prior to investing in the Fund.

Minimum Investment: \$100,000

Objective : Income

Investment Horizon: 12 to 24 months

### ***Separately Managed Accounts***

When is it determined to be in the best interest of the client Advisors may be allowed to directly manage client assets independent of CWM’s established Investment Strategies. The Advisors will be provided access to CWM’s Investment Committee research and other resources when providing asset management services to these client accounts. Through these services, our Advisors offer a customized and individualized investment program based upon each client’s individual needs, risk tolerance and long-term financial goals. A specific asset allocation strategy is developed to meet each client’s goals and investment objectives.

### **Retirement Plan Services Platform**

For our Retirement Plan Platform clients CWM’s Investment Committee will create an inventory of investments that our investment advisor representatives may be utilized in creating Designated Investment Alternatives for their Retirement Plan clients. The Investment Committee will continually monitor the performance and internal fees structure of all investment used on the platform and remove or add investments as deemed appropriate.

## Risk of Loss

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there could be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk. Securities valuations may fall for a variety of reasons, including economic, political, social, financial, widespread business continuity events (e.g. natural disasters, pandemics, etc.) and issuer-based factors, causing prices of stocks, bonds, and other securities in investment portfolios to fall.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Equity (stock) market risk:** Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- **Company Risk:** When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a

company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

- **Fixed Income Risk:** When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- **Options Risk:** Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
  - Purchasing Options are exposed to the risk that the option purchased expire without meeting the expected price movement (out of the money) exposing the purchaser to the loss of their entire investment amount.
  - Selling Options are exposed to the risk that the security will be assigned early forcing the option holder to purchase or sell the underlying position at unfavorable market prices.
- **ETF and Mutual Fund Risk:** When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the possible duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. 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.
- **Financial Risk:** 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.
- **Management Risk:** Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- **Margin Risk:** If those securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and as a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm may issue a margin call and/or sell other assets in your account.

It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin account that may be established as part of the Asset Management Agreement established between you and CWM and held by the account custodian or clearing firm.

These risks include the following:

- You can lose more funds than you deposit in your margin account.
- The account custodian or clearing firm can force the sale of securities or other assets in your account.
- The account custodian or clearing firm can sell your securities or other assets without contacting you.
- You are not entitled to choose which securities or other assets in your margin account may be liquidated or sold to meet a margin call.
- The account custodian or clearing firm may move securities held in your cash account to your margin account and pledge the transferred securities.
- The account custodian or clearing firm can increase its “house” maintenance margin requirements at any time and they are not required to provide you advance written notice.
- You are not entitled to an extension of time on a margin call.
- **Stock Short Sale Risk** - Short selling can involve significant costs, in addition to the usual trading commissions that have to be paid on stock transactions. These include Margin interest, Stock borrowing costs and possible Dividends and other payments.

Apart from these costs, risks associated with short selling include the following:

- “Buy-in” Risk –Heavily shorted stocks are also vulnerable to “buy-ins.” The risk of a “buy-in” is a major risk with short selling because of its unpredictability and can lead to unexpected losses for the short seller.
- Regulatory risks – Regulators may sometimes impose bans on short sales in a specific sector or even in the broad market to avoid panic and unwarranted selling pressure.
- Contrary to long-term market trend – As the long-term trend of the market is upward, short selling is contrary to those market trends.
- Skewed payoff ratio – Short selling has a skewed payoff ratio as the maximum gain – which occurs if the shorted stock were to fall to zero – is limited, but the maximum loss is theoretically infinite.
- Acceptance of order to sell securities short is subject to the ability of the custodian where your account is held to borrow an equivalent number of shares in the security. One or more of the custodian’s used by CWM, LLC may not have shares to loan on one or more specific securities within a model that incorporates short sales meaning the allocation of the model may be different from one client compared to another client



in the model and is subject to the custodian's ability to borrow the shares which is outside of the control of CWM, LLC and the client.

- Short Sales are restricted using a circuit breaker that is triggered when a stock has lost more than 10 percent in value in one day compared to the previous day's closing price. The restriction helps keep short sales from driving down the price of a stock and stays in place for the remainder of that day and the following day. According to the SEC, the purpose of the restriction is to promote stability in volatile markets while avoiding bear raids.
- **Portfolio Pledging Risks:**
  - You are borrowing money that will have to be repaid to Lender;
  - You will be charged an interest rate on the principal balance of the Line that is subject to change;
  - You can lose more funds than are held in the Collateral Account(s) and will be liable for any deficiency;
  - Lender can force the sale or other liquidations of any securities or other investment property in the Collateral Account(s), they do not need to contact you first, and you are not entitled to choose which securities in are liquidated or sold;
  - You are only entitled to draw on the Line to the extent there is credit availability and provided that your Collateral Account(s) meets Lender's collateral maintenance requirements at the time you make a draw request;
  - There may be risks and benefits in pledging certain types of investment assets to secure your Line. For example, deposit accounts, money funds, and similar investments ("*cash equivalents*") may produce less interest income or other yield than the interest rate you are paying on your Line.

## **Item 9 – Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of CWM's business or the integrity of CWM's management.

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

CWM is **not** and does **not** have a related person that is a municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

We are an independent registered investment advisor and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives have the ability to sell other products or provide services outside of their role as investment advisor representatives with us.

#### **Affiliation with Carson Group Investing, LLC.**

CWM is under common ownership with Carson Group Investing, LLC (CGI) an investment advisory firm registered with the U.S. Securities and Exchange Commission. CWM, LLC provides asset management, services to clients introduced by other investment advisory firms. CWM and CGI will share office space and operational personnel.

#### **Affiliation with Carson Group Brokerage, LLC**

CWM is under common ownership with Carson Group Brokerage, LLC (CGB) a registered broker dealer and a member of FINRA. CGB will not provide any custodial or transaction based services to clients and only will receive commission override payments from our non-affiliated broker dealer, Cetera Advisor Networks, LLC (Cetera), where advisors of CWM are registered and introduce commission based business through Cetera. CWM and CGB will share office space and operational personnel.

#### **Affiliation with Spectrum Wealth Management Group, LLC**

In April 2019 Carson Group Holdings, LLC (CWH, LLC 's parent company) obtained a 25% ownership interest in Spectrum Management Group, LLC. In exchange for a minority interest stake in Carson Group Holdings.

#### **Registered Representative of a Broker/Dealer**

Some of our investment advisor representatives are also registered representatives of Cetera Advisor Networks, LLC, a securities broker/dealer. You may work with your investment advisor representative in his or her separate capacity as a registered representative of Cetera Advisor Networks, LLC. When acting in his or her separate capacity as a registered representative, your investment advisor representative may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds and variable annuity and variable life products to you. As such, your investment advisor representative may suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which your investment advisor representative will receive a commission in his or her separate capacity as a registered representative of a securities broker/dealer. Consequently, the objectivity of the advice rendered to you could be biased.

As a result of some of our representative's relationship with Cetera Advisor Networks, Cetera may have access to certain confidential information (e.g., financial information, investment objectives,

transactions and holdings) about CWM's clients, even for clients that may not establish any account through Cetera. If you would like a copy of the Cetera Advisor Networks privacy policy, please contact CWM at the address referenced on Page 1.

You are under no obligation to use the services of our representatives in this separate capacity or to use Cetera Advisor Networks, LLC and can select any broker/dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use Cetera Advisor Networks, LLC. Prior to effecting any such transactions, you are required to enter into a new account agreement with Cetera Advisor Networks, LLC. The commissions charged by Cetera Advisor Networks, LLC may be higher or lower than those charged by other broker/dealers. In addition, the registered representatives may also receive additional ongoing 12(b)-1 fees for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment. Neither CWM nor our investment advisor representatives, will receive any 12(b)-1 fee compensation for mutual fund investments held in managed accounts.

### **Dually Registered as an Investment Adviser Representatives**

Certain Investment Advisor Representatives of CWM, LLC are also licensed as investment adviser representatives with affiliated and unaffiliated registered investment advisory firms. Through the unaffiliated investment advisory firms, the representatives will provide asset management services and earn advisory fees for providing these services on behalf of the unaffiliated firm. Therefore, you could receive advisory services from one individual acting as an investment adviser representative on behalf of two separate registered investment advisors. If the representatives of CWM, LLC provide services to you, you will be given the disclosure brochure of CWM, LLC. If the services are being provided under the unaffiliated firm, you will receive the disclosure brochure of that firm. The disclosure brochures describe the services provided, fees charged and other important information. You are encouraged to read and review the disclosure brochures for both CWM, LLC and any unaffiliated investment advisory firms and direct questions to your representative. The CWM, LLC Investment Advisor rep will spend less than 10% of their total time on advisory activities conduct thorough other investment advisors.

### **Third-Party Money Managers**

CWM has developed programs previously described in *Item 4* of this disclosure brochure, designed to allow us to recommend and select third-party money managers for you. Once you select the third-party money manager to manage all or a portion of your assets, the third-party money manager will pay us a portion of the fees you are charged. Please refer to *Item 4* and *Item 5* of this disclosure brochure for more complete information regarding the programs, fees, conflicts of interest and materials arrangements when CWM selects other investment advisers.

## **Insurance Agent**

You may also work with your investment advisor representative in his or her separate capacity as an insurance agent. When acting in his or her separate capacity as an insurance agent, the investment advisor representative may sell, for commissions, general disability insurance, life insurance, annuities and other insurance products to you. As such, your investment advisor representative in his or her separate capacity as an insurance agent may suggest that you implement recommendations of CWM by purchasing disability insurance, life insurance, annuities or other insurance products. This receipt of commissions creates an incentive for the representative to recommend those products for which your investment advisor representative will receive a commission in his or her separate capacity as an insurance agent. Consequently, there is a natural conflict of interest created and the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transaction through your investment advisor representative.

## **Vendor Service Agreement**

CWM has a Service Agreement with Orion Advisor Services to provide trading, billing, data aggregation, reporting and operation solutions, as well as other advisor solutions, and our custodians TD Ameritrade Institutional, Fidelity Institutional Wealth Services and other qualified custodians as approved by CWM, LLC. This agreement allows Orion to perform certain trading, operational, data aggregation and other administrative duties with these custodians on our behalf.

## **Affiliation with Carson Group Coaching**

Carson Group Coaching and CWM are under the common ownership of Ron Carson. Carson Group Coaching provides coaching, consulting, training and software services to financial advisors. Carson Group Coaching's focus is on client service and new business growth solutions. Carson Group Coaching is not a registered investment advisor or broker/dealer. Carson Group Coaching offers services to individuals that work within the financial services industry. Carson Group Coaching has an insurance agency through which CWM advisors offer life insurance, LTC and other insurance products.

CWM has an arrangement with Carson Group Coaching allowing us to act as a sponsor of Carson Group Coaching events (i.e., workshops, seminars, etc.). We may market our advisory services and investments at Carson Group Coaching events. Carson Group Coaching may provide referrals to CWM and Carson Group Coaching may refer CWM's platforms, investment strategies and products to financial professionals using Carson Group Coaching services. CWM may compensate Carson Group Coaching for these non-client referral activities.

## **Affiliation with Mineral Interactive**

Mineral Interactive and CWM are under the common ownership of Carson Group Holdings, LLC. Mineral provides Website Design, Digital Strategy, User Interface Design, Brand Strategy, Inbound Marketing, Content Marketing, Paid Media, Video Animation, Live Video, Recurring Video Series and Creative Content Generation to affiliated and unaffiliated firms. Some clients of Mineral Interactive may work

within the financial services industry which will create a conflict of interest in the allocation of internal resources on marketing projects.

### **BriteLine - Line of Credit Accounts**

CWM, LLC has entered in an agreement with Supernova Lending, LLC ("*Supernova*") in order to provide CWM, LLC clients with the ability to pledge all or a portion of their taxable portfolio as collateral ("*Collateral Account*") to obtain a line of credit account (the "*Line*"). Supernova has also entered into agreements with lending institutions ("*Lender*") who fund the Line of Credit. Supernova is the servicer of the Line of Credit on behalf of Lender. If you decide to enter into a loan arrangement with Lender, you should carefully consider the following:

- You are borrowing money that will have to be repaid to Lender, via Supernova as servicer;
- You will be charged an interest rate on the principal balance of the Line that is subject to change;
- You can lose more funds than are held in the Collateral Account(s) and will be liable for any deficiency;
- Lender can force the sale or other liquidations of any securities or other investment property in the Collateral Account(s), they do not need to contact you first, and you are not entitled to choose which securities in are liquidated or sold;
- You are only entitled to draw on the Line to the extent there is credit availability and provided that your Collateral Account(s) meets Lender's collateral maintenance requirements at the time you make a draw request;
- There may be risks and benefits in pledging certain types of investment assets to secure your Line of Credit. For example, deposit accounts, money funds, and similar investments ("*cash equivalents*") may produce less interest income or other yield than the interest rate you are paying on your Line of Credit; and
- CWM, LLC, Supernova, and Lender have a conflict of interest in connection with your decision to obtain a Line of Credit, insofar as CWM, LLC will receive indirect compensation in the form of BriteLine committing to provide event sponsorship support to CWM, LLC's affiliated company (Peak Advisor Alliance). Supernova and the Lender will earn direct compensation in connection with your Line of Credit. In addition, the level of support provided or compensation earned by CWM, LLC, Supernova, and Lender may fluctuate with the applicable interest rate and outstanding balance on your BriteLine. If the assets you have pledged as collateral for your Line are held in a fee based or WRAP fee account, those fees are separate from and in addition to the fees and expenses, including interest expense, on the Line. Your Investment Advisor is also receiving compensation based on the value of those assets. You understand that CWM, LLC, Supernova, and Lender may have a financial incentive for you to obtain a Line as opposed to obtaining other lending products offered by your Investment Advisor or other third party.

## **CWM Advisor Representatives Other Business Activities – Banking or Thrift Institutions**

CWM, LLC has established a marketing arrangement with banks and other depository institutions bank whereby CWM, LLC pays a referral fee to the financial institution which is based upon a portion of the referred client's investment advisory fees collected by CWM, LLC. As a result, the employees of the bank and other depository institution have a conflict of interest when recommending CWM, LLC. A prospective client referred by the bank and other depository institution is under no obligation to utilize the investment advisory services of CWM, LLC. A prospective client referred by CWM, LLC is urged to make his or her own independent investigation and evaluation of CWM, LLC.

A client referred to CWM, LLC by a bank and other depository institution should understand the following:

- CWM, LLC is not a bank or any other type of financial depository institution.
- With respect to the securities recommended or selected by CWM, LLC, such securities
  - Are not insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA);
  - Are not endorsed or guaranteed by the bank or credit union; and
  - Are subject to investment risks, including possible loss of principal invested.

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

### ***Code of Ethics Summary***

Our Code of Ethics includes guidelines for professional standards of conduct for our Supervised Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith and fair dealing with you. All of our Supervised Persons are expected to understand and strictly follow these guidelines.

Our Code of Ethics also requires that our Supervised Persons submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### ***Affiliate and Employee Personal Securities Transactions Disclosure***

Our firm and persons supervised by our firm may buy or sell securities or hold a position identical to clients. It is our policy that no Supervised Person will put his/her interests before a client's interest. Supervised Persons may not trade ahead of any client and cannot trade for a better price than the price a client would obtain. It is the Supervised Person's responsibility to know which securities we are trading. Supervised Persons are required to consult with the Compliance Department to determine whether a security is an acceptable purchase or sale. We prohibit all Supervised Persons from trading on non-public information and from sharing such information. Supervised Persons may not invest in an initial public offering (IPO) for their own accounts or those of related household members. Supervised Persons are required to obtain approval from the Compliance Department prior to investing in a private placement or other limited offerings. We do not allow "short-swing" trading or market timing. Short-Swing trading, better known as the Short-Swing Profit rule, requires company insiders to return any profits made from the purchase and sale of company stock if both transactions occur within a six-month period. A company insider, as determined by the rule, is any officer, director or holder of more than 10% of the company's shares.

### ***Reporting Requirements***

Every Supervised Person who has access to client accounts must submit a report of all personal securities holdings at the time of affiliation with us and annually thereafter. Such reports must contain current information (not older than 45 days). Holding reports must contain the following information:

- The title and type of security;
- The security symbol or CUSIP number;
- The number of shares and the principal amount of each reportable security;
- The name of any broker, dealer, or bank with which the Supervised Person maintains an account;
- The date the report was submitted.

## **Item 12 – Brokerage Practices**

### **Asset Management Services**

You are under no obligation to act on the financial planning recommendations of CWM. If we assist you in the implementation of any recommendations, we are responsible to ensure that you receive the best execution possible.

CWM recommends that you establish accounts with TD Ameritrade Institutional, Fidelity Institutional Wealth Services and other qualified custodians as approved by CWM, LLC through their Institutional Platforms (collectively referred to as Qualified Custodians). TD Ameritrade Institutional is a division of TD Ameritrade Inc. TD Ameritrade, Fidelity Institutional and our other custodians are members of

FINRA/SIPC and are independent (and unaffiliated) SEC-registered broker/dealers and are recommended by CWM to maintain custody of clients' assets and to effect trades for their accounts. On a more limited basis some client accounts will also be held with National Advisors Holdings, LLC and National Advisors Trust Company.

Advisor participates 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. Advisor receives some benefits from TD Ameritrade through participation in the Program. (Please see the disclosure under Item 14. below.)

At least annually, we will review alternative custodians in the marketplace for comparison to the currently used broker/dealer qualified custodians. We evaluate such criteria as expertise, cost competitiveness and financial condition. We will review quality of execution for custodians through trade journal evaluations and broker/dealer reports.

CWM is independently owned and operated and not affiliated with any broker dealer of other Qualified Custodian. The primary factor in suggesting a broker/dealer or custodian is that the services of the recommended firm are provided in a cost-effective manner. While quality of execution at the best price is an important determinant, best execution does not necessarily mean lowest price and it is not the sole consideration. The trading process of any broker/dealer and money manager suggested by CWM must be efficient, seamless, and straight-forward. Overall custodial support services, trade correction services and statement preparation are some of the other factors determined when suggesting a broker/dealer.

The Qualified Custodians provide us with access to their institutional trade execution, clearance and settlement service and custody services which are typically not available to retail investors. These services generally are available to independent investment advisors at no charge to them so long as the independent investment advisors maintain a minimum amount of assets with the custodian. The Qualified Custodians do not charge separately for custody but are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed by recommended money managers through the custodian or that settle into a custodian account.

The Qualified Custodians also make available to us other products and services that benefit our firm but may not benefit clients' accounts. Some of these other products and services assist us in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); provide research, pricing information and other market data; facilitate payment of the firm's fees from its clients' accounts; and assist with back-office functions; record keeping and client reporting.



We recommend broker/dealers and custodians that we feel provide services in a manner and at a cost that will allow us to meet our duty of best execution. However, we will be limited in the broker/dealer or custodians that we are allowed to use due to some of our representatives' relationship with Cetera Advisor Networks, LLC. Cetera limits or restricts the broker/dealer or custodial platforms for its registered representatives that are also independently licensed due to its duty to supervise the transactions implemented by these individuals.

While there is no direct linkage between the investment advice given to you and our recommendation of TD Ameritrade Institutional, Fidelity Institutional Wealth Services and other qualified custodians as approved by CWM, LLC, economic benefits will be provided to us by these custodians that are not provided if you select another broker/dealer or account custodian. These benefits can include:

- Negotiated costs for transaction execution
- A dedicated trade desk
- A dedicated service group and an account services manager dedicated to our accounts
- Access to a real-time order matching system
- Electronic download of trades, balances and position information
- Access, for a fee, to an electronic interface with the account custodian's software
- Financial Support for Data Aggregation and Performance Reporting systems
- Duplicate and batched client statements, confirmations and year-end reports
- Research related products and tools;
- Consulting services;
- 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;
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to CWM by third party vendors. receipt of duplicate Client statements and confirmations;

TD Ameritrade Institutional, Fidelity Institutional Wealth Services and other qualified custodians will also help pay for business consulting and professional services received by Advisor's related persons. These products or services may assist CWM in managing and administering Client accounts, including accounts not maintained at one of the other custodians. Other services made available by our Qualified Custodians are intended to help CWM manage and further develop its business enterprise. The benefits received by CWM or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to a particular custodian. As part of its fiduciary duties to clients, CWM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by CWM or its related persons in and of itself creates a conflict of interest and may indirectly influence the Advisor's choice of a qualified custodian for custody and brokerage services. (Please refer to **Item 14 – Additional Compensation** for more information).

Please also see *Item 5, Fees and Compensation*, for additional information about advisory services and implementing recommendations.

### **Directed Brokerage**

Clients should understand that not all investment advisors require the use of a particular broker/dealer or custodian. Some investment advisors allow their clients to select whichever broker/dealer the client decides. By requiring clients to use a particular broker/dealer, CWM may not achieve the most favorable execution of client transactions and the practice of requiring the use of specific broker/dealers can cost clients more money than if the client used a different broker/dealer or custodian. However, for compliance and operational efficiencies, CWM has decided to require our clients to use broker/dealers and other qualified custodians determined by CWM.

### **Broker/Dealer Affiliation (Cetera Advisor Networks, LLC)**

If you wish to implement our advice, you are free to select any broker you wish. If you wish to have our investment advisor representatives implement the advice in their separate capacity as registered representatives, Cetera Advisor Networks, LLC is used. Some of our investment advisor representatives are registered representatives of Cetera Advisor Networks and we are required to use the services of Cetera when acting in this capacity. Cetera has a wide range of approved securities products for which it performs due diligence prior to selection. Cetera's registered representatives are required to adhere to these products when implementing securities transactions through Cetera. Commissions charged for these products may be higher or lower than commissions clients could be able to obtain if transactions were implemented through another broker/dealer.

Because some of our investment advisor representatives are also registered representatives of Cetera Advisor Networks, LLC, Cetera provides compliance support to them. Cetera also provides our representatives, and therefore us, with back-office operational, technology and other administrative support.

### **Soft Dollar Benefits**

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

We do not have soft-dollar agreements with any broker/dealers and have not received any such benefits; however, Cetera has provided compensation to the firm in the form of transition assistance for assets brought on to the Carson Institutional Alliance program (Please refer to ***Item 14 – Additional Compensation*** for more information).

## **Investment Allocation and Trade Aggregation Policy**

Our allocation and aggregation process requires fair and equitable treatment of all client orders. When 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); we aggregate client transactions or allocate orders whenever possible. The aggregation of orders provides the effects 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/or Supervised Persons invest, we shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, and Incorporated*. We shall not receive any additional compensation or remuneration as a result of the aggregation.

We use model strategies in the management of our separate accounts. Our trading department prioritizes the release of trading orders with respect to its advised separate accounts as follows:

- Discretionary accounts with no restrictions that require manual trade adjustments such as deviations from the model for cash requirements or that hold non-model securities, etc.;
- Accounts with restrictions that require manual intervention to process trades;
- Non-discretionary accounts that require pre-approval of trades.

Due to the sequence of placing trades for accounts, it is possible that accounts traded first will receive more favorable pricing than those traded last.

In order to achieve the best execution price and not cause a significant market change certain transactions in thinly traded equity securities may be required to be broken out into multiple transactions over a series on trading days. While this practice will typically result in a better execution price this practice will result in multiple transaction charges in your account.

We provide investment management services to our clients. We provide non-discretionary investment research and market analysis to third-party investment professionals such as advisors and brokers.

## **Cross Transactions**

A cross trade is a transaction between two accounts managed by the same investment advisor. We recognize the significant conflicts of interest that can arise when performing internal cross transactions in client accounts; therefore, the general policy is to not perform internal cross transactions. However, if we deem it to be in the best interest of certain clients, we may perform an internal cross transaction.

Generally, this type of transaction will only occur in very limited circumstances. Prior to executing such a transaction, the trader will obtain prior written approval from the CCO.

## **Client Participation in Transactions**

In general, we make investment decisions for each account independently from those of other accounts. We make these decisions with specific reference to the circumstances and objectives of each account.

Accounts receive allocations of securities or investments different from other accounts. Through the allocation process, we base these allocations on a number of factors including, but not limited to, the trade rotation policy, previous transactions, account restrictions, account size, tax status, risk tolerance, cash and liquidity. We will seek to be consistent in our investment approach for all accounts with the same or similar investment objectives, strategies and restrictions. However, the act of purchasing, selling or holding a security for one account does not mean that we will do the same for other accounts. We will place transactions for some accounts in securities already owned by other accounts. We also purchase (or sell) a security on behalf of some accounts that was sold (or purchased) on behalf of other accounts.

### **Trading Errors**

Even with our best efforts and controls, trade errors can happen. All trade errors will be brought to the attention of the Head Trader and the CCO immediately upon discovery. We 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 next market close date and with the intent to make the client whole. Ideally, when possible, trade errors will be moved from the client's account to either our trade error account with the broker/dealer that executed the trade or that broker/dealer's trade error account, depending upon which party is responsible for the error. In cases in which we are responsible for the error, all losses will be paid by us and all gains will be retained by the custodian. In cases in which the broker/dealer is responsible for the error, we will follow the procedures of the broker/dealer with respect to any gains or losses in the trade error account. Please be advised that any trade errors that result from inaccurate instructions provided by the client remain the financial responsibility of the client.

### **Item 13 – Review of Accounts**

We provide account reviews as a part of our Asset Management Services. Our advisors will meet with you either by phone or in person at least annually to review your account(s) and update any changes in your financial profile. A summary and consolidated report will be prepared in connection with the review. Reviews can be conducted more frequently when we are experiencing significant changes in economic and market conditions, as requested by a client or at our discretion.

In our Retirement Plan Service Platform our Investment Advisor Representatives will contact each client at least once a year to review our Retirement Plan Services. It is important that you discuss any changes in the Plan's demographic information, investment goals, and objectives with your IAR. Plans may receive written reports directly from their IAR based upon the services being provided, including any reports evaluating the performance of Plan investment manager(s) or investments.

## ***Statements and Reports***

Our clients will receive account statements no less than quarterly from the qualified custodian. You may additionally receive on-demand positions and performance reports in writing from us for no additional fee. We encourage you to compare CWM generated reports to the account statement information you receive from your qualified custodian. The custodians' statements serve as the permanent record of your account(s).

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

Advisory firms can compensate us for referral activities. These fees come in the form of marketing or referral fees paid directly to us by the firm. The exact compensation arrangement will vary depending on the advisory firm and factors associated with the referral. Fees are typically based on a portion of the management fees charged by advisory firm to clients of financial professionals we originally introduced to the advisory firm. In all cases, CWM will comply with the cash solicitation rules established by the SEC, state regulators and the client disclosure requirements.

When a client is referred to us by a referring party, the referring party provides the client with a copy of our Disclosure Brochure as required by the *Investment Advisers Act of 1940*. The client also will complete a Solicitor's Disclosure Statement document. If the referring party is an unaffiliated registered investment advisor firm, then the client will also receive a copy of the referring party's Form ADV Part 2 Disclosure Brochure. If a referred client enters into an investment advisory agreement with CWM, a referral fee is paid to the referring party. The referral relationship will not result in clients being charged any fees over and above the normal advisory fees charged for the advisory services provided.

CWM receives client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, CWM may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with CWM and there is no employee or agency relationship between them. TD Ameritrade has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise CWM and has no responsibility for CWM's management of client portfolios or CWM's other advice or services. CWM pays TD Ameritrade an on-going fee for each successful client referral. For referrals that occurred through AdvisorDirect before April 10, 2017, this fee is a percentage (not to exceed 25%) of the advisory fee that the client pays to CWM ("Solicitation Fee"). For referrals that occurred through AdvisorDirect on or after June 9, 2017 the Solicitation Fee is an annualized fee based on the amount of referred client assets that does not exceed 25% of 1%, unless such client assets are subject to a Special Services Addendum. In the case of a Special Services Addendum, the Solicitation Fee is an annualized fee based on the amount of referred client assets that does not exceed 10% of 1%.

CWM will also pay TD Ameritrade the Solicitation Fee on any assets received by CWM from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired CWM on the recommendation of such referred client. CWM will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

CWM's participation in AdvisorDirect raises a conflict of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, CWM has an incentive to recommend to clients that the assets under management by CWM be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, CWM has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. CWM's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

The referral agreements between CWM and referring parties are in compliance with state and federal securities rules regarding paid solicitor arrangements.

### **Custodian Additional Compensation**

As disclosed under Item 12 above, CWM participates in TD Ameritrade's institutional customer program and CWM may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between CWM's participation in the program and the investment advice it gives to its Clients, although CWM receives economic benefits through its 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 CWM participants; 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 discounts on compliance, marketing, research, technology, and practice management products or services provided to CWM by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by CWM's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit CWM but may not benefit its Client accounts. These products or services may assist CWM in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services

made available by TD Ameritrade are intended to help CWM manage and further develop its business enterprise. The benefits received by CWM or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, CWM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by CWM or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the CWM's choice of TD Ameritrade for custody and brokerage services.

### **Expense Reimbursements**

We will from time to time receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors underwrite the costs incurred for marketing such as client appreciation events, advertising, publishing, and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of our clients. We attempt to control for this conflict by always basing investment decisions on the individual needs of our clients.

### **Additional Compensation**

Supervised Persons, if properly registered and licensed to do so, also can receive compensation on non-advisory business (i.e., brokerage commissions) related to the sale of securities or other investment products as insurance. Transaction-based compensation such as this is separate and distinct from the other fees we receive in connection with our investment advisory services.

Commissions from the sale of other non-advisory investment products include, but are not limited to, variable annuities, mutual funds, private placements and such non-investment related products as life insurance. Such commissions provide an advisor with an incentive to recommend these investment products based on the compensation they will receive from selling such products. This is considered a conflict of interest; however, we do not allow advisors to earn commissions on products that are included within our advisory accounts.

In addition to the receipt of insurance related commission CWM, LLC and our Investment Advisor Representatives can receive additional benefits.

Certain product sponsors may provide CWM, LLC and/or our Investment Advisor Representatives with other economic benefits as a result of the recommendation or sale of the product sponsors' insurance

products. The economic benefits received by CWM, LLC from product sponsors can include but are not limited to, financial assistance or the sponsorship of conferences and educational sessions, marketing support, incentive awards, payment of travel expenses, and tools to assist CWM, LLC in providing various services to clients.

Although CWM, LLC endeavors at all times to put the interest of its clients ahead of its own or those of its officers, directors, or representatives (“affiliated persons”), these arrangements could affect the judgment of the firm when recommending products. These situations present a conflict of interest that may affect the judgment of CWM, LLC and our associated persons.

#### **Other Compensation – Retirement Plan Services Platform**

CWM may receive additional compensation from various vendors, product providers, distributors and others. These providers may provide non-monetary compensation by paying some expenses related to training and education, including travel expenses, and attaining professional designations. CWM might receive payments to subsidize our own training programs. Certain vendors may invite us to participate in conferences, on-line training or receive publications that may further our skills and knowledge. Some may occasionally provide us with gifts, meals and entertainment of reasonable value consistent with industry rules and regulations.

If applicable, and in the event the payments, or non-monetary compensation, are received in connection with or as a result of the Retirement Plan Services, we will disclose such fees to Sponsors in accordance with ERISA and Department of Labor regulations.

#### **Broker Dealer Compensation**

CWM will receive compensation from Cetera Advisors Networks in the form of transition assistance, forgivable loans and expense reimbursements to assist in moving client accounts under their broker dealer in order to utilize their services and products. The loans can be forgiven by Cetera based upon a predetermined level of assets under management moved on to the Cetera Advisory platform. The transition assistance and expense reimbursement payments are contingent upon the firm reaching predetermined production levels. These types of arrangements create a conflict of interest because, we have an incentive to direct client accounts to Cetera in consideration of the actual or anticipated incentives or consideration we will receive. CWM and its IARs can also receive an economic benefit from Cetera in the form of a loan, which is forgiven if CWM and/or the IAR meet certain conditions in terms of maintaining a relationship with Cetera. Please see the detailed discussion of the conditions and conflicts of interest in Item 12 Brokerage Practices.

We are sensitive to this conflict of interest and take steps to ensure that it does not affect our decisions for our clients. CWM reviews trades for best execution, pricing, research, financial strength and other factors to manage a conflict and safeguard that the clients’ best interest comes first.



### ***Custodian Compensation***

In addition, CWM or its affiliates will receive compensation and transitional assistance from TD Ameritrade and/or Fidelity Investments if the form of the payment of transition fees or expense reimbursements to assist in moving client accounts under their broker dealer in order to utilize their services and products. This creates a conflict of interest because, we have an incentive to direct client accounts to our approved custodians in consideration of the actual or anticipated incentives or consideration we will receive. Please see the detailed discussion of the conditions and conflicts of interest in Item 12 Brokerage Practices. Other custodians may also provide transition assistance to the firm.

We are sensitive to this conflict of interest and take steps to ensure that it does not affect our decisions for our clients. CWM reviews trades for best execution, pricing, research, financial strength and other factors to manage a conflict and safeguard that the clients' best interest comes first.

### ***Broker Dealer and Custodian Marketing Support***

Cetera Advisor Networks, LLC and our approved custodians have developed a program to provide marketing assistance in the form of the payment of additional compensation to both CWM and our affiliated firm PEAK Advisor Alliance to support the marketing and recruiting activities discussed in **Item 10 - Other Financial Industry Activities and Affiliations**. Fidelity has developed a program to provide marketing assistance only to PEAK Advisor Alliance. These payments create an incentive for CWM to retain client assets with Fidelity and are therefore a conflict of interest. CWM is sensitive to this conflict of interest and takes steps to make sure that it does not affect our decisions in relation to our client's accounts.

### ***Third Party Manager/Subadvisor Compensation***

CWM can also enter into agreements with unaffiliated registered investment advisory firms (Third Party Managers and/or Subadvisors) to provide additional compensation intended to support CWM's marketing efforts, including services for identifying prospective advisors and clients. These payments can take the form of a mutually agreed upon fixed fee payment(s) or ongoing payments of an agreed upon percentage based upon the assets placed under management with the unaffiliated investment advisory firms.

The Third-Party Managers and Subadvisors can also enter into arrangements with Peak Advisor Alliance to provide financial support to act as a sponsor of Peak events (i.e., workshops, seminars, etc.). These unaffiliated advisory firms will be able to market their advisory services at Peak events.

These payments create an incentive for CWM to place client assets with the unaffiliated investment advisory firms providing the additional support are therefore a conflict of interest. CWM is sensitive to

this conflict of interest and takes steps to make sure that it does not affect our decisions in relation to our client's accounts.

### ***Prior Broker Dealer Loans***

In the past CWM, its CEO, affiliated companies, and advisors received a series of loans from a previous broker dealer LPL Financial, LLC to assist with the transition of advisory business onto the LPL custodial platform. These loans contained clauses that allowed for the loans to be forgiven by LPL based on the scope of business CWM and its advisors engaged in with LPL, including the amount of CWM's client assets that were held with LPL as their account custodian. These loans created a conflict of interest in that CWM and its advisors had a financial incentive to recommend that clients maintain accounts with LPL in order to benefit by having the loan(s) forgiven. However, to the extent that CWM and its advisors recommended that clients use LPL for brokerage services, it was because CWM and its advisors believed that it was in the client's best interest to do so based on the quality and pricing of the execution, benefits of an integrated platform for brokerage and advisory accounts, and other services provided by LPL. All loans have either been forgiven or paid in full as of the date of this disclosure brochure.

### **Conflicts of Interest in General**

The possible additional compensation gives our Supervised Persons an incentive to recommend investment products based on the additional compensation received. Our objective, as a firm, is to always place our clients' best interests first.

The conflicts inherent to advisors or the firm receiving added compensation are disclosed to you in this brochure. Your IAR also provides you with this information in his/her advisory brochure. CWM has implemented supervisory controls for acknowledgement and oversight of existing or conflict concerns or issues. Our CCO is responsible for the administration of the supervisory process and our Written Supervisory Procedures (WSP).

### **Marketing Arrangements with Financial Institutions**

CWM has established and will continue to establish marketing arrangements with banks, credit unions and other financial institutions. In certain circumstances, investment advisory services of CWM may also be marketed through these banks, credit unions and other financial institutions, provided that such marketing is done in compliance with applicable SEC and state regulations. Further, CWM may have Advisor Representatives conducting business from and/or affiliated with a bank or other financial institution. As a result of these marketing agreements, the financial institution receives compensation representing payment for the use of the facilities and equipment of the financial institution(s), in the form of program support or rent payment and/or a portion of advisory fees or securities commissions paid to the representatives for sales to customer/members of the financial institution.

These relationships create certain unique compliance issues relative to consumer protection and understanding of bank products vs investment products offered by CWM, LLC.

The joint guidelines of regulators of the depository institution call for, at a minimum, both written and verbal disclosure at or prior to the time securities products are purchased or sold that such securities products:

- Are not insured by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Share Insurance Fund, the Federal Deposit Insurance Corp., the National Credit Union Administration, or any other federal or state deposit guarantee fund or other government agency;
- Not endorsed or guaranteed by the bank or credit union or their affiliates;
- Are not deposits or obligations of the depository institutions and are not guaranteed by the depository institutions;
- Investments and securities are subject to investment risks, including possible loss of principal invested.

#### **Bank Account Marketing Relationship**

CWM has entered into an agreement to market for Galileo Money+ bank accounts. CWM is compensated to market and refer clients to open Galileo Money+ bank accounts. CWM will utilize the compensation received to offset the technology expenses incurred by our investment adviser representatives. The receipt of the direct compensation by the firm and the resulting indirect compensation received by our investment adviser representatives for the recommendation that clients use certain bank accounts creates a conflict of interest, as a CWM Investment Adviser Representatives have an incentive to recommend the use of certain bank accounts based upon the receipt of compensation rather than on a particular client's needs. Clients are under no obligation to use the Galileo Money+ bank accounts and may utilize the services of any bank and are not required to use bank accounts recommended by CWM or our Investment Adviser Representatives.

#### **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined as having access or control over client funds and/or securities, but does not include the ability to execute transactions in client accounts. Custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody for purposes of the *Investment Advisers Act of 1940* and must ensure proper procedures are implemented. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody. We are deemed to have custody of client funds and securities whenever we are given the authority to have fees deducted directly from client accounts.

In addition, for certain client accounts we have the ability to transfer funds from their managed accounts to designated third parties based upon a standing letter of authorization. The SEC has also deemed this activity to be custody of client assets. However, our procedures are designed to meet the requirements established by the SEC.

For accounts where we are deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the creation of all accounts and therefore are aware of the qualified custodian's name, address, and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statement against reports received from us. When clients have questions about their account statements, they should contact us or the qualified custodian preparing the statement.

In our Retirement Plan Services Platform CWM will not serve as a custodian for Plan assets in connection with the Retirement Plan Services. Sponsor is responsible for selecting the custodian for Plan assets. We may be listed as the contact for the Plan account held at an investment sponsor or custodian. Sponsor for the Plan will complete account paperwork with the outside custodian that will provide the name and address of the custodian. The custodian for Plan assets is responsible for providing the Plan with periodic confirmations and statements. We recommend that Sponsor reviews the statements and reports received directly from the custodian or investment sponsor.

## **Item 16 – Investment Discretion**

The Agreement grants us the authority to decide what securities are bought or sold in your account(s) and the authority to implement those decisions without being required to obtain your approval.

You have the right to place reasonable restrictions on your accounts. You have the ability to place reasonable restrictions on the discretionary power granted to us so long as the limitations are specifically directed to us as an attachment to the Agreement. However as stated previously the firm retains the right to decline to enter into a management agreement with any client whose investment restrictions are contrary to the firm's investment strategies.

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

You are responsible for exercising your right to vote proxies for any and all securities maintained in your managed accounts. In our retirement Plan Services Platform, we have no authority or responsibility to vote any security held by the Plan or the related proxies. That authority is reserved by the Sponsor or

trustee of the Plan. We do not provide advice on proxy materials on behalf of your non-ERISA advisory accounts.

### ***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/or fact. Class action suits frequently arise against companies that publicly issue securities, including securities recommended by investment advisors to clients.

With respect to class action suits and claims, you (or your agent) will have the responsibility for class actions or bankruptcies, involving securities purchased for or held in your account. We do not provide such services and are not obligated to forward copies of class action notices we may receive to you or your agents.

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

This *Item 18* is not applicable to this brochure. CWM does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. CWM is not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, CWM has not been the subject of a bankruptcy petition at any time.

Carson Group Holdings, LLC, the parent company of CWM, LLC, and various Partner offices doing business as CWM, LLC received a Paycheck Protection Plan (“PPP”) Loan through the Small Business Administration in conjunction with the relief afforded from the CARES Act during the COVID-19 Pandemic. As described in the program requirements, the loan provided to Carson Group Holdings, LLC and CWM, LLC’s Partner offices is to be used to support the firm’s payroll expenses and other expense items as allowed under the program which based on the parameters of the loan will then result in the loan being forgiven without a requirement for the firm to make any repayment. If the PPP loan proceeds are used in any manner other than allowed under the program, then the loan will convert to a standard loan which will require the firm(s) to repay the loan proceeds in accordance with the firm’s agreement with the lending financial institution. The firm(s) have not suffered any interruption of service.

## **Privacy Policy – Our Commitment to You**

We treat your non-public personal financial information with confidentiality and respect. Our Privacy Policy defines the trust, privacy, and confidentiality we have with our clients. Our Privacy Policy is reasonably designed to:

1. Ensure the security and confidentiality of your records and information;
2. Protect against anticipated threats or hazards to the security or integrity of your records and information; and,
3. Protect against unauthorized access to or use of your records or information that could result in substantial harm or inconvenience to you.

### ***Information We Collect About You***

You typically provide personal information when you open an account with us. This information includes financial and tax identification information, to comply with U.S. government laws and rules, as well as rules imposed by regulatory organizations and jurisdictions. We request personal information from new customers as well as from customers who have had long-standing relationships with us. Your advisor must have a reasonable basis for believing that the recommendation is suitable for you. In making this assessment, your advisor must consider your risk tolerance, other security holdings, financial situation (income and net worth), financial needs and investment objectives.

### **Responsibility to Protect Non-Public Personal Information**

Our Supervised Persons are accountable for protecting confidential client information in which they have access. We restrict access to your non-public personal information to those persons on a need to know basis.

Non-public personal information includes all information you provide to obtain a financial product or service. It also includes information resulting from any transaction or information otherwise obtained in providing a financial product or services. In addition, we maintain physical, procedural and electronic safeguards in an effort to protect the information from access by unauthorized parties.

### **Privacy on the Internet**

We are committed to preserving your privacy on the Internet. If you contact us via email, we will use email information only for the specific purpose of responding to requests or comments. We prohibit the sale of email addresses. Only when required by law will we share email addresses and information.

### **Sharing Information**

We do not sell lists of client information. We do not disclose client information to marketing companies unless we hire them to provide specific services as listed below. We do not disclose any non-public personal information except as provided by law. We may share non-public personal information with

our affiliates while processing transactions, managing accounts on your behalf, or to inform you of products or services that we believe may be of interest to you. Additionally, we may share non-public personal information with the following types of third parties: (a) our financial service providers, such as custodians, transfer agents and third-party money managers; (b) non-financial companies under servicing or joint marketing agreements, such as printing firms, mailing firms, or providing service firms data transfer information for the purpose of aggregation, or performance reports; (c) With broker-dealer firms having regulatory requirements to supervise certain aspects of CWM's activities.

These third parties are bound by law or by contract to use your information only for the services for which we hired them and are not permitted to use or share this information for any other purpose. Your non-public personal information may also be disclosed to persons we believe to be your authorized agent or representative. We are also required to disclose your information to various regulatory agencies in order to satisfy our regulatory obligations and as otherwise required or permitted by law. In addition, we will disclose client information to third-party litigants when we are required to do so by lawful judicial process or by court order. We may also disclose your confidential information in response to a request from a government authority that has jurisdiction over our affairs.

#### **Former Customers**

We do not disclose any non-public personal information about our former clients to anyone, except as required by law.

#### **Keeping You Informed**

We will send you a copy of our Privacy Policy annually for as long as you maintain a relationship with us. We will provide you with a revised policy if we make any material changes. We will not change the policy to permit the sharing of non-public personal information other than that provided in this notice unless we first notify you and allow you the opportunity to "opt out" or prevent information sharing.

<b>FACTS</b>	<b>WHAT DOES CWM, LLC DO WITH YOUR PERSONAL INFORMATION?</b>
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>• Social Security number and employment information</li> <li>• account balances and account transactions</li> <li>• transaction history and wire transfer instructions</li> </ul>

	When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.	
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons CWM, LLC chooses to share; and whether you can limit this sharing.	
Reasons we can share your personal information	Does CWM, LLC share?	Can you limit this sharing?
<b>For our everyday business purposes –</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations or report to credit bureaus	Yes	No
<b>For our marketing purposes –</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	Yes	No
<b>For our affiliates' everyday business purposes –</b> information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes –</b> information about your creditworthiness	No	We do not share
<b>For our affiliates to market to you</b>	Yes	Yes
<b>For non-affiliates to market to you</b> If your advisor terminates his or her relationship with us and moves to another investment advisory firm, we or your advisor may disclose your personal information to the new firm.	Yes	Yes
<b>To Limit Our Sharing</b>	<p>If you would like to limit the information your advisor could share if he or she were to terminate with us and move to another investment advisory firm, please return the Privacy Opt-Out form attached to this notice.</p> <p>If you are a new customer, we can begin sharing your information 30 days from the date you receive this notice. When you are no longer a customer, we continue to share your information as described in this notice.</p> <p>However, you can contact us at any time to limit sharing.</p>	



Who We Are	
Who is providing this notice?	CWM, LLC
What We Do	
How does CWM, LLC protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does CWM, LLC collect my personal information?	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> <li>▪ open an account</li> <li>▪ provide account information</li> <li>▪ give us your contact information</li> <li>▪ enter into an investment advisory contract</li> <li>▪ tell us about your investments or retirement portfolio</li> <li>▪ seek advice about your investments</li> </ul>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for non-affiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>

Definitions	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <p><i>Our affiliates include companies with a Carson name; and financial companies such as Carson Group Investing, LLC and Carson Group Brokerage, LLC.</i></p>
<b>Non-Affiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <p><i>Non-affiliates we may share your information with include your advisor's new investment advisory firm and may also include financial institutions such as a broker dealer.</i></p>

<b>Joint Marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <p><i>Our joint marketing partners include financial institutions such as a broker dealer.</i></p>
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<b>Other Important Information</b>	
Accounts with a California, Vermont, Massachusetts, or North Dakota mailing address are automatically treated as if they have opted-out of our sharing as described in this notice.	
<b>Questions?</b>	<p>If you have any questions about our privacy policy or about how to limit our sharing, please call (888) 321-0808 or visit <a href="http://www.carsonwealth.com">www.carsonwealth.com</a></p>

## Privacy Opt-Out Form

If you would like to limit the personal information that your financial advisor could disclose or take if he or she moved to another investment advisory firm and terminated their relationship with CWM, LLC, please complete and mail the following form to:

Carson Partners Operations  
13321 California St., Suite 100  
Omaha, NE 68154

OR email a scanned copy of your form to [privacy@carsongroup.com](mailto:privacy@carsongroup.com)

You can withdraw your opt-out choice at any time by contacting us in writing at the address or email address provided above.

If your primary address is in a state that requires your affirmative consent to share your personal information with a new firm, then you must give your written consent before we will allow your financial advisor to take any of your personal information to that new firm.

By completing and returning this form as described, I am instructing CWM, LLC to limit the personal information about me that my financial advisor could disclose or take if he or she moves to another investment advisory firm and terminates their relationship with CWM, LLC.

Please note that for accounts held jointly by two or more persons, the privacy choices made by any account holder apply to all joint holders with respect to the account. In order for your opt-out election to be effective, you must complete ALL of the following information:

Name (please print clearly): \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State/Zip: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Name of CWM, LLC Financial Advisor: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_