

**TRANSCEND WEALTH COLLECTIVE, LLC**

**APPENDIX 1 WRAP FEE PROGRAM BROCHURE**

**Effective 4.7.21**

51 JFK Parkway  
Short Hills, N.J 07078  
Phone: (973) 370-3203 x101  
Fax: (973) 314-4118

Website: [www.transcendwealthcollective.com](http://www.transcendwealthcollective.com)

This ADV2A - Appendix 1 (“wrap fee program brochure”) provides information about the qualifications and business practices of Transcend Wealth Collective, LLC. If you have any questions regarding the contents of this wrap fee program brochure, please do not hesitate to contact our Chief Compliance Officer, James Hughes, by telephone at (973) 370-3203 x101 or by email at [jhughes@transcendwealthcollective.com](mailto:jhughes@transcendwealthcollective.com). The information in this wrap fee program brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Transcend Wealth Collective, LLC is a registered investment adviser with the U.S. Securities and Exchange Commission. Registration with the SEC or any state securities authority does not imply a certain level of skill or training. Additional information about Transcend Wealth Collective, LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our firm CRD# 299723.

April 7, 2021

## **Item 2 – Material Changes**

Form ADV Part 2 – Appendix 1 requires registered investment advisers to amend their wrap fee program brochure when information becomes materially inaccurate. If an adviser is filing an annual updating amendment and there are any material changes to an adviser's wrap fee program brochure, the adviser is required to notify you and provide you with a description of the material changes.

### *Material Changes*

The following material changes have been made to this wrap fee program brochure since the last filing and distribution to clients:

- TWC is deemed to have custody of client funds and as a result has engaged with Ashland Partners, an independent PCAOB accounting firm to perform annual surprise custody examinations.
- TWC has established an institutional relationship with Fidelity Clearing & Custody Solutions and related entities of Fidelity Investments, Inc. Please see Items 4 and 9 for additional information.

### *Future Changes*

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

At any time, you may view the current wrap fee program brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 299723. You may also request a copy of this wrap fee program brochure at any time, by contacting us at (973) 370-3203 or by email at [twc@transcendwealthcollective.com](mailto:twc@transcendwealthcollective.com).

### **Item 3 - Table of Contents**

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

The Transcend Wealth Collective, LLC Wrap Fee Program (the “TWC Wrap Fee Program” or “Program”) is an investment advisory program sponsored by Transcend Wealth Collective, LLC (“TWC” or the “Firm”). TWC is an investment advisory firm registered with the United States Securities and Exchange Commission (“SEC”).

This wrap fee program brochure describes the Program as it relates to clients receiving services through the Program. In addition to the Program, the Firm offers a variety of advisory services, which include financial planning, consulting, and investment management services under different arrangements than those described herein. Information about these services is contained in the Firm’s Form ADV 2A Disclosure Brochure.

##### **Description of the Program**

The Program provides clients utilizing the portfolio management services of TWC with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges. A wrap fee program is considered as any arrangement under which clients receive investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisors) and the execution of designated client transactions for a specified fee or fees not based upon transactions in their accounts.

TWC provides investment management services as the sponsor and/or manager of the TWC Wrap Program. TWC primarily allocates client assets among various individual debt and equity securities, mutual funds, exchange-traded funds (“ETFs”), structured products, options, alternative investments and Independent Managers in accordance with clients’ stated investment objectives, risk profile and financial condition. In addition, TWC may also recommend that certain clients who qualify as accredited investors, as defined by Rule 501 of the Securities Act of 1933, and a “qualified purchaser” as that term is defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, invest in affiliated and unaffiliated privately placed securities, which may include debt, equity and/or interests in pooled investment vehicles (e.g., hedge funds). The Firm sponsors the TWC Wrap Fee Program solely as a supplemental disclosure regarding the combination of fees, which in addition to securities transaction fees, includes, custodial costs, certain mutual fund redemption fees, SEC exchange process fees, administrative fees, trade away transaction, and other fees and expenses (herein “Covered Costs”) together with its investment advisory fees.

Advisory services provided by TWC are offered in a Wrap Fee Program structure whereby Covered Costs are included in the overall investment advisory fee paid to TWC. As the level of activity in a client’s account[s] may vary from year to year, the annual cost to the client may be more or less than engaging for advisory services where the Covered Costs are borne separately by the client. The cost of the Wrap Fee Program varies depending on services to be provided to each client, however, the client is not charged more if there is higher trading activity in the client’s account[s]. A Wrap Fee Program structure presents a conflict of interest as the Firm has an incentive to limit the number of trades placed in the client’s account[s] or to utilize securities that do not have transaction fees. The Firm’s recommended Custodian does not charge securities transaction fees for ETF and equity trades in a client’s account, provided that the account meets the terms and conditions of the Custodian’s brokerage requirements. However, the Custodian typically charges for mutual funds and other types of investments. As such, the Firm is incentivized to utilize ETFs and other equity securities to limit the overall cost to the Firm. TWC will only place client assets into a Wrap Fee Program when it is believed to be in the client’s best interest.

Prior to receiving services through the Program, clients are required to enter into a written agreement with TWC setting forth the relevant terms and conditions of the advisory relationship (the “Agreement”). clients

must also open a new securities brokerage account and complete a new account agreement with an unaffiliated Custodian. This includes Schwab Advisor Services, a division of Charles Schwab & Co., Inc. (“Schwab”) and Fidelity Clearing & Custody Solutions and related entities of Fidelity Investments, Inc. (collectively “Fidelity”), each a FINRA-registered broker-dealer and member of SIPC and a “Qualified Custodian” as that term is described in Rule 206(4)-2 of the Investment Advisers Act of 1940 (“Advisers Act”). Each Custodian provides custody of securities, trade execution, and clearance and settlement of transactions placed by TWC. If your accounts are custodied at Schwab or Fidelity, Schwab or Fidelity will hold your assets in a brokerage account and buy and sell securities when we instruct them to.

Accounts managed through the TWC Wrap Fee Program are done so in substantially the same manner as those managed under a non-wrap arrangement.

## **Fees**

### The Program Fee

TWC charges an annual Program Fee, which includes Covered Costs together with investment advisory fees, based on the value of the assets in the Program that is agreed upon with each client and set forth in an agreement executed by TWC and the client. TWC’s Program Fee is negotiable and varies based on several factors, including, but not limited to, the size of the relationship, the nature and complexity of the products and investments involved, time commitments and travel requirements. If based on a percentage of the value of assets under management, the fee generally ranges between .45% and 1.50% annually of the value of the assets under management. The Program Fee for the initial month is payable on a pro rata basis, in arrears, based on the period ending value of the net billable assets under management. For subsequent months, the Program Fee generally is payable in advance (except for services to participant-directed 401k plans, which generally are payable in arrears), based on the average daily net billable asset value of the client’s accounts through the last day of the previous month as provided by third-party sources such as pricing services, Custodians, fund administrators, and client-provided sources.

The client may make additions or withdrawals from the account[s] at any time, subject to the Firm’s right to terminate an account or the overall relationship. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client’s account[s]. Clients may withdraw account assets on notice to TWC, subject to the usual and customary securities settlement procedures. However, the Firm typically designs its investment portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client’s investment objectives. TWC may consult the client about certain implications such transactions. Clients are advised that when such securities are liquidated, they may be subject to securities transaction fees, short-term redemption fees, and/or tax ramifications.

The number of transactions made in clients’ accounts, the size of the accounts, and the securities used to construct a portfolio, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Participants in the Program may pay a higher or lower aggregate fee than if investment management and brokerage services are purchased separately. TWC does not charge its clients higher advisory fees based on their trading activity, but clients should be aware that TWC may have an incentive to limit its trading activities in client accounts because TWC is charged for executed trades.

### Cash Positions

At any specific point in time, depending upon perceived or anticipated market conditions or events (there being no guarantee that such anticipated market conditions/events will occur), TWC may maintain cash positions for defensive or other purposes. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating the Program Fee.

Additional fees and expenses

As noted above, the Wrap Fee Program includes Covered Costs incurred in connection with investment advisory services provided by TWC. All fees paid to TWC for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A client may be able to invest in these products directly, without the services of TWC, but would not receive the services provided by TWC which are designed, among other things, to assist the client in determining which products or services are most appropriate for each client's financial situation and objectives. Accordingly, the client should review both the fees charged by the fund[s] and the fees charged by TWC to fully understand the total fees to be paid.

Additionally, fees related to the use of Independent Managers, client-directed trades and account activity, such as electronic funds and wire transfers fees, certificate delivery fees, markups and markdowns, bid-ask spreads, selling concessions, and other miscellaneous fees and expenses as outlined in the account opening paperwork executed with the Custodian, are generally charged back to the client. The Firm does not control nor share in these fees. The client should review all fees charged by the fund[s], third parties and TWC to fully understand the total fees to be paid. Please see Item 5.C – Other Fees and Expenses in the Disclosure Brochure.

Payment of Fees

TWC generally deducts its Program Fee from a client's investment account(s) held at his/her Custodian. Upon engaging TWC to manage such account(s), a client grants TWC this limited authority through a written instruction to the Custodian of his/her account(s).

Compensation for Recommending the Program

TWC does not have any arrangements where it receives an economic benefit from a third party for recommending the Program.

**Item 5 – Account Requirements and Types of Clients**

TWC offers investment advisory services to individuals, including high net worth individuals, families, family offices, trusts, businesses, charitable foundations, and retirement/profit-sharing plans.

Accounts in the Program may be subject to a minimum annual Program Fee at the discretion of TWC management. Additionally, certain Independent Managers may impose more restrictive account requirements and varying billing practices than TWC. In such instances, TWC may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Managers.

**Item 6 – Portfolio Manager Selection and Evaluation**

TWC currently acts as a portfolio manager for the Program. However, TWC does not receive fees for its investment management services that are in addition to the Program Fee.

TWC may recommend that clients authorize active discretionary management of all or a portion of their assets designated to the Program by certain Independent Managers in addition to the utilization, where appropriate, of passive investment vehicles. To the extent applicable, TWC may recommend or select Independent Managers consistent with the client's investment objectives. Factors which TWC considers in recommending or selecting Independent Managers include the client's stated investment objective(s), risk

profile and financial condition and the Independent Manager's management style, performance, reputation, financial strength, and the results of TWC's research.

TWC does not independently validate the performance of Independent Managers.

### **Other Advisory Business Services**

TWC offers a variety of advisory services, which include financial planning, institutional consulting, and investment management services. TWC tailors its advisory services to meet the needs of its individual clients and seeks to manage client portfolios in a manner consistent with those needs and objectives. TWC consults with clients on an initial and periodic basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to inform TWC of any changes to their investment objectives, risk tolerance or financial circumstances.

### **Methods of Analysis, Investment Strategies**

Please see Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss of the Disclosure Brochure for details on the research and analysis methods employed by TWC.

### **Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. TWC will assist clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a client will meet their investment goals.

Each client engagement will entail a review of the client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a client's account[s]. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a client's account[s]. TWC and its Advisory Persons shall rely on the financial and other information provided by the client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the client to inform TWC of any changes in financial condition, goals or other factors that may affect this analysis.

Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each client should understand and be willing to bear. Clients are reminded to discuss these risks with the TWC. Please see Item 8.B. – Risk of Loss in the Disclosure Brochure for details on investment risks.

### **Voting Client Securities**

Unless the client directs otherwise in writing, TWC is responsible for voting client proxies. However, assets allocated to Independent Managers shall be voted by the Independent Manager.

The client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the account assets, including, but not limited to, class action lawsuits.

TWC understands its duty to vote client proxies and to do so in the best interest of its clients. Furthermore, it is understood that any material conflicts between the TWC's interests and those of our clients with regard

to proxy voting must be resolved before proxies are voted. TWC subscribes to a proxy monitor and voting agent service offered by Broadridge ProxyEdge (“Broadridge”). Clients may request a copy of our written policies and procedures regarding proxy voting and/or information on how particular proxies were voted by contacting our CCO.

### **Performance-Based Fees and Side-by-Side Management**

Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client’s account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. TWC’s fees are calculated as described in Item 5 above. TWC does not charge performance-based fees or participate in side by side management.

Although TWC does not charge performance-based fees, certain advisory affiliates receive carried interest allocations from investments into proprietary products. Please see Item 10 – Other Financial Industry Activities and Affiliations for additional information.

### **Item 7 – Client Information Provided to Portfolio Managers**

TWC strives to provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an investment advisor representative will discuss with each client, their investment objective(s). TWC then allocates each client’s investment assets consistent with their designated investment objective(s). Clients may, at any time, impose reasonable restrictions, in writing, on TWC’s services.

It remains the responsibility of each client to advise TWC if there is ever any change in their financial situation or investment objectives.

Clients participating in the Program generally grant TWC the authority to discuss certain non-public information with the Independent Managers engaged to manage their accounts. Depending on the specific arrangement, the Firm may be authorized to disclose various personal information including, but not limited to: names, phone numbers, addresses, social security numbers, tax identification numbers, and account numbers. TWC may also share certain information related to its clients’ financial positions and investment objectives in an effort to ensure that the Independent Managers’ investment decisions remain aligned with the Firm’s clients’ best interests. This information is communicated as necessary for the management of its clients’ portfolios.

### **Item 8 - Client Contact with Portfolio Managers**

Clients have reasonable access to the Program’s portfolio managers.

### **Item 9 – Additional information**

#### **A. Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client’s evaluation of TWC and the integrity of TWC’s management. TWC has no information applicable to this Item.

Please see Item 9 of the TWC Disclosure Brochure as well as Item 3 of each Advisory Person's Brochure Supplement for additional information on how to research the background of TWC and its Advisory Persons.

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

### **Exempt Reporting Adviser and General Partner Affiliations**

Transcend Wealth Collective Capital, LLC serves as the holding company to Transcend Wealth Collective Investment Management, LLC, an Exempt Reporting Adviser relying on the Private Fund Adviser Exemption under rule 203(m)-1 of the Advisers Act, and other affiliated general partner subsidiaries (each a "General Partner" and collectively the "General Partners"). The General Partners have appointed Transcend Wealth Collective Investment Management, LLC as the investment manager (herein the "Investment Manager") to various pooled investment vehicles (the "Funds").

The General Partners offer to third-party investors and clients of TWC (collectively "Investors") direct access to the Funds. The Investment Manager provides certain investment advisory, management, and administrative services to the Funds. In consideration for these services Investors in the Funds are subject to a management fee upon closing the Fund. Additionally, Investors are charged carried interest allocations, which are typically deducted from investment proceeds that would otherwise be distributable to the Investors in the Funds. The manner of calculation and application of the management fee and the carried interest allocations are disclosed in the respective offering documents for the Funds. Finally, TWC will charge an advisory fee on any assets invested into the Funds.

Due to the affiliation between the Investment Manager, the General Partners and TWC, management persons have a financial incentive to recommend that clients invest into the Funds. However, prior to recommending an investment into the Funds, TWC will conduct appropriate due diligence to ensure the recommendation to a client to invest aligns with the client's investment needs and objectives. In addition, TWC will provide additional disclosure information to each client, which will include relevant details regarding material financial interests and compensation as it relates to the Funds. Finally, there is no requirement for TWC to recommend these Funds to clients, nor are clients obligated to invest into these Funds.

### **Insurance Agency Affiliations**

Certain Advisory Persons of TWC are also licensed insurance professionals and employees of Transcend Wealth Collective Insurance Services, LLC a subsidiary of Transcend Wealth Collective Holdings, LLC, an insurance firm under common control with the Firm. Transcend Wealth Collective Insurance Services, LLC will provide its services to clients of the Firm and clients of Transcend Wealth Collective Insurance Services, LLC. Transcend Wealth Collective Insurance Services, LLC will also be offered the advisory services of the Firm. Clients are not required to utilize the services provided by Transcend Wealth Collective Insurance Services, LLC. As an insurance professional, an Advisory Person will receive customary commissions and other related revenues from the various insurance companies whose products are sold. Advisory Persons are not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This practice presents a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by an Advisory Person or the Firm.

### **Registrations with Broker-Dealer**

Certain Firm representatives who provide investment advice to clients (our “Advisory Persons”) may also be registered representatives of Purshe Kaplan Sterling Investments, Inc. (“PKS”), a FINRA-registered broker-dealer and member of SIPC.

A Firm Advisory Person who is a registered representative of PKS may implement securities transactions on a commission basis through PKS. In such instances, the Advisory Person will receive commission-based compensation in connection with the purchase and sale of securities, as well as a share of any ongoing distribution or service (trail) fees, including 12b-1 fees for the sale of investment company products. Clients who are invested in mutual funds which pay 12b-1 fees will pay more in expenses and likely will have lower returns than clients who are invested in mutual funds that have similar investment strategies and holdings, but do not pay 12b-1 fees. Compensation earned by the Advisory Person in his or her capacity as a registered representative is separate from and in addition to TWC’s Program Fee. The receipt of such compensation by an advisory person presents a conflict of interest as an advisory person who is a registered representative may have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on client needs. To mitigate these conflicts, clients are under no obligation to purchase securities products through PKS or Firm Advisory Persons who are registered representatives or otherwise engage such persons and may choose brokers or agents not affiliated with TWC or PKS. Further, TWC will not charge an ongoing investment advisory fee on assets purchased by a client through an Advisory Person acting in their capacity as a registered representative.

### **C. Code of Ethics, Participation or Interest in Client Transactions**

TWC has implemented a Code of Ethics that defines our fiduciary commitment to each client. This Code of Ethics applies to all persons subject to TWC’s compliance program (our “Supervised Persons”). Complete details on the TWC Code of Ethics can be found under Item 11 – Code of Ethics, Participation in client Transactions and Personal Trading in the Disclosure Brochure (included with this Wrap Fee Program Brochure).

### **D. Receipt of Economic Benefit**

#### Participation in Institutional Advisor Platform – Schwab

*Services that May Only Benefit the Firm* – Schwab also offers other services and financial support to TWC that may not benefit the client, including: educational conferences and events, financial start-up support, consulting services and discounts for various service providers. Schwab has agreed to provide TWC with reimbursement of Transfer or Account Exit Fees. These funds will be used toward fees client accounts will bear if the accounts are transferred to Schwab. Additionally, Schwab has agreed to pay for certain services rendered by third parties for which TWC would otherwise have to pay. This amount is covered once the value of client assets in accounts at Schwab reaches a certain size. Clients do not pay more for assets maintained at Schwab as a result of these arrangements. However, TWC does benefit from the arrangement because the cost of these services would otherwise be borne directly by TWC. Access to these services and financial support creates a financial incentive for TWC to recommend Schwab, which results in a conflict of interest. TWC believes, however, that the selection of Schwab as Custodian is in the best interests of its clients. Clients should consider these conflicts of interest when selecting a custodian.

#### Participation in Institutional Advisor Platform – Fidelity

TWC has established an institutional relationship with Fidelity to assist TWC in managing client account[s]. Access to the Fidelity Institutional platform is provided at no charge to TWC. TWC receives access to

software and related support without cost because TWC renders investment management services to clients that maintain assets at Fidelity. The software and related systems support may benefit TWC, but not its clients directly. In fulfilling its duties to its clients, TWC endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a conflict of interest since these benefits may influence TWC's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

Additionally, TWC may receive the following benefits from Fidelity: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

Finally, Fidelity has also agreed to provide TWC with reimbursement of Transfer or Account Exit Fees. These funds will be used toward fees client accounts will bear if the accounts are transferred to Fidelity. However, TWC does benefit from the arrangement because the cost transition would otherwise be borne directly by TWC. Access to these services and financial support creates a financial incentive for TWC to recommend Fidelity, which results in a conflict of interest. TWC believes, however, that the selection of Fidelity as Custodian is in the best interests of its clients. Clients should consider these conflicts of interest when selecting a custodian.

#### **E. Review of Accounts**

TWC monitors investment advisory portfolios as part of a continuous and ongoing process. TWC advisers aspire to meet quarterly with each client, and have at least one annual meeting with every client to conduct a formal review of each client's account. Details of the review policies and practices are provided in Item 13 of the Disclosure Brochure.

#### **F. Client Referrals and Other Compensation**

TWC does not currently have referral arrangements with solicitors but may in the future enter into referral arrangements with unaffiliated individuals who may from time-to-time refer potential investors to TWC for investment management services and be compensated for successful referrals by receiving a percentage of the advisory fee TWC receives from such clients. Any such arrangements must be in compliance with Rule 206(4)-3 of the Advisers Act.

#### **G. Financial Information**

Neither TWC, nor its management has any adverse financial situations that would reasonably impair the ability of TWC to meet all obligations to its clients. Neither TWC, nor any of its Advisory Persons, has been subject to a bankruptcy or financial compromise. TWC is not required to deliver a balance sheet along with this Disclosure Brochure, as the firm does not collect advance fees of \$1,200 or more for services to be performed six months or more in advance. Please see Item 18 of the Disclosure Brochure.