

# WealthFD, LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of WealthFD, LLC. If you have any questions about the contents of this brochure, please contact us at (215) 671-6660 or by email at: [info@wealthfd.com](mailto:info@wealthfd.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about WealthFD, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). WealthFD, LLC's CRD number is: 299248.*

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*Registration as an investment adviser does not imply a certain level of skill or training.*

Version Date: 8/12/2021

## **Item 2: Material Changes**

WealthFD, LLC has not yet filed an annual updating amendment since its annual amendment for fiscal year end 2020. Therefore there are no material changes to report.

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

WealthFD, LLC (hereinafter “WealthFD”) is a Limited Liability Company organized in the State of Pennsylvania, October 2018. The principal owner is FD Financial Group LLC.

### **B. Types of Advisory Services**

#### ***Portfolio Management Services***

WealthFD offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. WealthFD creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- |                       |                                |
|-----------------------|--------------------------------|
| • Investment strategy | • Personal investment policy   |
| • Asset allocation    | • Asset selection              |
| • Risk tolerance      | • Regular portfolio monitoring |

WealthFD evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. WealthFD will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

WealthFD seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of WealthFD’s economic, investment or other financial interests. To meet its fiduciary obligations, WealthFD attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, WealthFD’s policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is WealthFD’s policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

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

Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values, and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information, and analysis will be considered as

they affect and are affected by the entire financial and life situation of the client. Clients purchasing this service will receive a written or an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.

In general, the financial plan will address any or all of the following areas of concern. The client and advisor will work together to select the specific areas to cover. These areas may include, but are not limited to, the following:

- **Business Planning:** We provide consulting services for clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives, and develop a plan aimed at achieving your goals.
- **Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.
- **College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren (if appropriate).
- **Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.
- **Estate Planning:** This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts, and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts. We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact

information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

- **Financial Goals:** We will help clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.
- **Insurance:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home, and automobile.
- **Investment Analysis:** This may involve developing an asset allocation strategy to meet clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.
- **Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments).

If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance ("self-insuring").
- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their "tax efficiency," with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation.

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We will participate in meetings or phone calls between you and your tax professional with your approval.

## ***Comprehensive Wealth Management***

Comprehensive wealth management includes:

- Goal Planning  
Evaluation of Money History  
Evaluation of upcoming life and financial transitions  
Written goal plan & timeline  
Ongoing progress updates towards planning goals
- Tax  
Personal Tax Preparation  
Roth vs Traditional Calculations  
Sole Prop vs S-Corp vs C-Corp Calculations  
Tax monitoring and minimization  
Roth Conversion Analysis  
Business Tax Planning  
End of Year Tax Planning & Projection  
Lifetime Tax Projection & Scenario Analysis  
Withholding analysis
- Cash Flow  
Creation and Monitoring of Spending Plan  
Categorization and Tracking of Spending; Personal Bookkeeping  
Credit Review and Funding  
Emergency Fund Analysis
- Debt Management  
Ongoing Student Loan Optimization  
Mortgage Refinancing Analysis  
Buy vs Lease Car
- Investment  
Risk Tolerance Assessment & Monitoring  
Daily Rebalancing  
Fund Selection & Due Diligence  
Fee-Only & Fiduciary  
Creation of Investment Policy Statement  
Rollover & Investment Consolidation

Investment Behavior Management  
Tax Efficient and ESG Portfolios  
Liquidity  
Savings & Distribution Plan  
Cost Basis Determination & Tracking  
Investment Education  
Tax Loss Harvesting  
Investment Reporting  
Backdoor Roth IRA Processing  
Concentrated Position Planning  
Real Estate Investment Planning  
Capital Gains Harvesting Business Planning  
Cash Flow & Compensation Analysis  
Large Asset Purchase Analysis  
Retirement Plan Design  
Corporate Structure Review  
Succession Planning  
QBI Deduction

- Risk Management

Property & Casualty Insurance Review  
Life Insurance Review  
Disability Insurance Review  
Health Insurance Review  
Long Term Care Funding

- Special Planning Circumstances

Special Needs Planning  
Education Planning  
Student Loan Planning  
New Job or Career Change  
Equity Compensation

- Employee Benefits

Health Insurance Plan Selection  
HSA Planning  
FSA Review

- Legacy Planning

Charitable Giving Optimization & Planning  
Estate and Inheritance Tax Minimization  
Account Titling & Beneficiary Review  
Review of Wills, Trusts, and Powers of Attorney Retirement Planning  
Social Security Optimization  
Medicare Planning  
Penson Funding Analysis



## Monte Carlo & Linear Projections

- Personal Financial Management  
Coordination with Outside Professionals  
Organization of All Financial Accounts & Data  
Management of Digital Document Vault  
Comprehensive Financial Education  
Written Financial Plan & Ongoing Updates/Revisions  
Written Financial Action Plan & Accountability  
What-If Financial Planning Scenario Analysis  
Ongoing, Proactive Responsibility for Finances
- Life Events  
Buying A Home  
Relocation  
Terminal Illness Diagnosis or Death  
Care for Loved Ones  
Windfall  
Birth of A Child  
Wedding Planning  
Divorce/Separation

## ***Pension Consulting Services***

WealthFD offers consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans). Specifically, WealthFD may serve as a limited scope ERISA 3(21) fiduciary that can advise, help, and assist plan sponsors with their investment decisions on a non-discretionary basis. As an investment adviser, WealthFD has a fiduciary duty to act in the best interest of the client. The plan sponsor is still ultimately responsible for the decisions made in their plan, though WealthFD can help the plan sponsor delegate responsibilities by following a diligent process.

Fiduciary services include the following:

- Provide non-discretionary investment advice to the client about asset classes and investment alternatives available for the Plan in accordance with the plan's investment policies and objectives. Client will make the final decision regarding the initial selection, retention, removal, and addition of investment options. WealthFD acknowledges that it is a fiduciary as defined in ERISA section 3(21)(A)(ii).
- Assist the client in the development of an investment policy statement ("IPS"). The IPS establishes the investment policies and objectives for the plan. Client shall have the ultimate authority to establish such policies and objectives and to adopt and amend the IPS.
- Provide non-discretionary investment advice to the plan sponsor with respect to the selection of a qualified default investment alternative for participants who are

automatically enrolled in the plan or who have otherwise failed to make investment elections. The client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c)(5) and 404(A)-5.

- Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and make recommendations to maintain, remove, or replace investment options.
- Meet with client on a periodic basis to discuss the reports and the investment recommendations.

Non-fiduciary services include the following:

- Assist in the education of plan participants about general investment information and the investment alternatives available to them under the plan. Client understands WealthFD's assistance in education of the plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, WealthFD is not providing fiduciary advice as defined by ERISA 3(21)(A)(ii) to the plan participants.
- Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.
- Provide educational and financial planning tools for participant use. Participants are responsible for the proper input of any information and should review any ideas or strategies with their CPA, attorney, financial planner, or other trusted advisor before making any financial decisions.

The above services may be provided by WealthFD or WealthFD may arrange for the plan's other providers to offer these services as agreed upon between the adviser and client.

WealthFD has no responsibility to provide services related to employer securities, real estate (except for real estate funds or publicly traded REITS), stock brokerage accounts or mutual fund windows, participant loans, non-publicly traded partnership interests, or other non-publicly traded, hard-to-value, or illiquid securities or properties. These excluded assets will not be included in calculation of fees paid to WealthFD.

### ***Services Limited to Specific Types of Investments***

WealthFD generally limits its investment advice to mutual funds, fixed income securities, equities and ETFs. WealthFD may use other securities as well to help diversify a portfolio when applicable.

## C. Client Tailored Services and Client Imposed Restrictions

WealthFD offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent WealthFD from properly servicing the client account, or if the restrictions would require WealthFD to deviate from its standard suite of services, WealthFD reserves the right to end the relationship.

## D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. WealthFD does not participate in wrap fee programs.

## E. Assets Under Management

WealthFD has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$9,635,851	\$0	April 2021

# Item 5: Fees and Compensation

## A. Fee Schedule

### *Portfolio Management Fees*

Total Assets Under Management	Annual Fees
\$0 - \$500,000	1.00%
\$500,001 - \$1,000,000	0.75%
\$1,000,001 - \$3,000,000	0.50%
\$3,000,001 - \$5,000,000	0.30%
\$5,000,001 and above	Negotiable

The advisory fee is calculated using the value of the assets in the account on the last business day of the prior billing period. The advisory fee is a tiered fee and is calculated by assessing the percentage rates using the predefined levels of assets as shown in the above chart and resulting in a combined weighted fee. Advisory fee includes fees paid to third party advisers, if any.

These fees are generally negotiable and the final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of WealthFD's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice.

### ***Financial Planning Project Fees***

Financial Planning will be offered on an hourly or fixed fee basis for clients who do not require ongoing comprehensive wealth management services.

For fixed fee projects, the fixed fee will be agreed upon before the start of any work. The fixed fee starts at \$250 and can be negotiable. If a fixed fee program is chosen, half of the fee is due at the beginning of the process and the remainder is due at completion of work, however, WealthFD will not bill an amount above \$500.00 more than 6 months in advance.

Financial Planning will also be offered on an hourly basis at a rate of \$250 per hour. The fee may be negotiable in certain cases and is due at the completion of the engagement. In the event of early termination by the client, any fees for the hours already worked will be due.

### ***Comprehensive Wealth Management Fees***

<b>Net Worth</b>	<b>Annual Fees</b>
\$0 - \$500,000	1.00%
\$500,001 - \$1,000,000	0.75%
\$1,000,001 - \$3,000,000	0.50%
\$3,000,001 - \$5,000,000	0.30%
\$5,000,001 and above	Negotiable

Fees for this service are charged based on a tiered Net Worth Fee schedule subject to a minimum fee based on complexity. Complexity factors include: Family structure and size, student loans, business ownership, total income, occupation, equity compensation, and other factors. The minimum fee will typically be less than \$7,500 annually.

### *Pension Consulting Fees*

<b>Plan Assets Under Management</b>	<b>Annual Fees</b>
\$0 - \$500,000	1.00%
\$500,001 - \$1,000,000	0.75%
\$1,000,001 - \$3,000,000	0.50%
\$3,000,001 - \$5,000,000	0.30%
\$5,000,001 and above	Negotiable

The annual fees are based on the market value of the assets under management. The annual fee is negotiable and may be charged as a percentage of assets managed by the advisor. Fees are charged quarterly in advance based on the assets calculated by the custodian or record keeper, without adjustment for anticipated withdrawals, scheduled transfers, or planned distribution of assets on the last business day of the previous quarter. If the services to be provided start any time other than the first day of a quarter, the fee will be prorated based on the number of days remaining in the quarter of month. If the agreement is terminated prior to the end of the fee period, the client will be due a prorated refund of fees for days services were not provided in the billing cycle. The client can choose to be billed directly or have fees deducted from plan assets.

## **B. Payment of Fees**

### *Payment of Portfolio Management Fees*

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Clients may select the method in which they are billed. Fees are paid in advance.

### *Payment of Financial Planning Project Fees*

Fees for this service may be paid by electronic funds transfer or check. Upon termination, the half of the fee that is due up front will be non-refundable, and no further fees will be charged.

### *Payment of Comprehensive Wealth Management Fees*

Fees for comprehensive wealth management will be debited from the investment accounts managed by WealthFD on a quarterly basis. If there are insufficient managed assets or if the wealth management client is not a portfolio management client, the fee will be paid by electronic funds transfer or check on a quarterly or monthly basis. This service may be

terminated with 30 days' notice. Upon termination of the account, any unearned fee will be refunded to the client.

### ***Payment of Pension Consulting Fees***

The client can choose to be billed directly or have fees deducted from plan assets. If the agreement is terminated prior to the end of the fee period, the client will be due a prorated refund of fees for days services were not provided in the billing cycle.

## **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by WealthFD. Please see Item 12 of this brochure regarding broker-dealer/custodian.

## **D. Prepayment of Fees**

WealthFD collects fees in advance. Refunds for fees paid in advance but not yet earned will be refunded on a prorated basis and returned within fourteen days to the client via check or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

## **E. Outside Compensation For the Sale of Securities to Clients**

Neither WealthFD nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

WealthFD does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## Item 7: Types of Clients

WealthFD generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Retirement Plans

There is typically no account minimum for any of WealthFD's services, though there may be a minimum annual fee for certain advisory services.

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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

WealthFD's methods of analysis include Fundamental analysis, Modern portfolio theory, Quantitative analysis and Technical analysis.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

#### *Investment Strategies*

WealthFD uses long term trading, margin transactions and options trading (including covered options, uncovered options, or spreading strategies).

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### *Methods of Analysis*

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

**Quantitative analysis** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

### *Investment Strategies*

WealthFD's use of margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's



threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

**Options transactions** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### C. Risks of Specific Securities Utilized

WealthFD's use of margin transactions and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of

transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Risks in investing in ETFs include trading risks, liquidity and shutdown risks, risks associated with a change in authorized participants and non-participation of authorized participants, risks that trading price differs from indicative net asset value (iNAV), or price fluctuation and disassociation from the index being tracked. With regard to trading risks, regular trading adds cost to your portfolio thus counteracting the low fees that one of the typical benefits of ETFs. Additionally, regular trading to beneficially “time the market” is difficult to achieve. Even paid fund managers struggle to do this every year, with the majority failing to beat the relevant indexes. With regard to liquidity and shutdown risks, not all ETFs have the same level of liquidity. Since ETFs are at least as liquid as their underlying assets, trading conditions are more accurately reflected in implied liquidity rather than the average daily volume of the ETF itself. Implied liquidity is a measure of what can potentially be traded in ETFs based on its underlying assets. ETFs are subject to market volatility and the risks of their underlying securities, which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments (as applicable). Foreign securities in particular are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. ETFs that target a small universe of securities, such as a specific region or market sector, are generally subject to greater market volatility, as well as to the specific risks associated with that sector, region, or other focus. ETFs that use derivatives, leverage, or complex investment strategies are subject to additional risks. The return of an index ETF is usually different from that of the index it tracks because of fees, expenses, and tracking error. An ETF may trade at a premium or discount to its net asset value (NAV) (or indicative value in the case of exchange-traded notes). The degree of liquidity can vary significantly from one ETF to another and losses may be magnified if no liquid market exists for the ETF’s shares when attempting to sell them. Each ETF has a unique risk profile, detailed in its prospectus, offering circular, or similar material, which should be considered carefully when making investment decisions.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither WealthFD nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither WealthFD nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Joseph Benjamin Hogan is an accountant and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. WealthFD always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of WealthFD in connection with such individual's activities outside of WealthFD.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

WealthFD does not utilize nor select third-party investment advisers.

### **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

#### **A. Code of Ethics**

WealthFD has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. WealthFD's Code of Ethics is available free upon request to any client or prospective client.

#### **B. Recommendations Involving Material Financial Interests**

WealthFD does not recommend that clients buy or sell any security in which a related person to WealthFD or WealthFD has a material financial interest.

#### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of WealthFD may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of WealthFD to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. WealthFD will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

#### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of WealthFD may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of WealthFD to buy or sell securities before or after recommending securities to clients

resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, WealthFD will never engage in trading that operates to the client's disadvantage if representatives of WealthFD buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on WealthFD's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and WealthFD may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in WealthFD's research efforts. WealthFD will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

WealthFD will require clients to use Schwab Institutional, a division of Charles Schwab & Co., Inc., TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC, or FeeX for managed accounts.

#### ***1. Research and Other Soft-Dollar Benefits***

While WealthFD has no formal soft dollars program in which soft dollars are used to pay for third party services, WealthFD may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). WealthFD may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and WealthFD does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. WealthFD benefits by not having to produce or pay for the research, products or services, and WealthFD will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that WealthFD's acceptance of soft dollar benefits may result in higher commissions charged to the client.

#### ***2. Brokerage for Client Referrals***

WealthFD receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### ***3. Clients Directing Which Broker-Dealer/Custodian to Use***

WealthFD recommends a specific custodian for clients to use; however, clients may custody their assets at a custodian of their choice. Clients may also direct us to use a specific broker-dealer to execute transactions. By allowing clients to choose a specific custodian, WealthFD may be unable to achieve most favorable execution of client transaction and this may cost clients money over using a lower-cost custodian.

#### **B. Aggregating (Block) Trading for Multiple Client Accounts**

Generally, WealthFD will combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as “block trading”). WealthFD will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to WealthFD’s discretion, regarding particular circumstances and market conditions, when orders are combined, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by WealthFD or persons associated with the firm may participate in block trading with client accounts; however, they will not be given preferential treatment.

## **Item 13: Review of Accounts**

#### **A. Frequency and Nature of Periodic Reviews**

All client accounts for WealthFD's advisory services provided on an ongoing basis are reviewed at least quarterly by the Chief Compliance Officer, with regard to clients’ respective investment policies and risk tolerance levels.

#### **B. Factors That Will Trigger a Non-Periodic Review**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

#### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of WealthFD's advisory services provided on an ongoing basis will receive a quarterly report detailing the client’s account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

WealthFD participates in the institutional advisor program (the "Program") offered by TD Ameritrade. TD Ameritrade offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. WealthFD receives some benefits from TD Ameritrade through its participation in the Program.

As disclosed above, WealthFD participates in TD Ameritrade's institutional advisor program and WealthFD may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between WealthFD's participation in the Program and the investment advice it gives to its clients, although WealthFD 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 WealthFD 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 WealthFD's 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 WealthFD by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by WealthFD's related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit WealthFD but may not benefit its client accounts. These products or services may assist WealthFD in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help WealthFD manage and further develop its business enterprise. The benefits received by WealthFD 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, WealthFD endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by WealthFD or its related persons in and of itself creates a conflict of interest and may indirectly influence the WealthFD's choice of TD Ameritrade for custody and brokerage services.

With respect to Schwab, WealthFD receives access to Schwab's institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited



basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For WealthFD client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to WealthFD other products and services that benefit WealthFD but may not benefit its clients' accounts. These benefits may include national, regional or WealthFD specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of WealthFD by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist WealthFD in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of WealthFD's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of WealthFD's accounts. Schwab Advisor Services also makes available to WealthFD other services intended to help WealthFD manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to WealthFD by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to WealthFD. WealthFD is independently owned and operated and not affiliated with Schwab.

## **B. Compensation to Non - Advisory Personnel for Client Referrals**

WealthFD does not directly or indirectly compensate any person who is not advisory personnel for client referrals.



## **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, WealthFD will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

WealthFD provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, WealthFD generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

## **Item 17: Voting Client Securities (Proxy Voting)**

WealthFD will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

WealthFD neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither WealthFD nor its management has any financial condition that is likely to reasonably impair WealthFD's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

WealthFD has not been the subject of a bankruptcy petition.