



## **TITUS WEALTH MANAGEMENT**

CRD#: 136970

700 Larkspur Landing Circle, Suite 109

Larkspur, CA 92629

Telephone: (415) 461-4800

Facsimile: (415) 461-4805

Email address: [info@tituswealth.com](mailto:info@tituswealth.com)

April 15, 2021

## **FIRM BROCHURE**

### **PART 2A OF FORM ADV**

This brochure provides information about the qualifications and business practices of Titus Wealth Management. If you have any questions about the contents of this brochure, please contact us at (415) 461-4800 and/or [eric@tituswealth.com](mailto:eric@tituswealth.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.

Titus Wealth Management is a registered investment adviser with the U.S. Securities and Exchange Commission. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our associates. Additional information about Titus Wealth Management "TWM" also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 1: Cover Page Please** refer to the previous page.

**Item 2: Material Changes**

There are material changes since our Firm Brochures dated July 7, 2020 and March 31, 2021. This section describes changes to this form and does not describe non-material, administrative or minor changes. We strongly encourage you to review this Brochure very carefully in its entirety and call us with any questions. Please pay particular attention to the changes outlined below:

**Item 4: Advisory Business**

- TWM is now offering the Schwab Managed Account Access “ACCESS” Program.
- We reported the firm’s assets under management as of March 10, 2021.
- We updated the way the Firm conducts annual reviews.

**Item 5: Fees and Compensation**

- We discuss the ACCESS Program fees.
- We updated information including our householding program.

**Item 12: Brokerage Practices:**

- We added information on the ACCESS Program.

**Item 16: Investment Discretion**

- We added information regarding investment discretion and trading authority within the ACCESS Program.

**Item 18: Financial Information**

- We added further details regarding TWM receiving Payroll Protection Program (“PPP”) loans.

Pursuant to federal regulations, Titus Wealth Management will ensure that clients receive a summary of any material changes to this Brochure within 120 days of the close of our fiscal year along with a copy of the brochure or an offer to provide the Brochure. Additionally, as the firm experiences material changes in the future, we will send you a summary of our “Material Changes” under separate cover. For more information about the firm, please visit [www.tituswealth.com](http://www.tituswealth.com).

.

**Item 3: Table of Contents**

<u>Item Number</u>	<u>Page Number</u>
Item 1: Cover Page	1
Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Advisory Business	4
Item 5: Fees and Compensation	11
Item 6: Performance-Based Fees and Side-By-Side Management	21
Item 7: Types of Clients	21
Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss	22
Item 9: Disciplinary Information	26
Item 10: Other Financial Industry Activities and Affiliations	26
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	27
Item 12: Brokerage Practices	28
Item 13: Review of Accounts	36
Item 14: Client Referrals and Other Compensation	37
Item 15: Custody	39
Item 16: Investment Discretion	40
Item 17: Voting Client Securities	40
Item 18: Financial Information	40

## **Item 4: Advisory Business**

### **Description of Firm**

We started as a financial planning firm called Willis Financial Planning, Inc., in 1984 to provide objective non-proprietary advice to its clients.

Willis was in business as an investment advisor by September, 1990. The name was changed to Titus Wealth Management "TWM" in March, 2008. TWM is currently an SEC registered investment advisor. (Please note being "registered" does not imply a certain level of skill or training.) TWM offers customized investment management services to individuals, high net worth clients, pension and profit-sharing plans, trusts, estates, corporations and other types of business entities. Some of the investment instruments TWM advises its clientele on include, among other things, investment company securities, equity exchange-traded funds ("ETFs"), equities, and fixed income. TWM sends newsletters, e-mails, and other correspondence of general market information and items of interest to its clients and prospective clients. There are no additional charges or fees for this correspondence.

Our advisory services are offered through Investment Advisor Representatives ("IARs") of TWM doing business under TWM as well as a "doing business as" name (DBA). We have one DBA named Green Wealth Management. The business model is based on a decentralized network of investment advisors located in several offices in California. The IARs operate their business independently but are registered with and subjected to oversight by the registrant. TWM generally requires that IARs have at least two years advisory or brokerage related experience and generally requires IARs to possess a FINRA Series 7, 65 or 66 license.

TWM's IARs also act as Registered Representatives ("RR") of LPL Financial ("LPL"). TWM is not affiliated with LPL Financial. LPL Financial is registered with the SEC as an investment advisor and broker-dealer representative and is a member of FINRA/SIPC. In this dually registered capacity, IARs offer both investment advisory and brokerage services. Before engaging with an TWM IAR, clients should take the time to consider the differences between an advisory relationship and brokerage relationship to determine which type of service best fits the client's investment needs and goals. Clients should speak to their IAR to understand what type of services are available. Please refer to the following items for any additional information regarding this affiliation: 5,10 and 12.

### **Principal Owner**

Eric Aanes is the sole owner of Titus.

Rosemary Richard is the Chief Compliance Officer.

## **Types of Advisory Services Offered**

### **Investment Advice**

IARs of TWM work with their clients to identify their investment goals, objectives, and risk tolerance in order to create an initial portfolio allocation designed to complement the client's financial situation and personal circumstances. The investment strategies utilized and portfolio models designed and managed will depend on the individual's client investment objectives and goals as provided to the IAR. An IAR (as part of the strategy) may use model portfolio, sub-advisors, options, and or margins. Clients have the chance to place reasonable restrictions on the type of investments to be held in the portfolio, and the IAR can periodically change the allocation of the client's account. While TWM generally allows clients to impose reasonable restrictions on the types of securities and/or industries they do not want to be included in their portfolio, each client assumes responsibility for informing TWM of any changes to these restrictions or to their overall investment objectives. TWM selects investments based on analysis performed by TWM, and once implemented, are monitored to ensure the investments continue to meet TWM's overall investment objective and criteria. For investment selection, TWM advises on investments based upon research of market data and ongoing market and performance analytics. Once this fundamental analysis is completed, securities may be added to client portfolios and thereafter, are continuously monitored for imbalances or shifts.

We will also provide portfolio review meetings annually in-person, by phone, by electronic communications, and if the client prefers or if we are unable to reach a client, we will mail the client's financial profile to review/discuss for any changes. We are also generally available to take client telephone calls or emails on advisory-related matters. TWM offers investment advice to its clients on a discretionary basis only whereby the purchase and sale of securities does not require client approval in advance. The client has granted discretionary authority to the IAR in the client advisory agreement advisory agreement.

TWM offers several asset allocation models but clients typically use five core models. In addition, your advisor may have their own models or customize a model for you. The actual asset allocation of each client's portfolio under these asset allocation models will be based on the client's overall investment objectives as discussed with and in most cases, determined by TWM's IAR. Please refer to Item 8 for a further information on these strategies, including the risks surrounding the types of investments utilized by Titus.

**Financial Planning Services:** We will develop, prepare, present and assist in the implementation of financial plans and financial planning advice in the areas of investments, life/disability/long term care insurance planning, retirement and/or estate planning. We will also provide ongoing financial planning reporting and analysis. Should a client choose to implement a recommendation noted in the plan, we suggest that the client work closely with their attorney, accountant, insurance agent, IAR/ RR. Furthermore, a conflict exists between our interests and your interests. The client is under no obligation to act upon our recommendation. If the client decides to act on any of our IAR's recommendations, he/she is under no obligation to execute any transactions through us or through any particular broker.

---

It is important to note that specific holdings may differ between clients in the same strategy or with similar investment objectives/risk tolerance depending on a number of factors, including, but not limited to, the size of an account, availability of securities and funds on a custodial platform, total assets under advisement, and institutional fund minimum waivers. Depending on the holdings or securities, results may vary give advice concerning the following types of investments (in general):

Stocks and bonds listed on an exchange or traded over-the counter, municipal bonds, certificates of deposit, variable life insurance and variable annuities, US Government securities, mutual funds, exchange-traded funds, structured products and limited partnerships investing in, but not limited to, real estate, oil and gas interests, equipment leasing, alternative energy, agriculture, movies, research and development, and mortgages.

### **Retirement Plan Consulting Services (i.e., 401(k) Plans)**

Retirement Plan Consulting Services are provided in compliance with the applicable state law(s) regulating pension consulting services. This applies to client accounts that are pension or other employee benefit plans (“Plan”) governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). Retirement Plan Consulting Services are provided pursuant to a separate written Retirement Plan Consulting Agreement (“RPCA”) that is entered into between the Registrant and the Client, Sponsor and/or Responsible Plan Fiduciary. If the client accounts are part of a Plan, and we accept appointments to provide our services to such accounts, we acknowledge our fiduciary role within the meaning of Section 3(21) of ERISA, but only with respect to the provision of services described in the Services section of the RPCA. When providing Retirement Plan Consulting Services, we will solely be making recommendations to the Client, Sponsor and/or RPF. Under a RPCA, IARs provide a number of different services, as described below:

IARs serve as a fiduciary for the Plan, as such term is defined in Section 3(21) of ERISA. IARs serve as a limited scope fiduciary, also known as a Limited Scope Section (3) (21) fiduciary. As such, IARs perform some or all of the following services:

- o recommends investment options for the Plan to offer to participants;
- o periodically reviews the Plan’s investment options;
- o assists Plan fiduciaries in creating and/or updating the Plan’s written Investment Policy Statement (“IPS”);
- o provides general investment educational seminars to Plan participants; and
- o works with other Plan service providers.

IARs shall not however, have discretion over: (i) the establishment of the Plan's IPS, (ii) the selection, monitoring, removal and replacement of the Plan's investment options, or (iii) the creation and management of Model Portfolios to be offered to participants as investment options in the Plan. The Plan retains the sole responsibility for determining whether to implement any recommendations made by the IAR and is not required to implement any such recommendations or conduct business through IAR.

For all Retirement Plan Consulting Services, clients will be required to provide information to the IAR in the form of written responses to questionnaires, documentation, or in face-to-face or telephone discussions. IARs will rely upon the information provided by Client, Sponsor or Responsible Plan Fiduciary. Clients are advised that it remains their responsibility to promptly advise the IAR of any changes to this information.

IARs shall provide Retirement Plan Consulting Services only with respect to the selection and retention of the Plan's assets and shall not: (i) serve as a Plan custodian; (ii) provide advice or recommendations with respect to the Plan's choice of Third Party Administrator, Record-keeper or other service provider; or (iii) assume the duties of a trustee of the Plan or administrator (as such term is defined in Section 3(16) of ERISA); or (iv) provide any other services to participants, including without limitation, quarterly investment performance measurement reports, participant communications, notices, benefit statements or other information not specifically related to the use of the investment options offered under the Plan. IARs have no authority or responsibility to provide services with respect to voting proxies for securities held by the Plan or take other action related to the exercise of shareholder rights regarding such securities, including prospectus delivery. IARs do not provide legal or tax advice to Client, RPF and/or the Plan (or any Plan Participant or beneficiary), and clients must seek the advice of its own legal and/or tax adviser, as to all matters that might arise relating to the Plan, including, without limitation, the operations and administration of the Plan and the compliance of the Plan with applicable law. IARs are not responsible or liable for the recommendation of or services rendered by any other provider as a result of such services or the other provider's compliance with applicable laws, including, without limitation, ERISA and the Internal Revenue Code, as amended with respect to such services.

### **Sub-Advisory Services**

IARs of TWM who act as their own portfolio manager may utilize TWM, which is a separate offering consisting of portfolio design, investment consulting, trade execution, and portfolio re-balancing services. On a limited basis, TWM will serve as a sub-adviser and provide such investment management services to IARs of TWM. Under these sub-advisory arrangements, each IAR is responsible for working with its clients to select the appropriate strategy for investment. TWM manages the clients' designated assets based on the respective selected investment strategy, as provided by the IAR.

Please refer to Item 5 for information regarding the fees received by TWM under the arrangements outlined above. Our IARs are under no obligation to utilize these services, and clients (whose IARs utilize such services) are not charged a separate fee for these services.

### **LPL Sponsored Programs Platform**

TWM will provide advisory services through certain programs sponsored by LPL Financial. Below is a brief description of each LPL advisory program available to TWM. For more information regarding the LPL programs, including more information on the advisory services and fees that apply, the types of available investments in the programs and the potential conflicts of interest presented by the programs, please see the LPL Financial Form ADV Part 2A or the applicable program's Part 2A Appendix and the applicable client agreement.

All services below depend upon LPL to administer the program and, depending upon the program, to actually manage client assets. Fees are collected by LPL, then TWM'S portion is sent to us.

**Optimum Market Portfolios ("OMP")** Optimum Market Portfolios Program (OMP) - OMP offers clients the ability to participate in a professionally managed asset allocation program using Optimum Funds Class I shares. Under OMP, client will authorize LPL on a discretionary basis to purchase and sell Optimum Funds pursuant to investment objectives chosen by the client. TWM will assist the client in determining the suitability of OMP for the client and assist the client in setting an appropriate investment objective. TWM will have discretion to select a mutual fund asset allocation portfolio designed by LPL consistent with the client's investment objective. LPL will have discretion to purchase and sell Optimum Funds pursuant to the portfolio selected for the client. LPL will also have authority to rebalance the account. A minimum account value of \$10,000 is required for OMP.

**Model Wealth Portfolios ("MWP")**. MWP is a managed mutual fund and exchange-traded fund ("ETF") asset allocation program. Clients invest in one or more model portfolios designed by LPL's Research Department or a third-party investment strategist. IARs of TWM will initiate the steps to open up an account and have discretion to select a model portfolio consistent with the client's stated investment objective. LPL's Research Department or the third-party investment strategists will choose the ETFs or mutual funds within the model portfolio and making changes to the investments selected. The client authorizes LPL to act on a discretionary basis to purchase and sell such securities, liquidate previously purchased securities and effect rebalancing in the MWP account. MWP requires a minimum asset value and minimums vary depending on the portfolios selected. The lowest minimum for a portfolio is \$25,000.

**Manager Access Select ("MAS")** - Manager Access Select provides clients access to the investment advisory services of professional portfolio management firms for the individual management of client accounts. TWM representatives first assist the client in identifying a third-party portfolio manager (Portfolio Manager) from a list of Portfolio Managers made available by



LPL. The Portfolio Manager manages client's assets on a discretionary basis. IARs will provide initial and ongoing assistance regarding the Portfolio Manager selection process. A minimum account value of \$50,000 is required for Manager Access Select, however, in certain instances, the minimum account size may be lower or higher.

These programs may not be suitable for every client and therefore is not offered to all clients.

### **Third-Party Investment Advisors**

At times, and when deemed appropriate for a particular client's needs, TWM will utilize a third-party investment advisor. TWM has entered into agreements with various third-party investment advisers as a solicitor. Under these agreements, TWM offers clients various types of programs sponsored by these advisers. All third-party investment advisers to whom TWM will refer clients will be licensed as investment advisers by their resident state and any applicable jurisdictions or registered investment advisers with the SEC. TWM assists clients with identifying the client's risk tolerance and investment objectives. TWM will recommend third-party investment advisors in relation to client's stated investment objectives and risk tolerance. A client then selects a recommended third-party investment advisor based upon the client's needs. Clients will enter into an agreement directly with the unaffiliated third-party investment advisor who shall provide asset management services. TWM shall be available to answer questions the client may have regarding their account and act as the communication conduit between the client and the third-party investment advisors. Third-party investment advisors may take discretionary authority to determine the securities to be purchased and sold for the client. Neither advisor nor its associated persons will have any trading authority with respect to client's managed account with the third-party investment advisor(s). Clients are advised that investment adviser representatives may have a conflict of interest by only offering those third-party investment advisors that have agreed to pay a portion of their advisory fee to TWM. Clients are advised that there may be other third-party managed programs that may be suitable to the client that may be more or less costly. A complete description of the third-party investment advisor's services, fee schedules and account minimums will be disclosed in the third-party investment advisor's Form ADV Part 2A Brochure which will be provided to clients at the time an agreement for services is executed and account is established.

### **Schwab Advisor Services**

Schwab serves as the client's custodian and broker at Schwab Advisor Services. TWM provides ongoing investment advisory services, including gathering necessary client financial data in accordance with the investment strategy or strategies suitable for and in line with each client's investment guidelines. There is no minimum account size required for utilizing Schwab Advisor Services and you can have multiple managed accounts at Schwab and receive one statement. Schwab may not be suitable for, and therefore is not offered to all of our clients.

### **Schwab Managed Account Access Program**

The following Schwab sponsored program is offered to our clients; (please note that all fees associated with these platforms are detailed in Item 5):

Managed Account Access (“ACCESS”) – The ACCESS Program provides the clients with access to investment advisory services of TPAMs. The investment strategies are not evaluated by Schwab, and there are no eligibility criteria for the TPAM.

Under the ACCESS Program, the TPAMs provide discretionary investment advisory services and will manage clients’ assets in the programs in accordance with the investment strategies chosen by the clients. Also, Schwab serves as the client’s custodian and broker in the ACCESS Program and the Firm provides ongoing investment advisory services, including gathering necessary client financial data and assisting the client in determining an appropriate TPAMs, in accordance with the investment strategy or strategies suitable for and in line with each client’s investment guidelines. Each client entering into ACCESS will be provided with a written Schwab disclosure brochure that outlines in detail the services provided and fees charged, along with other important information. Clients should thoroughly read the brochure upon receipt. The ACCESS Program may not be suitable for, and therefore are not offered to, all of our clients.

### **Advisory Agreements**

Prior to engaging TWM to provide investment advisory services, the client will be required to enter into a written agreement with TWM setting forth the terms and conditions under which TWM shall render its services (collectively the "Agreement").

In accordance with Rule 204-3 under the Investment Advisers Act of 1940, as amended ("Advisers Act"), TWM will provide a brochure and one or more brochure supplements to each client or prospective client prior to or contemporaneously with the execution of an investment advisory agreement.

The Agreement between TWM and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. TWM's annual fee shall be prorated through the date of termination as defined in the Agreement and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

Neither TWM nor the client may assign the Agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of TWM shall not be considered an assignment.

### **Custodial Services**

TWM utilizes the services of LPL Financial or Schwab for asset allocation planning software, and execution, clearing and custodial services, and research to provide comprehensive investment management services. For further information concerning clearing and custodial arrangements, please refer to the disclosure documents relative to the type of account selected.

### **Assets Under Management**

As of March 10, 2021, we were managing the assets of 1458 discretionary client accounts in the amount of \$507,387,946.

### **Item 5: Fees and Compensation**

Investment adviser representatives of TWM are also associated with LPL Financial as broker-dealer registered representatives (“Dually Registered Persons”). In their capacity as registered representatives of LPL Financial, Dually Registered Persons may earn commissions for the sale of securities or investment products that they recommend for brokerage clients. They do not earn commissions on the sale of securities or investment products recommended or purchased in advisory accounts through TWM. Clients have the option of purchasing many of the securities and investment products we make available to you through another broker-dealer or investment adviser. However, when purchasing these securities and investment products away from TWM, you will not receive the benefit of the advice and other services we provide.

### **Advisory Fees**

Advisory fees are negotiable at the discretion of TWM however, at no time will the Management Fee assessed by TWM exceed 2.00% of the gross assets under management (valued at fair market value). You also have the option of selecting a tiered fee with a reduced percentage rate based on reaching certain thresholds. This tiered fee ranges from .25% up to 2.0% (can be customized) and will be disclosed as an “Exhibit A” attached to your investment management agreement.

For those clients who opt to utilize the tiered fee, TWM can, and on the basis of arm’s length negotiations, “household” accounts. Household is defined as grouping related accounts to for the purposes of reaching a higher level on the tiered fee schedule and thus, meeting the criteria for a reduced advisory fee. For the purpose of householding, related accounts is defined as a person's immediate family is his or her smallest family unit, including parents, siblings, spouse, and children. It can include relatives through marriage, such as a mother-in-law if living and can include a client’s pension and profit-sharing plan.

In certain circumstances, householding fees cannot be calculated by our third-party billing system. In these instances, householding fees will be manually calculated by your advisor using the following methodology:

- The fee reduction is structured on a tiered basis, with a reduced percentage rate based on certain thresholds. The fee threshold is selected based on the combined amount of each related account's current asset valuation and/or the incoming amount (for new accounts) based on the monthly/quarterly statement or check.

Note: The Householding of accounts is not routinely offered and must be agreed upon by you and the advisor during account fee negotiations however, limitations to householding are not based on asset level, time under management with TWM, or any other pre-formulated parameters.

If done through our third-party billing system, the household fee is calculated by totaling the quarter-end valuations of each account within the household, and multiplying that sum by the respective prorated annual tier rate that each portion of the total account valuations falls under. That amount is then divided by the total quarter-end value of all accounts to obtain the effective rate, and the effective rate is then multiplied by the quarter-end value of each account to obtain the account billing fee. The sum of that amount captures the actual billing fee for the quarter.

Another option is a fixed fee for assets up to \$5,000,000 and negotiable in excess of 5,000,000. **Fees are negotiable at the sole discretion of TWM and vary depending upon the complexity of the client's situation, scope of the services provided, time commitment, and experience and expertise of the advisor.** The fair market value of assets in a client's account under management will be determined on the last business day of each client's quarterly billing cycle. During the month following quarterly billing period end for billing purposes the Management Fee for services rendered during the past quarterly period or the next quarterly period, depending on your particular contract, will be calculated and billed. In other words, billing for asset management services will occur at quarter-end based on the terms memorialized in the Client's Agreement.

We will bill you for our investment advice through LPL Financial's billing system, or through a third-party billing system. For clients who are billed based on a percentage of account assets, quarter-end fee assessments will be calculated using one of the following methodologies:

- Using the LPL Financial system, the fee is calculated by taking the value of the account (based on the fair market value as assessed by the qualified custodian on the last day of the quarter) and multiplying that value by your advisory fee, the result is then divided by 360, representing days per accounting year and multiplying that result by the number of days in the month (based on 30 days in the month).

- Fees processed through our third-party billing system are calculated by multiplying the value of the account (based on the fair market value or your account as assessed by the qualified custodian) by the quarterly advisory fee.

Note: LPL's quarter-end fee assessment is based on settlement date and the third-party is based on the valuations of the last day of the quarter. Because of the different accounting methods, there may be slight variances in your assessed investment advisory fee however, both methods are acceptable accounting practices. If you have any questions regarding the differences in fee calculation methods or how your fees are assessed, you are highly encouraged to contact TWM for further guidance.

For new accounts, advisory fees are prorated based on the number of days that the account is open during the quarter. As described above, LPL uses a 360-day accounting methodology, while our third-party provider uses the actual number of days in the year 365/366 days to calculate this part of the fee. As a result of the different accounting methods, and as described above, there will be slight variances in the calculation result.

Typically, TWM's advisory fees will be automatically debited from the client's custodial account by the Custodian. Alternatively, and when prearranged with TWM, advisory fees are paid directly to us. The advisory fee is paid to TWM and it is shared between TWM and the IAR.

We may charge fees either in advance or in arrears, depending on your prior concurrence and acceptance. For accounts billed in arrears advisor will pro-rate fees from date of first deposit. . Clients receive an account statement from their custodian at least quarterly. The statement includes the amount of any fees paid directly to TWM. We reserve the right to reduce the management fee but not to exceed the stated maximum fee. In addition, TWM may waive its investment advisory fees for members of the Firm, their immediate family and some clients who may have had prior relationships with the firm who have accounts managed by TWM. Similarly situated clients may be treated differently.

The account fee may be higher than charged by other investment advisors for similar services. This is the case if the account fee is near or at the maximum amount as set out above. The IAR is responsible for determining the account fee to charge each client based on factors such as the total amount of assets involved in the relationship, the type of securities held in the account (e.g., mutual funds vs. securities) the complexity and mix of the portfolio and the number and range of supplementary client-related services to be provided in the account. The advisor may charge a client more or less than another client. Clients should consider the level and complexity of the advisory services to be provided when negotiating the advisory fee with the advisor.

### **Strategic Wealth Management and Strategic Wealth Management II Fees**

LPL Financial ("LPL") may execute trades, settle securities transactions, and custody client assets on behalf of TWM utilizing two different account types: Strategic Wealth Management "SWM " and Strategic Wealth Management II "SWM II." For further details concerning these

---

arrangements, clients should refer to the client agreement and/or other related disclosure documents relative to the type of account they select.

### **Class A and NTF Shares**

TWM no longer allows purchases in Class A mutual fund shares as of June 22, 2020. If a client transfers any Class A shares into an account (e.g., into a prior firm) the fund can continue to be held in the account. Class A and other share classes offered on the platform that have 12b-1 fees, could have higher overall expense ratios, than other share classes without 12b-1 fees of the same or similar funds, and therefore, could cost the client more and lower the investment returns. TWM and its IARs do not receive 12b-1 fees. The fees are typically paid to LPL for providing brokerage-related services to the mutual funds.

The platform also offers No Transaction Fund (“NTF”) mutual fund shares and these funds typically have higher ongoing internal expenses that can be used to offset payments made by sponsors to offset transaction charge waivers and this can reduce investments returns over a period of time relative to other share classes of the same fund. The share classes offered for a particular mutual fund in many cases will not be the least expensive share class that the mutual fund makes available, because the share class pays LPL compensation for the administrative and recordkeeping services LPL provides to the mutual fund. Clients should understand that another financial services firm may offer the same mutual fund with different share classes at a lower overall cost to the investor than is available through our platform.

**SWM Accounts:** Clients who select SWM accounts pay separate transaction charges in addition to the advisory fees. Transaction charges are levied by the broker and custodian to cover costs. When an IAR does not have to pay the transaction charges, an IAR may recommend greater volume of trading activity than when it has a financial incentive to limit such transactions. This has an impact on the investment performance of a client's account. Moreover, clients should understand that choosing to participate in SWM, engaging in frequent trading and thus paying more transaction charges, will increase the overall costs associated with the account.

TWM does not share or participate in any transaction fees. As with any fee, transaction charges reduce the overall amount in the investment portfolio. Although management fees maybe lower in SWM accounts than in SWM II accounts because the clients pay the transaction charges directly, it is impossible from the outset to know which arrangement maybe more financially advantageous. The IAR has the incentive to choose SWM over SWM II because they do not have to pay transaction charges.

**SWM II Accounts:** The fees in this account are all inclusive. The fee allows the client to pay an all-inclusive fee for management, and transaction charges. This may cost the client more or less than purchasing these products/services separately. As stated above, the account fee paid by the client for this type of account includes payment of trading costs of transactions effected through LPL. Clients should note that the same or similar services to those described above may be available elsewhere at a lower cost to the client. Clients should consider that depending upon the

level of the fee charges, the amount of portfolio activity in their accounts, the value of services that are provided, and other factors, the SWM II fee may exceed the aggregate cost of services if they were to be provided separately. The SWM pricing arrangement may be more cost effective for accounts that do not experience frequent trading activity.

Although clients do not pay a transaction charge for transactions in a SWM II account, clients should be aware that the advisor pays transaction charges for those transactions. The transaction charges paid by the advisor vary based on the type of transaction (e.g., mutual fund, equity, ETF and fixed income). Transaction charges paid by the Advisor for equities are \$9 and ETFs are \$0 to \$9. For fixed income, the client pays \$0; however, mark-ups and mark-downs are included in the price and yield of the bond. For mutual funds, the transaction charges can range from \$0 to \$26.50. Because the IAR pays the transaction charges in SWM II accounts, the charges may play a factor into which securities or mutual funds to select and whether or not to place any trades into an account. In other words, the IAR has a financial incentive to choose securities or funds with no transaction costs to avoid paying or lowering the costs. All such conflicts may have an impact on the performance of the fund. In addition, ETFs and Mutual funds with no transaction charges, typically have higher ongoing internal expenses which may have an impact on the performance of your fund.

The management fee in SWM accounts may cost the client more than if a client purchased a traditional brokerage account. In a brokerage account the client pays a commission to a brokerage representative for each transaction and the representative has no duty to provide ongoing advice with respect to that account. If the client plans on following a buy and hold strategy for that account and does not want ongoing investment advice or management services, the client should consider purchasing a brokerage account rather than SWM Accounts.

Clients should understand these conflicts and consider the additional indirect expenses borne when negotiating and discussing with your Advisor the advisory fee for management of an account. Clients should also understand, as part of the IAR's fiduciary duty to you, the IAR will endeavor at all times to put the interest of you first and will select securities when they are reasonably believed to be in your best interest.

### **Financial Planning and Retirement Plan Consultant Fees**

We will be compensated for financial planning services 1. by an hourly fee of \$150 to \$300 depending on the qualifications and experience of the IAR, 2. by a negotiated fixed fee ranging from \$100 to \$15,000, or 3. if you have elected to pay a management fee not to exceed 1.5%. An estimate of hourly fees is determined at the start of the financial planning relationship. We may charge fees either in advance or in arrears, depending on your prior concurrence and acceptance.

The fee paid by the client for financial planning services maybe recovered through a reduction in our investment advisory fee in the amount equal to the cost of the financial plan should the

---

recipient of the financial plan choose to become a client of ours. Similar financial planning services may be available elsewhere for a lower cost to the client.

The Retirement Plan Consulting fee is an annual fixed fee and based on the value of the plan. The fee is assessed quarterly in arrears and the client is directly billed. The fixed fee can range from .35% to 1.0% up to \$5,000,000 and negotiable in excess of \$5,000,000.

**Fees for financial planning and retirement plan consulting are subject to negotiation and, in the discretion of the firm, will differ from the above schedule due to the size of the total estate, complexity, additional services needed and time commitment.**

### **LPL Sponsored Program Fees**

The total fees charged under OMP, MWP, and MAS are fully outlined in the LPL Disclosure brochure and the program agreement. TWM and its IARs receive a portion of the annual program fee for providing advisory services. The fee for TWM and its IARs are calculated based on a negotiated percentage of the maximum fee and can vary depending on services provided.

The program fees for the MWP, OMP, and MAS programs are calculated at the beginning of each quarter based on the value of the client's assets invested in the program at the close of business on the last day of the preceding quarter. LPL will deduct the program fee from the client's account as authorized by the client in the program agreement unless other arrangements have been agreed to in writing and will pay TWM its advisory fee. The LPL disclosure brochure provided to each client will outline the refund policy. This brochure should be fully reviewed upon its receipt.

For the MAS program, clients will pay TWM an advisory fee and will pay all brokerage commissions and other trading costs. LPL will deduct and pay TWM's advisory fee from the client's program account as authorized by the client in the client agreement unless other arrangements have been agreed to in writing.

Clients are expected to incur certain charges imposed by LPL or third parties in connection with investments made through an OMP, MWP, and MAS programs account including: mutual fund 12b-1, sub-transfer agent, networking and Omni processing fees; fund management fees and administrative servicing fees, certain deferred sale charges and other transaction charges and services fees. IRA and Qualified retirement plan fees; administrative servicing fees for trust accounts and other taxes and charges required by law or imposed by exchanges and regulatory bodies. LPL, TWM and IARs of TWM may receive all or a portion of certain third-party fees. Further information regarding fees and charges by any mutual fund held in the client's OMP account is outlined in the prospectuses and available upon request. In addition, please refer to Item 14 - Client Referrals and Other Compensation for further details regarding fees.



### **LPL's Separate Assessment of Oversight Fees for TWM**

Clients should also understand that LPL Financial is responsible under FINRA rules for supervising certain business activities of the Firm and its Dually Registered Persons that are conducted through broker-dealers and custodians other than LPL. LPL charges a fee for its oversight of activities conducted through these other broker-dealers and custodians. This fee is equal to 5% of the investment advisory fee paid to the Firm. This arrangement presents a conflict of interest because the Firm has a financial incentive to recommend that you maintain your account with LPL rather than with another broker-dealer or custodian to avoid incurring the oversight fee.

### **Schwab Advisor Services**

There is no minimum account size required for utilizing Schwab Advisor Services. This is an open architecture, fee-based investment platform. Clients are advised that there will be service fees and will have transaction charges involved when purchasing or selling some securities. TWM does not share in any portion of the brokerage fees/transaction charges imposed by Schwab. Additionally, the commission/transaction fees charged by Schwab (we use may) may be higher or lower than those charged by other broker-dealer/custodians.

### **Schwab Sponsored Program**

The total program fees charged under the ACCESS Program is fully outlined in the Schwab disclosure brochure and the program agreement entered into between Schwab, the client, and the Firm. These fees are in addition to the investment advisory fees charged by the Firm, which are outlined above. The program fees for the ACCESS Programs are negotiable at Schwab's discretion and are calculated and deducted by Schwab from the client's program account in the month following the month for which the fees were incurred. Schwab's refund policy is fully outlined in the Schwab disclosure brochure, which is provided to program clients and should be fully reviewed upon receipt.

### **Termination of Agreement/Refunds**

The client has the option to terminate the Investment Management Agreement ("Agreement") without penalty within five (5) business days after the date of execution of the Agreement. Either we or you may thereafter terminate the Agreement by giving the other party written notice at any time. In such event, the Management Fee will be prorated to the date of termination. Any prepaid advisory fees will be refunded on a prorated basis if Agreement is terminated prior to the end of a quarter. The Agreement will terminate immediately upon your death if you (the client) are a natural person. We will waive pro-rated management fees for accounts terminated during the quarter for accounts billed in arrears. TWM will refund any fees charged in advance on a pro-rated basis.

We do not have any dollar minimums or other requirements for accepting investment advisory accounts. LPL sponsored programs do have dollar minimums and are outlined in the LPL Disclosure Brochure. We do not have to use our advice, the broker-dealer with whom our advisory persons are associated or the brokers, insurance companies or custodians we suggest but may use other brokers to purchase or sell products.

### **Mutual Fund and ETF Fees**

Clients should understand that the advisory fees described in the sections above do not include certain charges imposed by third parties such as custodial fees, mutual fund fees and expenses. Client assets also may be subject to transaction costs, deferred sales charges on mutual funds initially deposited in the account, 12b-1 fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Client assets invested in mutual funds, and ETFs will have two layers of advisory fees and expenses for those assets. Clients will be subject to certain fees and expenses imposed directly by the funds to their shareholders, which shall be described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If a Mutual Fund sponsor also imposes sales charges, a client may pay initial or deferred sales or surrender charge. These fees and expenses are separate from and in addition to the fees charged by TWM. Accordingly, the client should review the fees charged by any funds in which the client's assets are invested, together with the fees charged by TWM, to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Clients have the option of purchasing mutual fund shares directly from the mutual fund issuer, its principal underwriter or distributor without paying for Titus's advisory services. In addition, Clients have the option of purchasing ETFs and other investments directly outside of TWM. Some mutual funds and ETFs are offered to the public without a sales charge. Mutual funds that are offered with a sales charge (the sales charge as outlined in the prospectus) may be more or less than the advisory fee and in addition to such fee. If a client chooses to purchase shares directly, then clients would not receive any investment advice from Titus, including assistance from IARs of TWM in developing an investment strategy, selecting securities, monitoring the performance of the account, and making changes as necessary.

Additionally, clients may incur termination or outgoing transfer fees, retirement or QRP Fees and other execution costs charged by the custodian or executing broker-dealer in connection with transactions for a client's account. Clients should further understand that all custodial fees and any other charges, fees and commissions incurred in connection with transactions for a client's account will be paid out of the assets in the account and are exclusive of and in addition to the fees charged by TWM.

Some clients may have a relational account agreement with TWM whereby they maintain personal brokerage accounts at LPL Financial for which TWM may trade at the client's instructions. On these occasions, the client will pay the normal brokerage commission charges from such account(s) but will not be charged an advisory fee from TWM.

Mutual funds purchased or sold in broker-dealer accounts may generate transaction fees that would not exist if the purchase or sale were made directly through the mutual fund company. Mutual funds held in broker-dealer accounts also charge management fees. These mutual fund management fees may be more or less than the mutual fund management fees charged if the client held the mutual fund directly with the mutual fund company.

Please also see Item 12 for additional information on how we select broker-dealers.

### **Rollovers**

If a client is a participant in an employer-sponsored retirement plan such as a 401K plan, and decides to roll assets out of the plan into the account, TWM has a financial incentive to recommend that the client invests those assets into the account because TWM will be paid on those assets through advisory fees. You should be aware that those fees will likely be higher than a participant pays through a plan and there can be miscellaneous fees. As securities are not generally transferred to the account, commissions and sales charges will be charged to such securities prior to the transfer, in addition to commissions and sales charges previously paid in the account.

### **Referral/Solicitor Fees**

The Firm acts as a solicitor for referring potential clients to third party investment advisory firms. As set forth in the written agreement relating to such arrangements, the Firm will receive a portion of the annual management fee that the third-party advisory firm collects from the referred client. To the extent that the Firm receives compensation for such referrals, a conflict of interest exists because the Firm will be inclined to recommend advisers from which Registrant receives a referral fee. Please see Item 14 for additional information.

### **Educational Events**

IARs may host educational events on various financial topics, at no charge to clients, that encourage clients to seek investment advisory services. From time to time, TWM's personnel, may participate in such events.

### **TWM Sub-Advisory Fee**

TWM receives a flat monthly investment management fee that has been pre-negotiated with each TWM IAR. TWM is paid the sub-advisory fees on a monthly basis by the IAR, either in advance or arrears depending on the arrangement. The monthly investment management fees paid to us currently range from \$200 to \$500 monthly.

TWM is required under federal securities laws to provide their clients, including Sub-Advisory Clients with a Form ADV Part 2A ("Adviser Brochure") that includes disclosures on, among other things, the fees charged to their clients. Sub-Advisory Clients should review the Adviser Brochure in its entirety, along with this Brochure in order to fully understand the services, fees, and risks surrounding these arrangements. Sub-Advisory Clients should understand that these types of arrangements have layers of fees that may or may not be apparent without reading the Adviser Brochure and this Brochure, along with the offering document/prospectus for underlining investments.

### **LPL IRA Maintenance Fee**

LPL is affiliated with Private Trust Company, N.A., a trust company licensed in all 50 states under a national bank charter ("PTC"). To the extent that a client elects to utilize LPL as their custodian, LPL will direct the client's IRA assets to be held at PTC. As such, clients incur an Annual IRA maintenance fee charged by PTC. Any Annual IRA maintenance fees incurred by the client shall be separate and in addition to the Registrant's investment advisory fee.

### **Third-Party Manager's Fees**

Dependent upon the platform selected, unless otherwise noted, for platforms that use third-party managers, generally advisory fees assessed by TWM does not include the manager's fee, nor Dependent upon the platform selected, unless otherwise noted, for platforms that use third-party managers, generally advisory fees assessed by TWM does not include the manager's fee, nor does it include brokerage commissions and other trading costs of transactions (such as mark-ups and mark-downs); mutual fund 12b-1 fees; sub-transfer agent, networking and omnibus processing fees; transfer taxes, fund management fees and administrative servicing fees; certain deferred sales charges on previously purchased mutual funds and other transaction charges and service fees, IRA and Qualified Retirement Plan fees; administrative servicing fees for trust accounts; and other taxes and charges required by law or imposed by exchanges or regulatory bodies. Fees for these platforms are found in the sponsor's or manager's Form ADV Part 2A, which will be delivered to the client prior to the commencement of investing in the platform.

**Fees for similarly situated accounts will differ due to negotiation of the advisory fee with the IAR, size of the account, complexity of the client's servicing needs, long-term or family relationship with the IAR and services requested and time commitment.** Further information regarding fees and charges assessed by any mutual funds, and exchange traded funds which are passed down to a client are further outlined in the sponsor's or manager's Form ADV Part 2A, and in that mutual fund's prospectus, which is available upon request by contacting your IAR.

---

### **Clearing & Custodial Arrangements**

LPL and Schwab may execute trades, settle securities transactions, and custody client assets on behalf of our clients. For further details concerning these arrangements, clients should refer to the Investment Advisory Agreement and/or other related disclosure documents relative to the type of account they select.

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

We do not charge Performance-Based Fees (i.e., fees calculated based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client). TWM, LPL and Schwab do not charge performance-based fees on assets invested in the LPL or Schwab Sponsored programs.

TWM does not engage in side-by-side management of accounts that are charged a performance-based fee with accounts that are charged another type of fee (such as assets under management

### **Item 7: Types of Clients**

We provide investment advice to individuals (including high net worth individuals), pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

As noted above, TWM also provides advisory services to individuals, Pension and Profit-sharing plans, including plans that are subject to The Employee Retirement Income Security Act of 1974 ("ERISA"). If a client's account is governed by ERISA, TWM may be a 3 (38) fiduciary to the plan. In such capacity, the sole standard of care imposed upon us is to act with the care, skills, prudence, and diligence under the circumstances then prevailing that a prudent man acting in alike capacity and familiar with such matters would use in the conduct of like character and with like aims.

TWM will provide certain required disclosures to the "responsible plan fiduciary" (as such term is defined in ERISA) in accordance with Section 408(b) (2), regarding the services we provide and the direct and indirect compensation we receive by such clients. Generally, these disclosures are contained in this Form ADV Part 2A, the client agreement or in separate ERISA disclosure documents, and are designed to enable the ERISA plan's fiduciary to: (1) determine the reasonableness of all compensation received by TWM; (2) identify any potential conflicts of interests; and (3) satisfy reporting and disclosure requirements to plan participants.

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

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

Each IAR managing a SWM or SWM II acct chooses his/her own research, methods and investment strategy and tools in their investment analysis and due diligence processes. It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable.

We may use fundamental, cyclical or technical analysis in evaluating your accounts. One of the reasons that we utilize more than one type of analysis is to reduce risks induced by utilizing only one type of analysis (see discussion of risk below). IARs of TWM may use, without limitation, any of the following methods of analysis and sources of information: charting, fundamental technical and cyclical analysis; financial newspapers and magazines; research materials prepared by others; timing services; corporate rating services such as Morningstar, annual reports, prospectuses and press releases. The use of margin transactions, long and short-term purchases, option writing and trading (securities sold within 30 days) may be employed as a part of their investment strategies. IARs have the option to use alternative methods of analysis if they so choose prospectuses and press releases.

IARs performs independent due diligence and valuation analysis on securities in an effort to determine estimated ranges of intrinsic value and to identify companies that the Firm believes have strategic and competitive advantages that will enable them to outperform over the long term. TWM will attempt to identify securities for purchase that, based on the Firm's analysis, are available at market prices that represent a significant discount to their intrinsic value.

The primary investment strategy we use for client accounts is a strategic asset allocation. The majority of our accounts utilize a combination of exchange traded funds, mutual funds and stocks. Additionally, the mutual funds and ETFs utilized may invest in alternative investments, which carry additional risks as noted below. The risks associated with each mutual fund, ETF and stock are outlined in the respective fund's prospectus and should be read carefully. Please review the investment and risk considerations carefully with your IAR prior to investing. Please also refer to further information below regarding these and other risks. Portfolios are generally globally diverse to control the risk associated with traditional markets.

We may recommend either Long Term Purchases, (securities held at least a year) or Short-Term Purchases (securities sold within a year), as investments for you. The determination of which asset allocation model is suitable and appropriate for each specific client is a multi-layered process that includes but is not limited to consideration of the client's stated investment objectives for the managed account assets, the client's risk tolerance, discussions with the client's TWM's advisor (IAR), and research performed by TWM and TWM's advisor (including research on third party models). Although we manage your account assets in a manner consistent with your stated investment objectives and risk tolerances, there can be no guarantee that our

---

efforts will be successful or that any of our investment models or strategies will meet their investment objectives. Therefore, you should be prepared to bear the risk of loss associated with investing in securities, including mutual funds and ETFs.

Prior to entering into an Investment Management Agreement with TWM, a client should carefully consider: 1) committing to management only those assets that the client believes will not be needed for current purposes and that can be invested on a long-term basis, usually a minimum of three to five years, 2) that volatility from investing in the stock and bond markets can occur, and 3) that over time the client's assets may fluctuate and at any time be worth more or less than the amount invested. TWM cannot make any guarantee that a client's investment objectives will be achieved. There is always a risk of loss connected with investing. This is true whether you are investing in securities or in other types of investments. You, as the investor, should be prepared to accept this risk. One way to lessen it is to diversify your investments so that when one goes down another may rise. Part of our job as your advisor is to help you understand this risk exposure and to suggest ways for you to minimize this risk.

Below is a discussion of some of the types of risk that you may encounter in securities investing:

**Economic Risk:** The state of the nation's or the world's economy may change drastically and that may well affect your investments.

**Market Risk:** When making an investment, you are usually betting that the market will behave in a way that will be to your advantage. That does not often hold true over a long period of time and it sometimes does not even hold true over a short period either.

**Credit Risk:** The issuer of a security in which you invest, either directly or through a mutual fund, may default (may be unable to pay the principal or to make interest payments, or otherwise fulfill its obligations to investors) or in some cases may even decide to stop or reduce dividends.

**Interest Rate Risk:** If you are investing to realize a certain amount of income and that income stream is dependent on the investment paying a certain interest, changing conditions may affect that interest rate and your income from that investment.

**Liquidity Risk:** If an investment has gained value since you bought it but you can't find a buyer for it when you want to sell it, it is illiquid at that point and therefore you are unable to sell it.

**Foreign Exchange Risk:** If you invest in a foreign security, it may go up in value but, when you sell it and attempt to turn your cash from selling it you may find that a change in the rate for exchanging foreign funds into US dollars' wipes out some or all of your profit.

**Management Risk:** If you are investing in mutual fund shares and the particular mutual fund is an "actively managed fund" then there is no guarantee that the investment manager's decisions regarding investment techniques, risk analysis and other matters will produce the desired results that you are seeking.

**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.

**Political and Legislative Risks:** Companies face a complex set of laws and circumstances in each country in which they operate. The political and legal environment can change rapidly, without warning and with significant impact. This is especially true for companies operating outside of the United States or that conduct a portion of their business outside of the United States.

**Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

**Business Risk:** These risks are associated with a particular industry or a particular company within an industry. Generally, business risk is that a company will go bankrupt or perform below expectations. Every company carries the business risk that it will produce insufficient cash flow in order to maintain operations. Business risk can come from a variety of sources, some systemic and others un-systemic. That is, every company has the business risk that the broader economy will perform poorly and therefore that sales will be poor, and also the risk that the market simply will not like its products.

**Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

**High Yield Risk:** High yield securities and unrated securities of similar credit quality (commonly known as "junk bonds") are considered speculative with respect to the issuer's continuing ability to make principal and interest payments. An economic downturn or period of rising interest rates could adversely affect the market for these securities and reduce the ability to sell these securities (liquidity risk). If the issuer of a security is in default with respect to interest or principal payments, the investor can lose their entire investment.

**Derivatives Risk:** Losses may result when investing in options, futures, swaps, forwards, structured securities, and other derivative instruments. These instruments can be illiquid, difficult to price and leveraged so that small changes in the value of the underlying instruments may produce disproportionate losses.

**Counterparty Risk:** The risk that the other party in a transaction will not fulfill its contractual obligations.

**Expenses Risk:** When investing in mutual funds and exchange traded funds, master limited partnerships, and REITs, and other pooled investments, the investor will incur a proportionate share of the expenses of the investment (including operating costs and investment management fees), in addition to the advisory fees and other expenses charged to the investor's assets invested in the pooled investment.

**Foreign and Emerging Countries Risk:** Foreign securities can be subject to risk of loss because of more or less foreign government regulation, less public information and less economic, political and social stability.

**Concentration Risk:** To the extent a client account concentrates a single portion of its assets in the securities of a single issuer, industry, sector, country or region, the overall adverse impact on the client, adverse development in the business of such issuer, such industry or such government could be considerably greater than if they did not concentrate their investments to such an extent.

**Alternative Strategy Mutual Fund:** Certain mutual funds available in SWM and SWM II invest primarily in alternative investments and/or strategies. Investing in Alternative Investments and/or strategies may not be suitable for all investors and involves special risks associated with

---



commodities, real estate, real estate, leverage, selling securities short, the use of derivatives, potential adverse market factors, regulatory changes and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility. Because of the fund's concentration in the Real Estate industry, these types of funds tend to have higher expense ratio than more traditional mutual funds. They also tend to be newer and have less of a track record or performance history.

**Structured Products:** This product has securities derived from another asset, such as a security or a basket of securities, an index, a commodity, a debt issuance or a foreign currency. Structured products frequently limit the upside participation in the referenced asset. Structured products are senior unsecured debts of the issuing bank and subject to the credit risk associated with that issuer. The credit risk exists whether the investment held in that account offers principal protection. The credit worthiness of the issuer does not enhance or affect the performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity is dependent on the issuer's ability to pay. In addition, the trading price on the secondary market (if there is one) maybe adversely impacted if the issuer's credit rating is downgraded. Some structured products offer full protection of the principal invested, others offer partial or no protection. Investors may be sacrificing a higher yield to gain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation protection. An investor never has a claim on the underlying investment whether a security, zero coupon bond or option. There may be little or no secondary market for these securities and information regarding independent market pricing may be limited. This is true even if the product has a ticker symbol or has been approved or has been approved for listing on an exchange. Tax treatment maybe different than other products held in the account. (e.g., income may not be taxed as ordinary income even though payment is not received until maturity.) Structured CDs that are insured by the FDIC are subject to applicable FDIC limits.

**Sector Risk:** To the extent a client's account invest more heavily in particular sectors, industries or sub-sectors of the market, its performance will be especially sensitive to developments that significantly affect those sectors industries or subsectors. An individual sector, industry or sub-sector of the market may be more volatile and perform differently than the broader market. Several industries that constitute a sector may all react in the same way, to economic, political or regulatory events. A client's account performance could be affected if the sectors, industries or sub-sectors do not perform as expected. Alternatively, the lack of exposure to one or more sectors or industry may adversely affect performance.

Every type of investment analysis has its drawbacks and risks (see discussion of risk above) as well as each type of investment strategy. Many of the risk factors discussed above apply to the various types of analysis and strategy.

### **Margin Account Risks**

TWM clients also can elect to open margin accounts. Clients should be aware that there are a number of additional risks that all investors need to consider in deciding to trade securities on margin. The risks associated with margin include, but are not limited to, the following:

☐ Clients can lose more funds than they deposit in the margin account. A decline in the value of securities that are purchased on margin may require the client to provide additional funds to the firm that has made the loan to avoid the forced sale of those securities or other securities in the account.

☐ The lending firm may be able to force the sale of securities in a margin account. If the equity in margin account falls below the maintenance requirements under the law—or the lending firm's higher "house" requirements—the firm may be able to sell the securities in the margin account to cover the margin deficiency. Clients using margin may also be responsible for any short fall in the account after such a sale.

In a cash account, your risk is limited to the amount of money that you have invested. In a margin account, your risk includes the amount of money invested plus the amount that has been loaned to you.

It is important that investors take time to learn about the risks involved in trading securities on margin, and investors should consult Titus's IARs regarding any questions or concerns they may have with their margin accounts. All investments involve risks that can result in loss including loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings.

#### **Item 9: Disciplinary Information**

Registered investment advisers such as TWM are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of TWM or the integrity of its management. TWM does not have any such legal or disciplinary events and thus has no information to disclose with respect to this item.

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

Our only business is giving investment advice.

Our principal and other advisory personnel are registered representatives with LPL. As registered representatives and licensed insurance agents, they may spend up to 25% of their time offering brokerage and variable insurance/insurance products. They receive normal and customary commissions as a result of these purchases. They may spend up to 75% of their time on investment advisory activities. This presents a conflict of interest to the extent that they may recommend that you invest in a security or purchase insurance in which they receive the resulting usual and customary commission. Additionally, LPL will have access to certain client confidential information regarding TWM clients. Such information would include but not limited to financial information, and transactions and holdings. Even if the client does not establish an account with LPL When we make security recommendations for you, we disclose to you that our advisory personnel are also registered representatives with LPL, and you are not required to

follow our recommendations or to use LPL or any particular broker or registered representative. Please refer to LPL's Privacy Policy for more information.

Some IARs of TWM are licensed insurance agents of various independent insurance agencies. These individuals can recommend clients purchase products or policies underwritten by certain carriers. A conflict of interest exists as a result of a commission being paid to these individuals as a result of certain recommendations when a client purchases an insurance product or policy. Clients are under no obligation to purchase such products or policies recommended by its IARs.

The conflicts surrounding these outside business activities are disclosed to clients at the time of entering into an advisory agreement with Titus, mainly through the delivery of this Brochure and the Supplemental Brochures (ADV Part 2Bs). TWM (the Firm) and its IARs endeavor at all times to put the interests of the clients first, and recommendations and investments will only be made to the extent that they are reasonably believed to be suitable and in the best interests of the client.

Some TWM IARs have formed and are members of a Limited Liability Company known as TWM, LLC. This entity was formed for the purpose of receiving the compensation earned through TWM. This entity provides no other services or products and therefore does not represent a conflict of interest.

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

TWM has a Code of Ethics based upon the principle that we, and our employees owe a fiduciary duty to you, our clients, to conduct our/their affairs, including their personal securities transactions, so as to avoid serving our/their own personal interests ahead of yours, taking inappropriate advantage of our/their position with the firm, any actual or potential conflicts of interest or any abuse of our/their position of trust and responsibility. The Code prohibits both us and our employees from engaging in fraudulent, deceptive, or manipulative conduct. In addition, our advisory persons must: have a reasonable, independent basis for the investment advice provided, obtain best execution for your transactions where we can direct brokerage transactions for you, ensure that investment advice is suitable to meeting your individual objectives, needs and circumstances; be loyal to you, our clients. In addition, the Code also focuses on topics such as insider trading, gifts, and conflicts of interest.

Our advisory persons may also recommend that you buy or sell securities or investment products which we or our advisory persons also own. We may buy or sell for ourselves securities that we or the advisory persons have recommended to a client or maybe owned by a client. TWM prohibits advisors trading ahead of an advisory client when he or she is buying or selling the same securities for themselves. Generally speaking, any publicly traded securities positions held by us or our employees would be considered inconsequential when compared to the number of shares outstanding. Regardless of the circumstances, in every situation, your needs are considered first and the securities recommended are widely held and publicly traded. In all

---

cases, we will tell you about these possible conflicts when we are working with you and will not act in any manner that would harm you.

TWM does not engage in any principal transactions.

### **Item 12: Brokerage Practices**

TWM has selected LPL Financial and Schwab as their custodian brokers to maintain custody of client assets and effect trades for client accounts. Clients are advised there may be transaction charges involved when purchasing or selling securities. Recommendations are made to clients based on their need for such service.

The commission rates and transaction fees charged by the Custodian Brokers may be higher or lower than those charged by other broker dealer/custodians. Further, the fees charged by any designated Custodian Broker are exclusive of, and in addition to, the Firm's investment advisory fees. In addition, clients shall also incur charges imposed at the mutual fund level (e.g. management fees and other fund expenses) as outlined in Item 5 of this Brochure. Please refer to Item 5 of this Brochure for additional detail on fees.

Currently, TWM has an option (SWM II account) that pays all client trading costs. Because the IAR's compensation in connection with a program may vary depending on the broker-dealer or custodian selected, TWM and/or the IAR may have a conflict of interest in assisting the client in such selection. Our principal and our other advisory representatives may suggest that you implement recommendations through their concurrent employing broker-dealer. We will make you aware, prior to engagement, that you are under no obligation to do so and you may be able to receive these services from another vendor for less.

Under the Custodian Brokers arrangement, the Custodian Brokers generally do not charge a custodial fee so long as client transactions are placed with them for execution. It is the policy and practice of TWM to strive for the best price and execution that are competitive in relation to the value of the transaction ("best execution"). In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into consideration the full range of the Custodian Brokers' services, including among other things the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while TWM will seek competitive rates among various Custodian Brokers, it will not necessarily obtain the lowest possible commission rates or transaction fees for client transactions. TWM is not required to negotiate "execution only" commission rates, thus the client may be deemed to be paying for research and related services (i.e., "soft dollars") provided by the Custodian Brokers which are included in the commission rate/ transaction fee.

To ensure that Custodian Brokers recommended by TWM are conducting overall best qualitative execution, TWM will periodically (and no less often than annually) evaluate the trading process and Custodian Brokers utilized. TWM's evaluation will consider the full range of brokerage services offered by the Custodian Brokers, which may include, but is not limited to, price,

commission, timing, research, aggregated trades, capable floor brokers or traders, competent block trading coverage, ability to position, capital strength and stability, reliable and accurate communications, and settlement processing, use of automation, knowledge of other buyers or sellers and administrative ability.

TWM can aggregate orders in a block trade or trades when securities are purchased or sold through LPL for multiple discretionary accounts.

For each account, the Portfolio Manager must reasonably believe that the block order is consistent with our duty to seek best execution and may benefit each client participating in the aggregated order. The average price per share of each block trade is allocated to each account that participates in the block trade. These accounts are charged commissions or transaction fees, if applicable, and in accordance with their advisory contracts. Different accounts participating in a block transaction may not be charged the same commission rates or transaction fees.

If a block order cannot be executed in full at the same price or time, the securities purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular client accounts. Partial fills generally are filled pro rata among participating accounts. Prior to entry of a block trade, a written pre-allocation is generated which identifies the group of client accounts participating in the order. If the amount to be allocated for each account is not indicated prior to placement of the trade, the Chief Compliance Officer (“CCO”)/Chief Executive Officer (“CEO”) must review and approve no later than the morning following allocation of the trade.

Changes in allocation prior to final allocation can be made for good cause provided that all client accounts receive fair and equitable treatment. A written explanation of the reason for any material change in the allocation must be provided to and approved by the CEO/CCO no later than the morning following the execution of the trade. If the change in allocation is the result of a condition that exists or a change in a client’s account outside of the portfolio manager’s control, then approval is not required.

Advisory accounts of TWM’s IARs and related persons can participate alongside clients in block trades. They receive the same average price for all transactions that day and pay commissions and other transaction costs, if applicable. The portfolio manager is not obligated to include any client account in a block trade. Transactions for any client’s account will not be aggregated for execution if the practice is prohibited or inconsistent with that client’s investment management agreement.

It is TWM’s policy that clients must not be disadvantaged if a trade entered into a client’s account contains an error (either wrong number of shares, wrong product or wrong account). Trades are corrected to reflect the original intent of the trade order.

### **Soft Dollars**

TWM selects the custodians due to the value of various services or products beyond transaction services. This recognition of the provision of services and products is known as paying for those services or products with “soft dollars”. The amount of compensation paid to the Custodian Brokers is anticipated to be higher than what equally capable broker-dealers might charge. Except for the benefits received from Custodian Brokers as discussed below, TWM currently has no other soft dollar arrangements in place. The receipt of such services from Custodian Brokers benefits TWM does not have to produce or pay for the research or other such products or services when it obtains such products and services by using client commissions/transaction fees. Although it is standard practice, this arrangement could pose a conflict of interest because of allocating securities transactional business to Custodian Brokerage in exchange for soft dollar benefits. This could incentivize TWM to effect more transactions than might otherwise be the case in order to obtain certain benefits. The extent of any such conflict depends in large part on the nature and uses of the services and products acquired with soft dollars.

### **Research Services That Generally Benefit TWM**

The following discussion is intended to provide clients with certain important information regarding such practices, including the potential conflicts of interest that may arise should TWM enter into any soft dollar arrangements.

The receipt of such services from Custodian Brokers benefits TWM, because TWM does not have to produce or pay for the research or other products or services when it obtains such products and services by using client commissions/transaction fees. Although customary, these arrangements present potential conflicts of interest in allocating securities transactional business to Custodian Brokers in exchange for soft dollar benefits. Additionally, TWM has an incentive to effect more transactions than might otherwise be the case in order to obtain certain benefits. The extent of any such conflict depends in large part on the nature and uses of the services and products acquired with soft dollars.

TWM’s general policy is to comply with the provisions of Section 28(e) of the Securities Exchange Act of 1934 (“Section 28(e)”) when entering into soft dollar arrangements. Section 28(e) recognizes the potential conflict of interest involved in this activity, but generally allows investment advisers to use client commissions to pay for certain research and brokerage products and services under certain circumstances without breaching their fiduciary duties to clients. For these purposes, “research” means services or products used to provide lawful and appropriate assistance to TWM in making investment decisions for its clients. “Brokerage” services and products are those used to effect securities transactions for TWM’s clients or to assist in effecting those transactions.

Research and other products and services purchased with soft dollars will generally be used to service all of TWM's clients, but commissions or transaction fees paid by one client may be used to pay for research that is not used in managing that client's portfolio, as permitted by Section 28(e). In other words, it is expected that there will be certain client accounts that benefit from the research services, which did not make the payment of commissions to the broker-dealer providing the services.

Brokerage services obtained with soft dollars may include, for example, quotation and communication equipment and services, other order management systems that provide trading software or provide connectivity to such software, trade analysis software, on-line pricing services, communication services relating to execution, clearing and settlement and message services used to transmit orders.

Research and related services furnished by LPL may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications; recommendations as to specific securities; portfolio evaluation services; financial database software and services; computerized news, pricing and statistical services; and discussions with research personnel, along with hardware, software, databases and other technical and telecommunication services and equipment utilized in the investment management process. Research received by LPL under such soft dollar arrangements may include both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

### **Recommendation of LPL Financial**

TWM will generally request that clients establish a brokerage account with LPL Financial to maintain custody of clients' assets and to effect trades for their accounts. LPL Financial provides brokerage and custodial services to independent investment advisory firms, including TWM. For TWM's accounts custodied at LPL Financial, LPL Financial generally is compensated by clients through commissions, trails, or other transaction-based fees for trades that are executed through LPL Financial or that settle into LPL Financial accounts. For IRA accounts, LPL Financial generally charges account maintenance fees. In addition, LPL Financial also charges clients miscellaneous fees and charges, such as account transfer fees, and termination fees.

While LPL Financial does not participate in, or influence the formulation of, the investment advice TWM provides, certain supervised persons of ADVISOR are Dually Registered Persons. Dually Registered Persons are restricted by certain FINRA rules and policies from maintaining client accounts at another custodian or executing client transactions in such client accounts through any broker-dealer or custodian that is not approved by LPL Financial. As a result, the use of other trading platforms must be approved not only by TWM, but also by LPL Financial.

Clients should also be aware that for accounts where LPL Financial serves as the custodian, TWM is limited to offering services and investment vehicles that are approved by LPL Financial, and may be prohibited from offering services and investment vehicles that may be available

---

through other broker-dealers and custodians, some of which can be more suitable for a client's portfolio than the services and investment vehicles offered through LPL Financial. Clients should understand that not all investment advisers require that clients' custody their accounts and trade through specific broker-dealers.

### **Benefits Received by TWM Personnel From LPL**

LPL Financial makes available to TWM various products and services designed to assist TWM in managing and administering client accounts. Many of these products and services may be used to service all or a substantial number of TWM's accounts, including accounts not held with

LPL Financial. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitate trade execution (and aggregation and allocation of trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of TWM's fees from its clients' accounts; and assist with back-office functions; recordkeeping and client reporting.

LPL Financial also makes available to TWM other services intended to help TWM manage and further develop its business. Some of these services assist TWM to better monitor and service program accounts maintained at LPL Financial, however, many of these services benefit only TWM, for example, services that assist TWM in growing its business. These support services and/or products may be provided without cost, at a discount, and/or at a negotiated rate, and include practice management-related publications; consulting services; attendance at conferences and seminars, meetings, and other educational and/or social events; marketing support; and other products and services used by TWM in furtherance of the operation and development of its investment advisory business.

Where such services are provided by a third-party vendor, LPL Financial will either make a payment to TWM to cover the cost of such services, reimburse TWM for the cost associated with the services, or pay the third-party vendor directly on behalf of TWM.

The products and services described above are provided to TWM as part of its overall relationship with LPL Financial. While as a fiduciary TWM endeavors to act in its clients' best interests, the receipt of these benefits creates a conflict of interest because TWM's request that clients' custody their assets at LPL Financial is based in part on the benefit to TWM of the availability of the foregoing products and services and not solely on the nature, cost or quality of custody or brokerage services provided by LPL Financial. TWM's receipt of some of these benefits may be based on the amount of advisory assets custodied on the LPL Financial platform.

IARs of TWM will receive from LPL bonuses based on their production, issued restricted stock units of shares of LPL's parent company, LPL investment holdings, Inc. and other things of value such as complimentary or reduced cost attendance at LPL's national conferences or top producer forums and events and transition assistance payments. These financial incentives from LPL are based on their overall business production.



**LPL Services that May Not Directly Benefit Clients**

LPL offers products and services to TWM that benefit TWM but may not benefit directly any clients or their accounts held at LPL. These products and services assist TWM in managing and administering our clients' accounts. They include investment research, both LP's own and that of third parties. TWM and its IARs may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at LPL. In addition, to investment research, LPL also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements);
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- Provide pricing and other market data;
- Facilitate payment of TWM advisory fees from our client's accounts; and
- Assist with back office functions, including recordkeeping, and client reporting.

TWM has no other soft dollar arrangements except as noted above.

**Transition Assistance Benefits**

LPL Financial provides various benefits and payments to Dually Registered Persons that are new to the LPL Financial platform to assist the representative with the costs (including foregone revenues during account transition) associated with transitioning his or her business to the LPL Financial platform (collectively referred to as "Transition Assistance"). The proceeds of such

Transition Assistance payments are intended to be used for a variety of purposes, including but not necessarily limited to, providing working capital to assist in funding the Dually Registered Person's business, satisfying any outstanding debt owed to the Dually Registered Person's prior firm, offsetting account transfer fees (ACATs) payable to LPL Financial as a result of the Dually Registered Person's clients transitioning to LPL Financial's custodial platform, technology set-up fees, marketing and mailing costs, stationary and licensure transfer fees, moving expenses, office space expenses, staffing support and termination fees associated with moving accounts.

The amount of the Transition Assistance payments is often significant in relation to the overall revenue earned or compensation received by the Dually Registered Person at [his/her] prior firm. Such payments are generally based on the size of the Dually Registered Person's business established at [his/her] prior firm and/or assets under custody on the LPL Financial. Please refer to the relevant Part 2B brochure supplement for more information about the specific Transition Payments your representative receives.

Transition Assistance payments and other benefits are provided to associated persons of TWM in their capacity as registered representatives of LPL Financial. However, the receipt of Transition

Assistance by such Dually Registered Persons creates conflicts of interest relating to TWM's advisory business because it creates a financial incentive for TWM's representatives to recommend that its clients maintain their accounts with LPL Financial. In certain instances, the receipt of such benefits is dependent on a Dually Registered Person maintaining its clients' assets with LPL Financial and therefore TWM has an incentive to recommend that clients maintain their account with LPL Financial in order to generate such benefits.

TWM attempts to mitigate these conflicts of interest by evaluating and recommending that clients use LPL Financial's services based on the benefits that such services provide to our clients, rather than the Transition Assistance earned by any particular Dually Registered Person. TWM considers LPL Financial's full range of the services, including among other things the value of research provided, execution capability, commission rates, and responsiveness when recommending or requiring that clients maintain accounts with LPL Financial. However, clients should be aware of this conflict and take it into consideration in making a decision whether to custody their assets in a brokerage account at LPL Financial.

### **Schwab Advisor Services**

For our clients' accounts that are held at Schwab, Schwab generally does not charge separately for custody services but is compensated by charging transaction fees on trades that it executes for the client's account or that settle into the Schwab account.

The custodian and brokerage services that Schwab provides to the Firm's clients are typically not available to retail clients. In addition to transaction fees, Schwab will charge a client a flat dollar amount when acting as a "prime broker" for any trade that is executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the client's Schwab account. These fees are in addition to the commissions paid to the executing broker-dealer. Because of this, in order to minimize a client's trading costs, the Firm places all trades for clients that have managed accounts held at Schwab with Schwab for execution. Under the ACCESS Program, the TPAMs provide discretionary investment advisory services and will manage clients' assets in the programs in accordance with the investment strategies chosen by the clients.

Also, Schwab serves as the client's custodian and broker in the ACCESS Program, and the Firm provides ongoing investment advisory services, including gathering necessary client financial data and assisting the client in determining an appropriate TPAMs, in accordance with the investment strategy or strategies suitable for and in line with each client's investment guidelines.

Each client entering into the ACCESS Program will be provided with a written Schwab disclosure brochure that outlines in detail the services provided and fees charged, along with other important information regarding the ACCESS Program. Clients should thoroughly read the brochure upon receipt.

## **Products and Services Available from Schwab**

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like the Firm. They provide the Firm and our clients with access to their institutional brokerage trading, custody, reporting, and related services—many of which are not typically available to Schwab retail clients. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

### **Services That Benefit Clients**

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

### **Services That May Not Directly Benefit Clients**

Schwab also makes available to us other products and services that benefit us but may not directly benefit our clients or their accounts held at Schwab. These products and services assist us in managing and administering our clients' accounts. They include investment research, both

Schwab's own and that of third parties. The Firm and its IARs may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

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

### **Services That Generally Benefit Only Us**

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events for IARs
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

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

For the ACCESS Program, each client grants Schwab, via the client program agreement, discretionary trading authorization with respect to the purchase and sale of the assets in the client's program account. Schwab also is responsible for the rebalancing of program client accounts. In accordance with the particular program client agreement, program clients authorize Schwab to delegate program managers (as such term is defined in the program client agreement) with investment and trade discretion over a portion of the program account. For example, if an account is selected that includes a municipal security allocation managed by a program manager, then Schwab can give the program manager discretionary trading authorization with respect to the purchase and sale of the municipal securities portion of the program account.

The trading and rebalancing information is outlined in the program client agreement and the Schwab disclosure brochure for each program. A copy of the brochure is provided to program clients and should be read thoroughly upon receipt.

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

#### **Periodic Reviews**

We review your accounts whenever deemed necessary by us or by you (but at least annually), due to changes requiring a review, or when either of us feels other investments justify a review. All investment advisory clients are advised that it remains their responsibility to advise their IAR of any changes in his/her/its financial situation, investment objectives and/or risk tolerance. The work will be done by our investment advisor representatives of TWM, who are responsible for the reviews, during and after consultation with you. Additional review may be requested at any time by you or suggested by us if one of feels conditions so dictate. The review will cover as much area as you and we feel indicated under the circumstances, but should normally include the following items: tax and estate planning, investments, possibly real estate, suitability and risk assessments, etc. (See also Item 9 regarding various types of risks.)

If clients select our one-time financial planning service, clients will not receive reviews of their written plans unless they take action to schedule a financial consultation with their IAR to update to their initial written plan. If they select ongoing financial planning services, they will receive reviews for the duration of the contract.

Retirement Plan Consulting clients receive reviews of their pension plans for the duration of the pension consulting service. IAR's also provide ongoing services to pension consulting clients where we meet with such clients upon their request to discuss changes and to their circumstances and resulting updates to their plans.

### **Regular Reports**

Written brokerage statements are generated no less than quarterly and are sent directly from the account custodian. These reports list the account positions, activity in the account over the covered period, and other related information. Clients are also sent confirmations following each brokerage account transaction unless confirmations have been waived. In addition to the regular statements clients receive from their custodian, TWM sends some of its clients detailed reports generated from a third party concerning relevant account and/or market-related information as well as an inventory of account holdings and account performance, as agreed to with the client. Clients are urged to compare the statements received from TWM to those received from the account custodian. These reports list the account positions, activity in the account over the covered period, and other related information. Clients are urged to compare the statements received from TWM to those received from the account custodian.

### **Other Clients**

Client should understand that TWM will perform advisory services for various other clients and that TWM and IAR can give advice or take actions for those other clients that differ from the advice given to the client. The timing or nature of any action taken can also be different.

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

#### **Compensation for Client Referrals**

TWM acts as a solicitor for referring potential clients to third-party investment advisory firms. These third-party investment advisory firms provide the investment management services and are responsible for ensuring client suitability. TWM is paid a portion of the annual management fee that the third-party advisory firm collects from each client solicited by TWM when a client enters into an agreement with the third-party advisory firm. Each client is provided a written disclosure at the time of solicitation outlining the solicitation arrangements and the compensation to be paid to TWM for soliciting such clients.

#### **Compensation Paid to a Solicitor**

TWM can enter into agreements with third parties that refer clients to TWM. Under such solicitation agreements, we pay referral fees (non-commission based) to third party solicitors for the referral of their clients to our Firm. All such agreements are in writing and comply with the requirements of Rule 206(4)-3 of the Advisers Act and applicable state and federal laws. Any such fee shall be paid solely from the Firm's investment advisory fee and shall not result in any additional charge to the client.

Each prospective client who is referred to us under such an arrangement will receive a copy of our Brochure and a separate written disclosure document disclosing the terms, the amount of

---

compensation, and the nature of the relationship between TWM and the third-party solicitor. The solicitor is required to obtain from the client a receipt acknowledging the receipt of the disclosure brochure and the solicitor's written disclosure statement. In cases where state law requires licensure of solicitors, we ensure that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our Firm. If we are paying solicitation fees to another registered investment adviser, the licensure of individuals is the other firm's responsibility.

### **Economic Benefits Received**

IARs of TWM will also receive additional compensation from product sponsors. Compensation may be in the forms of gifts values at less than \$100.00 annually an, occasional dinner or sporting event or reimbursement or reimbursement for in connection with educational, training or client appreciation event. Product sponsors may also pay for educational, training or client appreciation events. The receipt of any such compensation creates a financial incentive for your representative to recommend LPL Financial as custodian for the assets in your advisory account. As part of TWM's fiduciary duty to its clients, TWM and its IARs will endeavor at all times to put the interest of the clients first and will only make recommendations when they are reasonably believed to be in the best interests of the client.

As outlined in Item 12 above, TWM will recommend LPL and Schwab for the execution and settlement of client transactions and custody of their assets. As part of these arrangements, TWM receives products and services from the broker-dealers, including software to enable direct electronic downloading of client account information, electronic trading, and access to investment research and information provided by such broker-dealers. Clients do not pay higher commissions or transaction fees as a result of these products and services furnished by LPL or Schwab to TWM.

Although IARs registered with LPL will receive commissions in LPL accounts, TWM earns no commissions from these transactions. Transaction charges or other charges for services to clients by broker-dealers may be more or less than other broker-dealers not recommended by TWM that charge for comparable services. Clients are not required to use a specific broker-dealer to retain the services of TWM. Please refer to Item 12 above for complete information on the benefits received by TWM from these broker-dealers.

On occasion, LPL provides funding in the form of loans as incentive to independent RRs to establish broker-dealer relationships with LPL. Such loans are to assist in the transition and expansion of their practice. TWM and/or its Dually Registered Persons are incented to join and remain affiliated with LPL Financial and to recommend that clients establish accounts with LPL Financial through the provision of Transition Assistance (discussed in Item 12 above). LPL also provides other compensation to TWM and its Dually Registered Persons, including but not limited to, bonus payments, repayable and forgivable loans, stock awards and other benefits. The receipt of any such compensation creates a financial incentive for your representative to recommend LPL Financial as custodian for the assets in your advisory account. We encourage you to discuss any such conflicts of interest with your representative before making a decision to custody your assets at LPL Financial.

---

Some IARs will also receive from LPL bonuses based on their production, issued restricted stock units of shares of LPL's parent company, LPL Investment Holdings, Inc., and other things of value such as complimentary or reduced-cost attendance at LPL's national sales conference or top producer forums and events. These financial incentives from LPL are based on their overall business production. However, in some cases, the incentives are greater for assets they service in advisory programs. This may present a conflict of interest as the need to meet production levels may influence investment recommendations.

TWM receives asset-based advisory fees as a result of its clients' participation in the LPL sponsored programs. The amount of these fees may be more or less than what TWM would receive if a client paid separately for investment advice, brokerage and other client services. Additionally, TWM or one or more of its IARs will receive all or a portion of certain third-party fees that are paid by program clients. Therefore, TWM has a financial incentive when recommending that its clients open an account under the LPL sponsored managed account program. As part of TWM's fiduciary duty to its clients, TWM and its IARs will endeavor at all times to put the interest of the clients first and will only make recommendations when they are reasonably believed to be in the best interests of the client.

#### **Item 15: Custody**

We do not accept custody of any of your assets. TWM does not in any circumstance maintain possession to client funds or securities. Any inadvertent receipt of proceeds of class action settlement checks or physical shares delivered by client are recorded in a log, reported to management and forwarded directly to the client promptly but no less than three business days of receipt. TWM will not deliver or forward to any third party.

TWM is deemed to have custody pursuant to rule 206 (4)-2 of the Advisors Act because we have the authority to withdraw advisory fees directly from your accounts. (See Item 5, Fees and compensation). To mitigate any conflicts, all account assets will be maintained with an independent qualified custodian. In some cases, we send a copy of our invoice to the custodian or trustee maintaining your account(s) at the same time that we send a requested copy to the client. That custodian will send quarterly statements to you showing all disbursements for your account, including the amount of the advisory fees. Clients should carefully review those statements promptly when received. IARs will not withdraw such fees unless you have previously provided written authorization permitting us to be paid directly for your accounts held by the custodian or trustee.

### **Item 16: Investment Discretion**

TWM has the discretionary authority to decide which securities or the amount of such securities that are to be bought or sold for you, without obtaining client consent. In exercising its discretionary authority, TWM also will decide whether a client's purchase or sale should be combined (aggregated) with those of other clients and traded as a "block." Such discretion is to be exercised in a manner consistent with each client's stated investment objectives, risk tolerance, and time horizon.

### **LPL Sponsored Programs**

For the MWP, and OMP programs, each such program client grants LPL, via the client program agreement, discretionary trading authorization with respect to the purchase and sale of the assets in the client's LPL Program account. LPL also is responsible for the rebalancing of program client accounts.

For the MAS program, the third-party asset managers will have investment discretion and trading authority with respect to the purchase and sale of the assets in a MAS program client account. The trading and rebalancing information is outlined in the program client agreement and the LPL disclosure brochure for each program. A copy of the brochure is provided to program clients and should be read thoroughly upon receipt.

### **Schwab Program**

Under the *ACCESS* Program, the TPAMs will have investment discretion and trading authority and will manage clients' assets in the program in accordance with the investment strategies chosen by the clients.

### **Item 17: Voting Client Securities**

We do not vote client securities or proxies.

Usually the transfer agent of the company issuing the security will send proxy materials or other solicitations directly to you. In some cases, they will send those materials to your custodial broker. If you do not receive these materials directly and wish to do so, you can contact the issuer's investor services department or the custodial broker to request that information. If you need help in obtaining these materials or have any questions, please contact us and we will be happy to assist you in obtaining those materials or answers to those questions.

### **Item 18: Financial Information**

In May and June 2020, considering the COVID-19 pandemic, TWM received a series of loans totaling \$152,832.00 which was administered by the Small Business Administration under the Paycheck Protection Program ("PPP Loan"). We also received another loan in Feb 2021 of

---



\$20,832. A portion of the amount received under the PPP Loan in 2020 was used to pay employee salaries. This allowed us to continue to retain all our dedicated staff through this unprecedented time and not have immediate layoffs to cut expenses. We continue to be able to meet the contractual obligations we have to our clients and do not see that changing in the foreseeable future. We will, however, update this Form ADV Part 2A and promptly notify clients if such a change does occur.

There are no other factors that require us to provide any other financial information under this item. We do not take custody of client funds or securities, other than the deduction of advisory fees as described in Item 15 of this brochure. We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and we are therefore not required to provide and have not provided a balance sheet. We do not have any financial commitments that impair our ability to meet contractual and fiduciary obligations to clients. We have not been the subject of a bankruptcy proceeding.

.