

Item 1 – Cover Page

Form ADV Part 2A

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December 1, 2021

This brochure provides information about the qualifications and business practices of Wela Strategies, Inc. If you have any questions about the contents of this Brochure, please contact us at (678) 608-0420 and/or Holly@YourWealth.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Wela Strategies, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Any references to Wela Strategies, Inc. as a registered investment adviser or its related persons as registered advisory representatives does not imply a certain level of skill or training.

Item 2 – Material Changes

This Brochure is prepared in the revised format required beginning in 2011. Registered Investment Advisers are required to use this format to inform clients of the nature of advisory services provided, types of clients served, fees charged, potential conflicts of interest and other information. The Brochure requirements include the annual provision of a Summary of Material Changes (the “Summary”) reflecting any material changes to our policies, practices, or conflicts of interest made since our last required “annual update” filing. In the event of any material changes, such Summary is provided to all clients within 120 days of our fiscal year-end. Our last annual update was filed on January 30, 2021. Of course, the complete Brochure is available to clients at any time upon request.

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Item 4 - Advisory Business

Wela Strategies, Inc. (hereinafter referred to as “Wela”) was created in 2008. The principal owners of Wela are Michael Reiner & Associates, LP, Wesley Moss, Mitchell Reiner, and Matthew Reiner. Please see ***Brochure Supplement***, Exhibit A, for more information on these principal owners and other individuals who formulate investment advice and have direct contact with clients or have discretionary authority over client accounts.

Wela provides asset management services based on model portfolios Wela has designed. As of December 31, 2020, Wela has \$202,657,911 of discretionary assets under management and \$1,025,871 assets under advisement where Wela acts as a model provider to other Independent Advisors (overlay managers, other financial/investment advisers).

Wela’s management services are designed to accommodate both smaller portfolios (generally those under \$500,000) as well as larger portfolios. This allows us to serve you over time as your needs change.

SERVICE OFFERED

Model Management

Wela’s model portfolios are not based on the individual needs of any client. We manage various model portfolios, which are then applied to each client’s portfolio of investment assets as appropriate for that client.

Most of Wela’s managed model portfolios are based on a mix of growth assets and income producing assets. The majority of our models are referred to or described as “Own Your Age” (“OYA”) model portfolios. All these models are comprised primarily of exchange traded funds (ETFs). Advice will generally be limited to the holdings in Wela’s model portfolios.

Wela also operates two non-OYA models:

- Wela All Growth – does not include allocation to income strategies.
- Wela Agg Yield – 100% income strategies and is more aggressive than a typical fixed income portfolio. Includes closed-end mutual funds in its allocation. These funds are not ETFs by the true definition but are close investment opportunities. Many of these closed-end mutual funds use leverage and therefore accentuate returns in both positive and negative market environments.

Models are designed around owning your age in “income” investments. However, if you have a financial situation or risk tolerance that indicates an age-based allocation is not suitable, we will suggest another model portfolio more suitable to your needs.

Wela has three models specifically designed for accounts under \$25,000. The three models attempt to conduct fewer transactions and strive to reduce the costs for smaller investable dollar figures. The models mirror Wela’s model account allocations for accounts over \$25,000 for an 80/20, 50/50 and 20/80 mix of equity and fixed income. Accounts under \$10,000 will be invested in at least one holding

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until the Account's value reaches at least \$10,000, at which point we may be able to consider additional holdings. Each portfolio will generally maintain 3-7% cash as part of its asset allocation.

Wela offers the following models for accounts over \$25,000:

- OYA 20 = 80/20 equity to fixed income mix
- OYA 30 = 70/30 equity to fixed income mix
- OYA 40 = 60/40 equity to fixed income mix
- OYA 50 = 50/50 equity to fixed income mix
- OYA 60 = 40/60 equity to fixed income mix
- OYA 70 = 30/70 equity to fixed income mix
- OYA 80 = 20/80 equity to fixed income mix
- All Growth Portfolio = 100% equity portfolio
- Agg Yield Portfolio = comprised of a combination of ETFs and closed-end funds.

Additionally, within the model there is the ability to provide a more customized allocation by selecting alternative sleeves within a model, offering more or less diversification depending on the needs of the client and the focus of the portfolio.

Once we have agreed upon one or more models to employ in your investment portfolio, we will manage your portfolio on a discretionary basis. This means that we will make changes to the holdings in the model(s) selected as deemed appropriate. We will determine the securities to be purchased and sold in your account and will alter the securities holdings from time to time, without prior consultation with you. If we believe your investment portfolio would benefit from having a different make-up of models over time, we will discuss that with you before implementing such a change.

Please note that transactions in your account, such as account reallocations and rebalancing, may trigger a taxable event, with the exception of certain IRA accounts, 403(b) accounts and other qualified retirement accounts. Your account will also pay any applicable transaction fees assessed by the account's custodian. These fees do not flow through to Wela. When considering mutual funds for inclusion in a model portfolio, we generally select the share class with the lowest expense ratio available (usually the Institutional share class). Purchases and sales of such share classes often means you will pay transaction fees.

We will monitor the models and your account. If an asset allocation deviates by more than 20% in any direction (positively or negatively) we will reallocate the account back to the original allocation twice a year. Re-balancing and re-allocation will typically occur twice per year and typically will be around February 25 and August 25 of each year. Adjustments to the model accounts will be applied to client accounts without consideration to the taxable consequences to any client.

If you establish your account within 25 days of February 25 or August 25, your account will generally not be allocated to a model portfolio until February 25 or August 25, whichever date first after the funding of the account. The purpose of waiting is to avoid additional transactions as a result of potential near-term adjustments to the allocation of the model. This lowers your overall cost and also minimizes the short-term gain impact that trading in a short period time could cause.

The investment recommendations and advice offered by Wela are not legal advice or accounting advice. You should coordinate and discuss the impact of financial advice with your attorney and/or accountant. Please inform us promptly with respect to any changes in your financial situation or investment goals and objectives. Failure to notify us of any such changes could result in investment recommendations not meeting your needs.

A relationship with Wela is initiated in one of the following ways:

➤ ***Direct Relationship.***

Wela will work with you to help define your investment goals and objective, tolerance for risk and other factors relevant to investment planning. The first meeting between you and your Wela Advisory Representative is introductory in nature, and provides an opportunity to determine whether our services are suitable for you. We will ask you a series of fact-finding questions and complete data gathering information. The discussion and information gathered will assist us in recommending one or more model portfolio options that appear suitable to your financial situation. You will be asked probing questions about your financial history, goals, objectives, and concerns, as well as details about you, your retirement goals, cash flow needs, standard of living, special needs such as education or elder care, etc.

We help identify your risk tolerance, return expectations, financial goals, investment objectives, risk profile, and investment time horizon. We will coordinate a meeting customized to your needs and schedule. The meeting can be virtual, via phone, or in person, as you prefer. Based on our analysis of your situation, we will present a recommended model portfolio to you. We tailor the advisory services we offer to your individual needs based on our designed model portfolios and your specific requirements.

➤ ***Model Portfolio Provider to Other Investment Advisors***

Wela also acts as a model provider to various investment management programs. We provide our model allocations to other Independent Advisors that have elected to utilize Wela's model portfolios for their clients. Under such an arrangement, we do not directly engage in the transactions or execute any transactions in an individual client's account. Instead, we only provide model portfolios to the Independent Advisor. We will not have a relationship with the client investing into a Wela model portfolio. However, a client may contact us with questions about the model portfolio.

These relationships are typically offered through a distribution platform of some type. Currently, Wela's models are offered through the Sawtooth Asset Management, Inc. platform.

➤ ***401(k) Advisory and Retirement Plan Consulting Services***

We offer retirement consulting services to employee benefit plans and their fiduciaries. The services are designed to assist the plan sponsor (the "Company") in meeting its management and fiduciary obligations to the plan under ERISA. As a 3(38) adviser, we offer the following services:

- i. Provide ongoing and continual discretionary investment management with respect to the included assets as defined above in accordance with the Plan's investment policies and objectives.

- ii. Select a broad range of investment options consistent with ERISA section 404(c) and the regulations thereunder. The Company retains the sole responsibility for all other compliance with ERISA section 404(c).
- iii. Develop and execute an Investment Policy Statement (“IPS”). The IPS establishes the investment policies and objectives for the Plan.
- iv. Monitor investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformity to the guidelines set forth in the IPS and determine whether to maintain or remove and replace investment options.
- v. Meet with Company at least annually to discuss the reports and the investment decisions made by Wela to assist the Company with their monitoring role, and more frequently at the discretion and agreement of Wela and the Company.
- vi. Select a Qualified Default Investment Alternative (“QDIA”) for participants whom no investment selection has been made if Company determines the Plan should have a QDIA. Company will decide upon the type of investment that will serve as a QDIA (e.g., target date fund, balanced fund or managed account). Once Company has made that determination, we will select the investment to serve as the QDIA. The Company retains the sole responsibility to provide all notices to participants required under ERISA section 404(c)(5).
- vii. We will provide investment advice to participants.

In addition to the fiduciary services provided above, Wela offers certain non-fiduciary services for employee benefit plans and their fiduciaries. In those instances, we offer the following services:

- i. Assist in the education of the participants in the Plan about general investment principles and the investment alternatives available under the Plan. Company understands that our assistance in participant investment education shall be consistent with and within the scope of (d) (i.e., the definition of investment education) of Department of Labor Interpretive Bulletin 96-1.
- ii. Assist in the group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees.
- iii. Offer services to plan participants regarding assets outside the plan. These services will be governed by agreements directly with the participant and considered outside the scope of this Agreement. It is understood and will be communicated to the participant that the Company does not specifically endorse these services. Costs of these services vary from those charged inside the Plan and will be based on the scope and complexity of each participant’s situation.

We will determine with the Company in advance the scope of services to be performed and the fees for all requested services. Prior to engaging us to provide pension consulting services, the Company will be required to enter into a written agreement with us setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the relevant fees and fee-paying arrangements. The services outlined above that we provide are explained in more detail in the written agreement. We will also provide additional disclosures about our services and fees, where required by ERISA.

We will not be required to verify the accuracy or consistency of any information received from the Company.

Regardless of the type of relationship you have with Wela, you will have access to an Advisory Representative at any time and may request a meeting at any time to discuss your portfolio or changes to your financial situation. Because our services are built around managing model portfolios and then applying those models to your portfolio of investment assets, if you have specific investment restrictions or limitations that do not fit into our model portfolios, our services are likely not suitable for you. However, the allocation to one or more Wela models may change over time as your financial circumstances change. Your Wela Advisory Representative is here to help you with those adjustments.

IRA Rollover Considerations

As part of our consulting and advisory services, we offer recommendations and advice concerning your employer retirement plan or other qualified retirement account. We may recommend that you consider withdrawing the assets from your employer's retirement plan or other qualified retirement account and roll the assets over to an individual retirement account ("IRA"), which we can then manage for you. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as described under Item 5. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Furthermore, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by us. With respect to any account for which Wela meets the definition of a fiduciary under Department Of Labor rules, Wela acknowledges that both Wela and its Related Persons are acting as fiduciaries. Additional disclosure may be found elsewhere in this Brochure or in the written agreement between Wela and Client.

General Information

Wela will deliver required disclosures, client reports, newsletters, and other communications electronically and/or by email, unless the client opts out and requests, we deliver all communications, reports, and required disclosures in hard copy. Delivery will then be executed by the U.S. postal system. The Investment Advisory Agreement or other notification obtains the client's authorization and agreement for electronic delivery. The client may revoke electronic delivery authorization at any time upon request.

Item 5 - Fees and Compensation

General Fee Information

Fees paid to Wela are exclusive of all custodial and transaction costs paid to the client's custodian, brokers or other third party consultants. Please see *Item 12 – Brokerage Practices* for additional information. Fees paid to Wela are also separate and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by funds, brokers, Wela and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

Our asset management fees are generally not negotiable. Fees are not based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds.

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We charge management fees in arrears based on values at the end of each calendar quarter (i.e., March, June, September, and December), unless otherwise negotiated and agreed to with the client. Unless otherwise agreed, your management fee is calculated based on market value of all assets in your managed portfolio, including cash, at the close of the last business day of each calendar quarter and is rounded to the nearest dollar amount. In the event your account is established on a day other than the first day of a calendar quarter or closed on a day other than the last day of a calendar quarter, your fees will be prorated for the quarter. The initial fee is calculated as of the date of the first deposit into the account. In the event the account is closed, you will be charged a prorated portion of advisory fee for the period up to the date of termination.

Wela does not utilize margin as an investment strategy. However, some clients may choose to maintain margin balances. In such instances, the client is invoiced on the net value of the account. Therefore, the value on which the fee is calculated is reduced by the amount of margin.

No fee adjustments will be issued for additional deposits to the account or partial withdrawals from the account occurring during a calendar quarter.

Either Wela or the client may terminate their Investment Advisory Agreement at any time, subject to any written notice requirements in our written agreement. In the event of termination, any fees due to Wela from the client will be invoiced or deducted from the client's account prior to termination. You will be responsible for any fees and charges incurred from third parties as a result of maintaining the Account such as transaction fees for any securities transactions executed and Account maintenance or custodial fees.

Direct Client Relationship Fee Schedule

For individual clients that we serve directly, our fee schedule is:

Account Size	Direct Relationship Annual Fee	
\$0 to \$250,000	1.00%	
\$250,000 to \$500,000	0.90%	
\$500,000 to \$1,000,000	0.75%	
Above \$1,000,000	Negotiable	

We aggregate or "household" your Wela-managed accounts together to determine your quarterly fee. **The fee schedule is applied based on the household billed account balance (assets in the account which are not billed on are not counted to determine the household asset size).**

Wela uses the following calculation to determine the quarterly management fee:

$$\begin{aligned} & (\text{Quarter end billed market value}) \times (\text{Annual fee \%}) \times \# \text{ days in quarter divided by } \# \text{ of} \\ & \text{days in year} \\ & = \text{quarterly fee (which is then rounded to the nearest dollar amount)} \end{aligned}$$

Advisory fees will generally be collected directly from your account, provided you have given us written authorization to do so. You will be provided with an account statement from the custodian

reflecting the deduction of the advisory fee. If the Account does not contain sufficient funds to pay advisory fees, Wela has the authority to sell or redeem securities in sufficient amounts to pay advisory fees. You may reimburse the account for advisory fees paid to Wela, except for ERISA and IRA accounts.

Model Portfolio Provider Fee Schedule

Where Wela acts as a model portfolio adviser to other Independent Advisers, our fee is based on the value of those Advisers client assets invested based on Wela model portfolios. The Independent Adviser of the program will calculate our fee and remit to us based on our agreement. The fee we charge Independent Advisers will not exceed 30 basis points per year.

401(k) Advisory and Retirement Plan Consulting Services Fee

Wela will receive an annual fee of 0.30% of total Plan assets allocated to Wela models. Fees will be paid on a calendar semi-annual basis in arrears. Each semi-annual fee will be calculated based on the value of plan assets as determined by the account custodian and deducted from the plan at the end of the semi-annual period.

The Plan and participants will be subject to costs and expenses assessed and charged by third parties such as the securities options within the Plan such as exchange traded fund and mutual fund fees and costs, custodial costs, record keeper, and third-party administrators. Wela does not share in the fees or expenses charged by other third parties.

Item 6 - Performance-Based Fees and Side-By-Side Management

This section is not applicable to Wela since Wela does not charge performance-based fees.

Item 7 - Types of Clients

Wela's services are generally geared toward individuals who are considered other than high net worth (i.e. clients with a net worth less than \$2,100,000). As stated previously, while specifically able to address the unique needs of smaller accounts, Wela's services are also able to accommodate large portfolios.

As stated above under Item 4, there is a minimum account size of at least \$25,000 to participate in "Own Your Age" ("OYA") model portfolios. Wela also offers three other model account options specifically designed for accounts of less than \$25,000.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Wela's management strategy involves allocating clients' portfolios between "growth" and "income" investments. The amount of the portfolio committed to each investment class is determined based on the model invested within. The model chosen should take into account age, risk tolerance, return goals, etc.

As stated above, Wela's managed portfolios are comprised of exchange traded funds, with the exception of one model portfolio. The risks with ETFs are availability of a market, prices are in

constant fluctuation since the shares are purchased on an auctionable market and as compared to other securities, and ETFs are relatively new. Therefore, historical information may be limited.

Wela uses fundamental analysis to analyze securities. Fundamental analysis generally involves assessing a company's or security's value based on factors such as sales, assets, markets, management, products and services, earnings, and financial structure. Wela uses both proprietary and third-party research to evaluate securities and develop an asset allocation.

Security Type Risks:

ETFs trade on an auctionable market. Therefore, there is more price fluctuation with ETFs than with mutual funds since ETFs trade throughout the day, whereas mutual funds are priced daily at the close of the market. Also, since most ETFs only mirror a market index, such as the S&P 500, they will not outperform the index.

The Wela Agg Yield model uses closed end funds in addition to ETFs in its portfolio. Many of these closed end funds use leverage and therefore accentuate returns in both positive and negative market environments.

Wela does not represent, guarantee or imply that the services or methods of analysis used by Wela can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to major market corrections or crashes. Past performance is no indication of future performance. No guarantees can be offered that your goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by Wela will provide a better return than other investment strategies.

You are advised investing in securities involves risk of loss, including the potential loss of principal. Therefore, your participation in any of the management programs offered by Wela will require you to be prepared to bear the risk of loss and fluctuating performance.

Item 9 - Disciplinary Information

There is no reportable disciplinary information required for Wela or its management persons that is material to your evaluation of Wela, its business or its management persons.

Item 10 - Other Financial Industry Activities and Affiliations

Wela has a number of affiliated entities. "Affiliated" means these entities are under common ownership and/or control with Wela. Following is a brief description of each affiliate.

Capital Investment Advisors, LLC ("CIA")

The principal owners and members of Wela are registered under another investment adviser, Capital Investment Advisors, LLC, an investment adviser registered with the Securities and Exchange Commission. Additionally, the principal owners and members of Wela are also owners of CIA; thus, the two firms are under common control. CIA offers asset management services that involve a higher level of customized management services that are specifically designed around the individual needs of the client. Additionally, clients will receive more one-on-one advisory service. The fees for asset

management and advisory services offered through CIA will be generally be higher than the fees for management services through Wela.

Wela utilizes the investment committee formed under Capital Investment Advisors, LLC. Additionally, CIA will provide administrative services, operational services and compliance oversight to Wela. As a result, Wela will pay CIA for its services.

Capital Accounting & Tax, LLC (“CAT”)

CAT is an affiliate of Wela owned by Michael Reiner, Wes Moss, Mitchell Reiner, and Matt Reiner. It offers accounting and tax services. Wela may recommend CAT to clients in need of such services, but you are under no obligation to use CAT’s accounting services. CAT does not pay Wela for such referrals.

Schwab Advisor Services Technology Board Service

Mitchell and Matthew Reiner both serve on the Schwab Advisor Services Technology, Operations, and Service Advisory Board (the “Board”). As described under Item 12 of this Form ADV, Wela recommends that clients establish brokerage accounts with Charles Schwab & Co., Inc. (“Schwab”) to maintain custody of the clients’ assets and effect trades for their accounts. The Board consists of approximately 20 representatives of independent investment advisory firms who have been invited by Schwab management to participate in meetings and discussions of Schwab Advisor Services’ services for independent investment advisory firms and their clients. Board members serve for three-year terms. Mitchell’s term ends in 2022, and Matthew’s term ends in 2023. Board members enter nondisclosure agreements with Schwab under which they agree not to disclose confidential information shared with them. This information generally does not include material nonpublic information about the Charles Schwab Corporation, whose common stock is listed for trading on the New York Stock Exchange (symbol SCHW). The Board meets in person approximately twice per year and has periodic conference calls scheduled as needed. Board members are not compensated by Schwab for their service, but Schwab does pay for or reimburse Board members’ travel, lodging, meals and other incidental expenses incurred in attending Board meetings.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Wela has adopted a Code of Ethics (“the Code”), the full text of which is available to you upon request. Wela’s Code has several goals. First, the Code is designed to assist Wela in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, Wela owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires persons associated with Wela (managers, officers and employees) to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for Wela’s associated persons. Under the Code’s Professional Standards, Wela expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, Wela associated persons are not to take inappropriate advantage of their positions in relation to Wela clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time Wela’s associated persons may invest in the same securities

recommended to clients. Under its Code, Wela has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

Participation or Interest in Client Transactions

Because associated persons may invest in the same securities as those held in client accounts, Wela has established a policy requiring its associated persons to pre-clear transactions in some types of securities with the Compliance Department. The goal of this policy is to avoid any conflicts of interest that arise in these situations. Some types of securities, such as CDs, treasury obligations and open-end mutual funds are exempt from this pre-clearance requirement. However, in the event of other identified potential trading conflicts of interest, Wela's goal is to place client interests first.

Consistent with the foregoing, Wela maintains policies regarding participation in initial public offerings ("IPOs") and private placements to comply with applicable laws and avoid conflicts with client transactions. If an associated person of Wela wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Compliance Department.

Finally, if associated persons trade with client accounts (i.e., in a bundled or aggregated trade), and the trade is not filled in its entirety, the available shares will normally be allocated prorata among all participating accounts, including accounts of associated persons.

Wela and its associated persons buy or sell securities identical to those securities recommended to you. Therefore, Wela and/or its associated persons have an interest or position in certain securities that are also recommended and bought or sold to you. Wela and its associated persons will not put their interests before your interest. Wela and its associated persons may not trade ahead of you or trade in such a way to intentionally obtain a better price for themselves than for you or other clients.

Item 12 - Brokerage Practices

Wela does not maintain custody of your assets that we manage, although we are deemed to have custody of your assets if you give us authority to withdraw assets from your account on your behalf under certain circumstances (see Item 15 - Custody, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. Wela has entered into relationships with various account custodians for the purpose of offering clients a custodian to maintain their account and for us to manage the client's account. Additionally, in arrangements where Wela serves as a model provider to an asset management program, the program will determine the custodian. Wela has arrangements for custodial and execution services with the following Custodians:

- Schwab Advisor Services through Charles Schwab & Co., Inc. ("Schwab")
- National Financial Services, LLC and Fidelity Brokerage Services, LLC (together referred to as "Fidelity") to participate in the Fidelity Institutional Wealth Services ("FIWS") platform,
- Mid Atlantic Trust Company (MATC) – Wela serves as a model provider to MATC to offer portfolio management options to qualified plans.

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The above listed Custodians provide custody, execution, and clearance and settlement services for stocks, bonds, mutual funds, and other securities held at the Custodians. Wela is independently owned and operated and not affiliated with any of the above listed Custodians.

While we recommend you use Custodians as custodian/broker, you will decide whether to do so and will open your account with one or more of the Custodians by entering into an account agreement directly with the selected custodian. However, in programs where Wela serves as the model provider, the option for the custodian is determined by the management platform and not Wela. We do not open the account for you, although we may assist you in doing so. Trading costs and account maintenance may be higher or lower than what is available through other Custodians and broker/dealers. Further, there is no assurance that can be given that the most favorable execution of client transactions will be achieved. Not all investment advisers require clients to use a specific custodian or broker/dealer.

Qualified Plans offering the Wela models as an investment option will be maintained at a custodian selected by the Qualified Plan Sponsor.

The custodians charge brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). The custodians enable Wela to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. The custodian's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by the custodians are may be higher or lower than those charged by other custodians and broker-dealers. In addition, the custodian of your account is compensated by earning interest on the uninvested cash in your account.

How We Select Brokers/Custodians

In initially selecting the Custodians which with Wela have a direct relationship for execution services, Wela seeks to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds, etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see "Products and Services Available to Us from Schwab and Fidelity.")

Your Brokerage and Custody Costs

For our clients' accounts that Schwab and Fidelity maintain, Schwab and Fidelity generally do not charge you separately for custody services but are compensated by charging you commissions or other fees on trades that they execute or settle into your account. This commitment benefits you because the overall commission rates you pay are lower than they would be otherwise. In addition to commissions, Schwab and Fidelity charge you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your account.

The above fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab and, Fidelity execute most trades for your account. We have determined that having Schwab and Fidelity execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How We Select Brokers/Custodians").

Products and Services Available to Wela from Schwab and Fidelity

Schwab and Fidelity provide Wela and our clients with access to its institutional brokerage trading, custody, reporting, and related services many of which are not typically available to retail customers. Schwab and Fidelity also make 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.

Following is a more detailed description of support services:

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

Services That May Not Directly Benefit You. Schwab and Fidelity also make available to Wela other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, either Schwab's or Fidelity's own and that of third parties. We will use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab or Fidelity. In addition to investment research, Schwab and Fidelity also make 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 our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services That Generally Benefit Only Us. Schwab and Fidelity also offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- 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 and Fidelity provide some of these services themselves. In other cases, they will arrange for third-party vendors to provide the services to us. Schwab and Fidelity from time to time will discount or waive fees for some of these services or pay all or a part of a third party's fees. Schwab and Fidelity provide us with other benefits, such as occasional business entertainment of our personnel.

These services are not soft dollar arrangements but are part of the institutional platform offered by the Custodians. The benefits provided to Wela create an incentive for Wela to recommend Schwab or Fidelity based on the products and services that will be received rather than strictly on your best interest. However, as previously described, Wela believe Schwab and Fidelity serve your interests as well.

Aggregated Trading

Wela aggregates ("blocks") transactions in the same security on behalf of more than one client in an effort to strive for best execution and to possibly reduce the price per share and/or other costs to clients. However, aggregated or blocked orders will not reduce the transaction costs to participating clients. Wela conducts aggregated transactions in a manner designed to ensure that no participating client is favored over another client. Participating clients will obtain the average share price per share for the security executed that day. To the extent the aggregated order is not filled in its entirety and when possible, securities purchased or sold in an aggregated transaction will be allocated pro-rata to the participating client accounts, which may also include Wela employee accounts, in proportion to the size of the orders placed for each account. Under certain circumstances, the amount of securities will be increased or decreased to avoid holding odd-lot or a small number of shares for particular clients. Typically, blocked trading is conducted when Wela is implementing an investment decision to buy or sell a security across all or multiple accounts.

Item 13 - Review of Accounts

Wela continually reviews the holdings in the model portfolios. We will determine if any adjustments are warranted given our evaluation of the securities and/or market conditions. Wela utilizes the Capital Investment Advisors' investment committee, which meets on a bi-weekly basis for investment research. The investment committee reviews and evaluates securities holdings in model portfolios as well as market events on a continuous basis. On a monthly basis Wela screens and updates information on managed portfolio holdings. We will monitor for changes or shifts in the economy, performance of the holding, changes that impact the securities in which you are invested, and market shifts and corrections.

If you are working directly with a Wela Advisory Representative, you will be invited to participate in at least an annual review of your portfolio. You may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. You must notify us promptly

of any changes to your financial goals, objectives or financial situation, as such changes may require a review of your portfolio allocation and potential recommendations for changes.

The account custodian will provide you with an account statement at least quarterly. **If you do not receive at least quarterly statements from the account custodian, please contact Wela and/or your account custodian immediately.** Additionally, the Custodian will provide prompt confirmations of all transactions occurring in your account.

Item 14 - Client Referrals and Other Compensation

From time to time, Wela may enter into arrangements with third parties (“Solicitors”) to identify and refer potential clients to Wela. Consistent with legal requirements under the Investment Advisers Act of 1940, as amended, Wela enters into written agreements with Solicitors under which, among other things, Solicitors are required to disclose their compensation arrangements to prospective clients before such clients enter into an agreement with Wela.

A referred client’s advisory fee will not be increased as a result of compensation being shared with Solicitor.

Wela receives an economic benefit from Schwab and Fidelity in the form of the support products and services they make available to us and other independent investment advisors whose clients maintain their accounts at Schwab and Fidelity. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – *Brokerage Practices*). The availability to us of Schwab’s and Fidelity’s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Your Advisory Representative has an interest in the fee charged to you since Wela will pay a portion of the advisory fee to your Advisory Representative.

Item 15 - Custody

Under government regulations, we are deemed to have custody of your assets if you authorize us to instruct the account custodian where your cash and securities are maintained to deduct our advisory fees directly from your account. Additionally, Wela will be deemed to have custody if a client has a standing letter of authorization (SLOA) to transfer funds or securities to a third party and Wela has the ability to direct transfers, change the amount, and/or the timing of the transfer.

From time to time and in accordance with our agreement with clients, we will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there will be small differences due to the timing of dividend reporting, pending trades or other similar issues.

The account custodian maintains actual custody of your assets. It is the custodian’s responsibility to provide you with confirmations of trading activity, tax forms and at least quarterly account statements. These documents will be sent to the email or postal mailing address you provide to the account custodian; please notify us immediately if you fail to receive such documents. You should carefully review those statements promptly when you receive them and notify us or the account custodian

promptly if you have any questions. We also urge you to compare the account custodian's account statements to the periodic account statements you receive from us.

Item 16 - Investment Discretion

Upon execution of our asset management agreement, Wela is granted discretionary authorization to manage your account. Discretionary authority will be limited to authorizing Wela to determine the securities to be purchased and sold within your account and execute on those transactions. You may terminate our discretionary authorization at any time upon receipt of written notice by Wela, however, termination of discretionary authority will result in termination of our management services.

Additionally, you are advised that:

- 1) You may set trading restrictions or limitations;
- 2) Your written consent is required to establish any account;
- 3) With the exception of deduction of Wela's advisory fees from the account, if you have authorized automatic deductions, Wela will not have the ability to withdraw your funds or securities from the account.

Item 17 - Voting Client Securities

If you anticipate that you may want to direct any proxy votes, then Wela will not vote any proxies on your behalf, and will not accept authority to vote any proxies on your behalf. Wela has engaged the services of Broadridge's ProxyEdge platform to vote and maintain records of all proxies. The Broadridge open architecture platform allows Wela to choose from several different proxy advisory firms to make recommendations on how our firm should vote the proxies. Wela has selected Egan-Jones as the current advisor, who considers the reputation, experience, and competence of a company's management and board of directors when it evaluates an issuer.

Egan-Jones has provided Wela with the Proxy Voting Principals and Guidelines which is available to clients upon request. The Proxy Voting Principals and Guidelines outline Egan-Jones guidelines for determining how to vote on various matters. Egan-Jones proxy voting services includes voting on matters involving tender offers, mergers and acquisitions, common stock authorization, stock distributions (splits and dividends), and debt restructuring.

In general, the Egan-Jones proxy voting principals and guidelines include:

- Directors should be accountable to shareholders, and management should be accountable to directors.
- Information on the company supplied to shareholders should be transparent.
- Shareholders should be treated fairly and equitably according to the principle of one share, one vote.
- Egan-Jones Proxy Voting Principals will be influenced by current and forthcoming legislation, rules and regulations, and stock exchange rules.

You may view a list of proxies voted, the date Wela voted the proxy, and how Wela voted the proxy at any time upon request. Furthermore, if you would like a copy of our proxy voting procedures, please contact the person on the cover page of this Disclosure Brochure.

Wela will assist with preparing and filing Class Actions “Proof of Claim” forms on behalf of a client provided the client provides Wela with a signed Proof of Claim form and Wela purchased the holding for the client. Wela is not able to file Proof of Claims automatically on behalf of clients due to forms are sent directly to the client and the client must sign the form.

Item 18 - Financial Information

Wela does not require you to prepay any fee in advance of receiving the service; therefore, we have no required disclosure for this item.