



WEALTH ALLIANCE

ADVISORY GROUP

a Registered Investment Adviser

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This brochure provides information about the qualifications and business practices of Wealth Alliance Advisory Group, LLC (hereinafter “WAAG” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at www.adviserinfo.sec.gov. The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

There are no material changes in this brochure from the last annual updating amendment of WAAG on March 3, 2020. Material changes relate to WAAG's policies, practices or conflicts of interests only.

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Item 4. Advisory Business

WAAG offers a variety of advisory services, which include financial planning, consulting, and investment management services. Prior to WAAG rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with WAAG setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

WAAG is owned by Gary W. Decker and Matthew G. Catlin. As of December 31, 2020, WAAG had \$424,601,406.00 under management, \$406,419,753.00 of which was managed on a discretionary basis and \$18,181,653.00 of which was managed on a non-discretionary basis.

While this brochure generally describes the business of WAAG, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on WAAG’s behalf and is subject to the Firm’s supervision or control.

Financial Planning and Consulting Services

WAAG offers clients a broad range of financial planning and consulting services, which includes any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- Trust and Estate Planning
- Financial Reporting
- Investment Consulting
- Insurance Planning
- Retirement Planning
- Risk Management
- Charitable Giving
- Distribution Planning
- Tax Planning
- Manager Due Diligence

While each of these services is available on a stand-alone basis, certain of them can also be rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (described in more detail below).

In performing these services, WAAG is not required to verify any information received from the client or from the client’s other professionals (e.g., attorneys, accountants, etc.,) and is expressly authorized to rely on such information. WAAG recommends certain clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents or registered representatives of a broker-dealer and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage WAAG or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services.

Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by WAAG under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising WAAG's recommendations and/or services.

Investment and Wealth Management Services

WAAG manages client investment portfolios on a discretionary or non-discretionary basis. In addition, WAAG provides certain clients with wealth management services which includes a broad range of comprehensive financial planning and consulting services as well as discretionary and/or non-discretionary management of investment portfolios.

WAAG primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"). WAAG will also allocate client assets among individual debt and equity securities, independent investment managers ("Independent Managers") and privately placed securities (which may include interests in pooled investment vehicles) in accordance with their stated investment objectives.

Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in client portfolios. Clients can engage WAAG to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, WAAG directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

WAAG tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. WAAG consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify WAAG if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if WAAG determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

Sponsor and Manager of Wrap Program

WAAG provides substantially all investment management services as the sponsor and manager of the Wealth Alliance Advisory Group Wrap Program (the "Wrap Program"), a wrap fee program (i.e., an

arrangement where certain brokerage commissions and transaction costs are absorbed by the Firm). Accounts managed through the Wrap Program are done so in substantially the same manner as those managed under a non-wrap arrangement. Participants in the Wrap Program may pay a higher aggregate fee than if investment management and brokerage services are purchased separately. Additional information about the Wrap Program is available in WAAG's Wrap Brochure, which appears as Part 2A Appendix 1 of the Firm's Form ADV.

Retirement Plan Consulting Services

WAAG provides various consulting services to qualified employee benefit plans and their fiduciaries. This suite of institutional services is designed to assist plan sponsors in structuring, managing and optimizing their corporate retirement plans. Each engagement is individually negotiated and customized, and includes any or all of the following services:

- Plan Design and Strategy
- Plan Review and Evaluation
- Executive Planning & Benefits
- Investment Selection
- Plan Fee and Cost Analysis
- Plan Committee Consultation
- Fiduciary and Compliance
- Participant Education

As disclosed in the Advisory Agreement, certain of the foregoing services are provided by WAAG as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2), each plan sponsor is provided with a written description of WAAG's fiduciary status, the specific services to be rendered and all direct and indirect compensation the Firm reasonably expects under the engagement.

Use of Independent Managers

As mentioned above, WAAG selects certain Independent Managers to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an Independent Manager may be set forth in a separate written agreement with the designated Independent Manager. In addition to this brochure, clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

WAAG evaluates a variety of information about Independent Managers, which includes the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. WAAG also takes into consideration each Independent

Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

WAAG continues to provide services relative to the discretionary or non-discretionary selection of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. WAAG seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

Item 5. Fees and Compensation

WAAG offers services on a fee basis, which includes fixed fees, as well as fees based upon assets under management. Additionally, certain of the Firm's Supervised Persons, in their individual capacities, offers securities brokerage services and/or insurance products under a separate commission-based arrangement.

Financial Planning and Consulting Fees

WAAG charges a fixed fee for providing financial planning and consulting services under a stand-alone engagement. These fees are negotiable, but range from \$500 to \$10,000, depending upon the scope and complexity of the services and the professional rendering the financial planning and/or the consulting services. If the client engages the Firm for additional investment advisory services, WAAG may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement and WAAG requires one-half of the fee (estimated hourly or fixed) payable upon execution of the Advisory Agreement. The outstanding balance is due upon delivery of the financial plan or completion of the agreed upon services. The Firm does not, however, take receipt of \$1,200 or more in prepaid fees in excess of six months in advance of services rendered.

Investment Management Fees

WAAG offers investment management services for an annual fee based on the amount of assets under the Firm's management. This management fee varies up to 2%, depending upon the size and composition of a client's portfolio and the type of services rendered, including whether such services are rendered through the Wrap Program.

The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by WAAG on the last day of the previous billing period. If assets are deposited into or

withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), WAAG may negotiate a fee rate that differs from the range set forth above.

Retirement Plan Consulting Fees

WAAG charges as fixed project-based fee to provide clients with retirement plan consulting services. Each engagement is individually negotiated and tailored to accommodate the needs of the individual plan sponsor, as memorialized in the Agreement. These fees are either asset-based or fixed and vary based on the scope of the services to be rendered and the amount of any assets to be managed.

Fee Discretion

WAAG may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

Additional Fees and Expenses

In addition to the advisory fees paid to WAAG, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges include securities brokerage commissions and transaction costs, custodial fees, fees attributable to alternative assets, margin costs, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm’s brokerage practices are described at length in Item 12, below.

Direct Fee Debit

Clients provide WAAG and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified

custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to WAAG. Alternatively, clients may elect to have WAAG send a separate invoice for direct payment.

Use of Margin

WAAG does not recommend the use of margin in the management of the client's investment portfolio but may recommend certain clients utilize margin or other borrowing for capital needs.

Account Additions and Withdrawals

Clients can make additions to and withdrawals from their account at any time, subject to WAAG's right to terminate an account. Additions can be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client's account. Clients can withdraw account assets on notice to WAAG, subject to the usual and customary securities settlement procedures. However, the Firm designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. WAAG may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

Commissions and Sales Charges for Recommendations of Securities

Clients can engage certain persons associated with WAAG (but not the Firm directly) to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with WAAG.

Under this arrangement, clients may implement securities transactions through certain of the Firm's Supervised Persons in their respective individual capacities as registered representatives of Mutual Securities, Inc. ("Mutual Securities") (the "Brokerage Relationship"). Mutual Securities charges brokerage commissions to effect certain of these securities transactions and thereafter, a portion of these commissions can be paid by Mutual Securities to such Supervised Persons. As stated above, prior to effecting any transactions through the Brokerage Relationship, clients are required to enter into a new account agreement with Mutual Securities. The brokerage commissions charged by Mutual Securities may be higher or lower than those charged by other broker-dealers. The Firm may recommend no-load funds.

A conflict of interest exists to the extent that a Supervised Person of The Firm recommends the purchase or sale of securities where that Supervised Person receives commissions or other additional compensation as a result of that recommendation. The Firm has procedures in place to ensure that any recommendations

made by such Supervised Persons to engage in the Brokerage Relationship are in the best interest of that client. Because the Supervised Persons may receive compensation in connection with the sale of mutual funds through the Brokerage Relationship, a conflict of interest exists as such Supervised Persons may have an incentive to recommend more expensive mutual fund share classes to clients where such Supervised Persons earn more compensation with respect to the sale of such mutual fund share classes. For certain accounts covered by the Employee Retirement Income Security Act of 1974 (“ERISA”) and such others that WAAG, in its sole discretion, deems appropriate, WAAG provide its investment advisory services to certain clients on a fee-offset basis. In this scenario, WAAG offsets its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by the Firm’s Supervised Persons in their individual capacities as registered representatives of Mutual Securities.

Item 6. Performance-Based Fees and Side-by-Side Management

WAAG does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client’s assets).

Item 7. Types of Clients

WAAG offers services to individuals, banking or thrift institutions, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and business entities.

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

Methods of Analysis and Investment Strategies

WAAG assists each client to identify and tailor their long-term investment objectives to goals that are representative and suitable to their personal situation. WAAG typically executes this by evaluating the client’s current financial condition through the preparation of a financial plan or through an interview process where the client’s willingness to take financial risk is assessed.

WAAG believes investment success comes from focusing on risk management. Risk management is the process of monitoring certain aspects of the portfolio so that it does not take on more risk than desired. WAAG continually analyzes the economic landscape as well as portfolio specific data such as asset class correlations, asset class volatility, beta, downside risk, tracking error, sector exposure, yield, duration, and credit quality. In order to minimize risk in portfolio designs, WAAG feels that asset allocation or the process of diversifying money across different asset classes maximizes return and minimizes risk. In WAAG’s opinion, no one knows for certain what will be the best and weakest performing asset class in a given year, which is why the Firm has exposure to multiple asset classes in its portfolio designs.

WAAG will tailor a diversified investment strategy or asset allocation portfolio design for the client around this assessment. In implementing its asset allocation process to a client’s portfolio, WAAG will invest in mutual funds, exchange traded funds, individual equities, and individual fixed income. WAAG also provides advice to

clients who qualify on private placements, hedge funds, and other alternative investments. In determining the client's long-term investment objectives, WAAG help clients understand the inherent risks involved in investing in capital markets.

Risk of Loss

Market and General Risks

Investing involves risk, including the potential loss of principal, and all investor should be guided accordingly. The profitability of a significant portion of WAAG's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that WAAG will be able to predict those price movements accurately or capitalize on any such assumptions.

Asset allocation does not ensure a profit or guarantee against loss, it is a method to help manage investment risk. Investing in securities involves risk of loss that clients should be prepared to bear. While the Firm's portfolio designs are intended to be diversified in order to mitigate investment risks, there is a risk of loss of both income and principal.

Volatility Risks

The prices and values of investments can be highly volatile, and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.

Cash Management Risks

The Firm may invest some of a client's assets temporarily in money market funds or other similar types of investments, during which time an advisory account may be prevented from achieving its investment objective.

Equity-Related Securities and Instruments

The Firm may take long and short positions in common stocks of U.S. and non-U.S. issuers traded on national securities exchanges and over-the-counter markets. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and factors specific to the industry in which the issuer participates. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments, and the stock prices of such companies may suffer a decline in response. In addition, equity securities are subject to stock risk, which is the risk that stock prices historically rise and fall in periodic cycles. U.S. and non-U.S. stock markets have experienced periods of substantial price volatility in the past and may do so again in the future. In addition, investments in small-capitalization, mid-capitalization and financially distressed companies may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity, and these issuers often face greater business risks.

Fixed Income Securities

Fixed income securities are subject to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations and to price volatility.

Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Use of Independent Managers

As stated above, WAAG selects certain Independent Managers to manage a portion of its clients' assets. In these situations, WAAG continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, WAAG does not have the ability to supervise the Independent Managers on a day-to-day basis.

Use of Private Collective Investment Vehicles

Private investment funds (including hedge funds, private equity funds, etc.) generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be

traded and no requirement to diversify. Private funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund and acknowledges and accepts the various risk factors that are associated with such an investment.

Item 9. Disciplinary Information

WAAG has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

Item 10. Other Financial Industry Activities and Affiliations

This item requires investment advisers to disclose certain financial industry activities and affiliations.

Registered Representatives of a Broker-Dealer

Certain of the Firm's Supervised Persons are registered representatives of Mutual Securities and provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length in Item 5.

Licensed Insurance Agents

A number of the Firm's Supervised Persons are licensed insurance agents and offer certain insurance products on a fully disclosed commissionable basis. A conflict of interest exists to the extent that WAAG recommends the purchase of insurance products where its Supervised Persons are entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

Item 11. Code of Ethics

WAAG has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. WAAG's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of WAAG's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures.

This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact WAAG to request a copy of its Code of Ethics.

Item 12. Brokerage Practices

Recommendation of Broker-Dealers for Client Transactions

WAAG recommends that clients utilize the custody, brokerage and clearing services of National Financial Services LLC and Fidelity Brokerage Services LLC (together with affiliates, "Fidelity") for investment management accounts. The final decision to custody assets with Fidelity is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. WAAG is independently owned and operated and not affiliated with Fidelity. Fidelity provides WAAG with access to its institutional trading and custody services, which are typically not available to retail investors.

Factors which WAAG considers in recommending Fidelity or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Fidelity enables the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. Fidelity has also agreed to reimburse clients for exit fees associated with moving accounts to Fidelity. The reimbursement is only available up to a certain amount for all of the Firm's clients over a twelve month period. Fees are reimbursed on a first-come-first-served basis so that no clients are favored. The commissions and/or transaction fees charged by Fidelity may be higher or lower than those charged by other Financial Institutions.

The commissions paid by WAAG's clients to Fidelity comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where WAAG determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. WAAG seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Consistent with obtaining best execution, brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist WAAG in its investment decision-making process. Such research will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because WAAG does not have to produce or pay for the products or services.

WAAG periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

Software and Support Provided by Financial Institutions

WAAG receives without cost from Fidelity administrative support, computer software, related systems support, as well as other third-party support as further described below (together "Support") which allow WAAG to better monitor client accounts maintained at Fidelity and otherwise conduct its business. WAAG receives the Support without cost because the Firm renders investment management services to clients that maintain assets at Fidelity. The Support benefits WAAG, but not its clients directly. Clients should be aware that WAAG's receipt of economic benefits such as the Support from a broker-dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker-dealer over another that does not furnish similar software, systems support or services. In fulfilling its duties to its clients, WAAG endeavors at all times to put the interests of its clients first and has determined that the recommendation of Fidelity is in the best interest of clients and satisfies the Firm's duty to seek best execution.

Specifically, WAAG receives the following benefits from Fidelity: i) receipt of duplicate client confirmations and bundled duplicate statements; ii) access to a trading desk that exclusively services its institutional traders; iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and iv) access to an electronic communication network for client order entry and account information. Fidelity also makes available to the Firm, at no additional charge, certain research and brokerage services, including research services

obtained by Fidelity directly from independent research companies, as selected by WAAG (within specified parameters). WAAG also receives additional services including marketing, compliance, technology and software. Without this arrangement, the Firm might be compelled to purchase the same or similar services at its own expense.

Brokerage for Client Referrals

WAAG does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

Directed Brokerage

The client may direct WAAG in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to “batch” client transactions for execution through other Financial Institutions with orders for other accounts managed by WAAG (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, WAAG may decline a client’s request to direct brokerage if, in the Firm’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Trade Aggregation

Transactions for each client will be effected independently, unless WAAG decides to purchase or sell the same securities for several clients at approximately the same time. WAAG may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm’s clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among WAAG’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which WAAG’s Supervised Persons may invest, the Firm does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. WAAG does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order

or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Item 13. Review of Accounts

Account Reviews

WAAG monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by the Firm's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with WAAG and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Account Statements and Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from WAAG and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from WAAG or an outside service provider.

Item 14. Client Referrals and Other Compensation

Client Referrals

In the event a client is introduced to WAAG by either an unaffiliated or an affiliated solicitor, the Firm may pay that solicitor a referral fee in accordance with applicable state securities laws. Unless otherwise disclosed, any such referral fee is paid solely from WAAG's investment management fee and does not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated solicitor, the solicitor is required to

provide the client with WAAG's written brochure(s) and a copy of a solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement. Any affiliated solicitor of WAAG is required to disclose the nature of his or her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the Firm's written brochure(s) at the time of the solicitation.

Item 15. Custody

The Advisory Agreement and/or the separate agreement with any Financial Institution authorize WAAG and/or the Independent Managers to debit client accounts for payment of the Firm's fees and to directly remit that those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to WAAG.

Custody is also disclosed in Form ADV because WAAG has authority to transfer money from client account(s), which constitutes a standing letter of authorization (SLOA). Accordingly, WAAG will follow the safeguards specified by the SEC rather than undergo an annual audit.

In addition, as discussed in Item 13, WAAG will also send, or otherwise make available, periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from WAAG.

Item 16. Investment Discretion

WAAG is given the authority to exercise discretion on behalf of clients. WAAG is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. WAAG is given this authority through a power-of-attorney included in the agreement between WAAG and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). WAAG takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The Independent Managers to be hired or fired.

Item 17. Voting Client Securities

WAAG accepts the authority to vote a client's securities (i.e., proxies) on their behalf. When WAAG accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special circumstances, which are fully described in the Firm's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in WAAG's Proxy Voting Policies and Procedures, as they may be amended from time to time.

Clients may contact WAAG to request information about how the Firm voted proxies for that client's securities or to get a copy of WAAG's Proxy Voting Policies and Procedures. A brief summary of WAAG's Proxy Voting Policies and Procedures is as follows:

- WAAG has formed a Proxy Voting Committee that will be responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that proxies are submitted in a timely manner.
- The Proxy Voting Committee will vote proxies according to WAAG's then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds.
- Although the Proxy Voting Guidelines are followed as a general policy, certain issues are considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, the Firm devotes an appropriate amount of time and resources to monitor these changes.
- Clients cannot direct WAAG's vote on a particular solicitation but can revoke the Firm's authority to vote proxies.

In situations where there is a conflict of interest in the voting of proxies due to business or personal relationships that WAAG maintains with persons having an interest in the outcome of certain votes, the Firm takes appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict.

Item 18. Financial Information

WAAG is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.