

**Form ADV Part 2A Disclosure Brochure**

**Item 1 – Cover Page**

**WFG Capital Advisors, LLC**

**DBA**



2566 Dauphin Street  
Mobile, Alabama 36606

(251) 473-2120

[www.wfgplanning.com](http://www.wfgplanning.com)

February 08, 2021

This Brochure provides information about the qualifications and business practices of Williams Financial Group ("WFG"). If you have any questions about the contents of this Brochure, please contact us at 1-251-473-2120 or [information@wfgplanning.com](mailto:information@wfgplanning.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

WFG is registered as an investment adviser with the SEC under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act"). Registration does not imply a certain level of skill or training. Additional information about WFG also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) CRD# 310008.

## Item 2 - Material Changes

WFG will provide you with a summary of any material changes to the Brochure within 120 days of the close of our fiscal year. WFG may disclose material changes at any point in time as it deems necessary. WFG will provide updated brochures and disclosures free of charge. Presently, requests for WFG's brochures may be made by contacting Matt Williams at 251-473-2120 or [matt@WFGPlanning.com](mailto:matt@WFGPlanning.com).

WFG has no material changes to report since the last annual updating amendment.

Additional information about WFG is available on the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information on any persons affiliated with WFG who are registered, or required to be registered, as investment adviser representatives of WFG.

## Item 3 - Table of Contents

Item 1 – Cover Page.....	1
Item 2 - Material Changes.....	2
Item 3 - Table of Contents .....	2
Item 4 - Advisory Business.....	2
Item 5 - Fees and Compensation.....	5
Item 6 - Performance-Based Fees and Side-By-Side Management.....	6
Item 7 - Types of Clients.....	6
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss .....	6
Item 9 - Disciplinary Information.....	9
Item 10 - Other Financial Industry Activities and Affiliations .....	9
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	9
Item 12 - Brokerage Practices.....	10
Item 13 - Review of Accounts.....	13
Item 14 - Client Referrals and Other Compensation .....	13
Item 15 - Custody.....	13
Item 16 - Investment Discretion .....	14
Item 17 - Voting Client Securities .....	14
Item 18 - Financial Information .....	14
Item 19 - Privacy Notice.....	14

## Item 4 - Advisory Business

### General Information

WFG Capital Advisors, LLC was formed in 2020 and provides innovative investment management services that include customized investment portfolio management, sub-advisory services, financial planning and financial consulting.

Matt Williams and Billy Williams are each 50% owners. Please see Brochure Supplements, at the end of

this brochure for more information on the Managing Principals of WFG.

### **Types of Advisory Services**

Currently, we offer the following investment advisory services, which are personalized to each individual client:

- Portfolio Management Services
- Selection of Sub-advisor(s)
- Financial Planning Services
- Consulting Services

*The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we", "our" and "us" refer to WFG Capital Advisors, LLC and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. The use of these terms is not intended to imply that there is more than one individual associated with this firm.*

### **Portfolio Management Services**

We offer discretionary and non-discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our portfolio management services, we may customize an investment portfolio for you according to your risk tolerance and investing objectives. We may also invest your assets using a predefined strategy, or we may invest your assets according to one or more model portfolios developed by our firm. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio's performance on an ongoing basis, and rebalance the portfolio as changes in market conditions and your financial situation dictate. If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. As part of our portfolio management services, we may use one or more sub-advisers to manage a portion of your account on a discretionary basis. The sub-adviser(s) may use one or more of their model portfolios to manage your account. We will regularly monitor the performance of your accounts managed by sub-adviser(s), and may hire and fire any sub-adviser without your prior approval. We may pay a portion of our advisory fee to the sub-adviser(s) we use; however, you will not pay our firm a higher advisory fee as a result of any sub-advisory relationships.

### **Selection of Sub-adviser(s)**

As part of our investment advisory services, we may recommend that you use the services of a sub-adviser to manage all, or a portion of, your investment portfolio. After gathering information about your financial situation and objectives, we will recommend that you engage a specific sub-adviser or investment program. WFG evaluates a variety of information about each sub-adviser, which may include public disclosure

documents, materials supplied by the sub-adviser themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the sub-adviser's investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. WFG also takes into consideration each independent manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors. WFG continues to provide services relative to the discretionary selection of the sub-adviser. On an ongoing basis, the Firm monitors the performance of those accounts being managed by each sub-adviser. WFG seeks to ensure the sub-adviser's strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

### **Financial Planning**

We can provide you with a Financial Plan that will include a review of your financial circumstances, financial goals and a written report based on an evaluation and analysis of information you provide. This information normally would cover a review of your personal financial situation, including but not limited to present and anticipated assets, liabilities, cash flow, financial goals, objectives, risk tolerance and time horizon. We may also create additional analyses and work with and advise you as to the rearrangement of cash flow in order to fund certain long-term objectives such as buying a house, planning for college, retirement, etc. The plan developed for you will usually include recommendations for a course of activity or specific actions to be taken by you. For example, recommendations may be made that you obtain insurance or revise existing coverage, establish an individual retirement account, increase or decrease funds held in savings accounts or invest funds in securities. We may refer you to an accountant or attorney for development of tax or estate plans. We do not render legal, tax or accounting advice or prepare any legal documents for you. Your personal attorney will be solely responsible for providing legal advice, legal opinions, legal determinations and legal documents. Your personal tax adviser or accountant will be solely responsible for any tax or accounting services provided to you. Implementation of financial plan recommendations is entirely at the client's discretion. Should you decide to use our money management services, there will be a separate agreement.

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

WFG generally limits its investment advice to exchange traded funds ("ETFs"), stocks, bonds, options, mutual funds, and other public and private securities. WFG may use other securities as well to help diversify a portfolio when applicable.

### **Consulting Services**

In addition to financial planning, we can provide you with consultation on various financial topics to address your specific needs and objectives. We will analyze your current financial situation and investment goals and present strategies and recommendations to help you attain those goals. Consulting services, while similar to traditional financial planning, provide you with several distinct services which are listed below:

- Retirement Planning
- Business Succession Planning
- Charitable Planning
- Special Needs Planning
- Estate Planning
- Cash Flow Analysis
- Divorce Transition Planning
- Education Funding Planning

Consulting services, which are offered on a non-discretionary basis, can be narrow in scope and may not take into consideration all areas of a client's financial situation. Consulting services provided should not be construed as investment advice.

#### **Client Tailored Services and Client Imposed Restrictions**

WFG offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client's current situation (income, tax levels, and risk tolerance levels). Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

#### **Disclosures related to investment management and financial planning Insurance services:**

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. Each is appointed directly with one or more insurance companies for the placement of life insurance, fixed deferred annuities, fixed immediate annuities, disability insurance, and/or long-term care insurance products. WFG itself is not an insurance agency or broker. The insurance company pays WFG's employees who sell insurance services to a client a commission for the transaction. This compensation is separate and distinct from advisory fees paid to WFG for services as described in this brochure. Insurance commissions are not used to offset advisory fees as described under Item 5, below. Note that acting in a separate capacity, as an insurance agent is a conflict of interest if you decide to use one of our employees to implement financial plan recommendations.

#### **Asset Under Management**

WFG has \$187,412,739 in discretionary and \$8,873,247 in non-discretionary assets under management for a total of \$196,285,986.

## **Item 5 - Fees and Compensation**

#### **General Fee Information**

Fees paid to WFG are exclusive of all custodial and transaction costs paid to the client's custodian, brokers or other third- party consultants (with exception to clients enrolled in the WFG wrap fee program). Please see ***Item 12 – Brokerage Practices*** for additional information. Fees paid to WFG 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, WFG and others to fully understand the total amount of fees paid by the client for investment and financial- related services.

Either WFG or the client may terminate their Investment Advisory Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client, and any fees due to WFG from the client will be invoiced or deducted from the client's account prior to termination.

#### **Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees.

WFG provides much of its investment management services as the sponsor and manager of the WFG Capital Advisors Wrap Fee Program (the "Wrap Program"), a wrap fee program (i.e., an arrangement where brokerage commissions, platform fees, and transaction costs are absorbed by the WFG). 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 WFG's Wrap Brochure, which appears as Part 2A Appendix 1 of the Firm's Form ADV.

### **Portfolio Management Fees**

The standard, maximum annual fee schedule, based on a percentage of assets under management, is as follows:

Assets Under Management	Annual Advisory Fee
\$0 - \$250,000	1.25%
\$250,001 - \$750,000	1.1%
\$750,001 - \$1,000,000	1%
\$1,000,001 and above	Negotiable

The Management Fee of Client assets shall be calculated and billed at the stated rates monthly or quarterly either in advance or arrears as indicated in Schedule A to the Investment Management Agreement, based upon the total market value of the assets as to which investment advisory services are being rendered on the Effective Date of the Investment Management Agreement and thereafter on the beginning or last trading day of each month or quarter.

WFG may, at its discretion, make exceptions to its fee arrangements or negotiate special fee arrangements where WFG deems it appropriate under the circumstances.

With client authorization and unless other arrangements are made, fees are normally debited directly from client account(s).

### **Financial Planning/Consulting Services**

Hourly fees range from \$150-\$350 per hour, and fixed fee services range from \$1,500 to \$50,000. These are negotiated fees based on the scope and complexity of the services provided. Clients may be invoiced directly, monthly in arrears for financial planning and/or consulting services charged on an hourly or flat fee basis.

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

WFG does not offer performance-based fee arrangements.

## **Item 7 - Types of Clients**

WFG serves individuals, small businesses, trusts, and estates. The minimum portfolio size is \$250,000 under certain circumstances and in its sole discretion, WFG may negotiate such minimum.

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

### **Methods of Analysis**

WFG primarily employs equities and ETFs to implement its strategies. Bonds, options, and mutual funds

may also be used where WFG feels appropriate.

ETFs and mutual funds are generally evaluated and selected based on a variety of factors, including, as applicable and without limitation, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors.

In selecting individual stocks, mutual funds, ETFs, and other securities for an account, WFG generally applies a combination of technical and fundamental analysis including, without limitation, the following factors:

- Financial strength ratios;
- Momentum Characteristics;
- Absolute Price Levels;
- Price-to-earnings ratios;
- Dividend yields;
- Growth rate-to-price earnings ratios; and
- Price trends
- Value Characteristics
- Broad Market Valuations

Both long-term and short-term investments in various combinations over time may be employed for a given client, depending upon the client's individual circumstances and/or market conditions.

Long Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

### **Investment Philosophy and Approach**

WFG's primary objective is to participate in the market's upside while attempting to avoid major market drawdowns. Devastating drawdowns in securities markets happen more often than anyone would like. The emotional effect of staying invested during those periods can be intolerable for some investors and may lead to irrational decisions driven by fear. For that reason, WFG incorporates a systematic approach using technical and fundamental indicators in an attempt to avoid severe market pull backs and reduce human error in portfolios. Potentially avoiding these situations is desirable and why WFG developed its investment methodology.

### **Risk of Loss**

All investment portfolios are subject to risks that clients should be prepared to bear. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

*Management Risks.* While WFG manages client investment portfolios based on WFG's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment

portfolios are subject to the risk that WFG allocates client assets to individual securities and/or asset classes that are adversely affected by unanticipated market movements, and the risk that WFG's specific investment choices could underperform their relevant indexes.

*Risks of Investments in Mutual Funds, ETFs and Other Investment Pools.* As described above, WFG may invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

*Inverse Correlation Risk.* Inverse funds (including ETFs and ETNs) should lose value as the index or security tracked by such fund's benchmark increases in value; a result that is the opposite from traditional funds. Successful use of inverse funds requires that the adviser correctly predict short term market movements. If a client invests in an inverse fund and markets rise, the client could lose money. Inverse funds may also employ leverage such that their returns are more than one times that of their benchmark.

*Equity Market Risks.* WFG will generally invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

*Fixed Income Risks.* WFG may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

*Options Risk.* A small investment in options could have a potentially large impact on an investor's performance. The use of options involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is the risk that a hedging technique will fail if changes in the value of a derivative held by an investor do not correlate with the securities being hedged.

*Foreign Securities Risks.* WFG may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign



currency.

## **Item 9 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of WFG or the integrity of WFG's management. WFG has no disciplinary events to report.

## **Item 10 - Other Financial Industry Activities & Affiliations**

WFG may have Investment Advisor Representatives that are also independently licensed insurance agents or Registered Representatives of Broker- Dealer firms. From time to time, they may offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. WFG always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of WFG in their capacity as insurance agent.

WFG does not receive payment from any other company for the referral of business.

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

### **Code of Ethics and Personal Trading**

WFG has adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. WFG's Code has several goals. First, the Code is designed to assist WFG in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, WFG owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires persons associated with WFG (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 WFG's associated persons. Under the Code's Professional Standards, WFG expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, WFG associated persons are not to take inappropriate advantage of their positions in relation to WFG clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time, WFG's associated persons may invest in the same securities recommended to clients. Under its Code, WFG 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**

WFG has adopted procedures to protect client interests when its associated persons invest in the same securities as those selected for or recommended to clients. In the event of any identified potential trading conflicts of interest, WFG's goal is to place client interests first.

Consistent with the foregoing, WFG maintains policies regarding participation in initial public offerings ("IPOs") and private placements in order to comply with applicable laws and avoid conflicts with client transactions. If an WFG associated person 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 Chief Compliance Officer.

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 associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with WFG's written policy.

## **Item 12 - Brokerage Practices**

### **Best Execution and Benefits of Brokerage Selection**

When given discretion to select the brokerage firm that will execute orders in client accounts, WFG seeks "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, WFG may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third-party research (or any combination), and may be used in servicing any or all of WFG's clients. Therefore, research services received may not be used for the account for which the particular transaction was affected.

### **Soft Dollars:**

Custodians may make certain research and brokerage services available at no additional cost to our firm, all of which qualify for the safe harbor exemption defined in Section 28(e) of the Securities Exchange Act of 1934. These services may be directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by Custodians may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by Custodians to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

We are required to specifically describe to our clients the types of products or services that we are acquiring and to permit them to evaluate possible conflicts of interest. Our description must be more detailed for products or services that do not qualify for the safe harbor in Section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution. Merely disclosing that we obtain various research reports and products is not specific enough. Our firm may receive other products and services that benefit us, but may not benefit our clients' accounts. These benefits may include national, regional or investment adviser specific educational events. Other potential benefits may include occasional business entertainment of personnel of our firm, including meals, invitations to sporting events, including golf tournaments, and other forms of

entertainment, some of which may accompany educational opportunities. Some of these products and services assist our firm in managing and administering clients' accounts. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance, and marketing.

While, as a fiduciary, our firm endeavors to act in its clients' best interests, our recommendation/requirement that clients maintain their assets in accounts at Custodians may be based in part on the benefit to our firm of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost, or quality of custody and brokerage services provided. This creates a potential conflict of interest since we may have an incentive to place client trades through broker-dealers that offer the aforementioned services and products. This interest conflicts with the clients' interest of obtaining the lowest commission rate (transaction/ticket charge) available.

Our firm must act in the best interest of the client in seeking the best price and execution for the client's securities transactions. We are not obliged to get the lowest possible commission as qualitative aspects are equally important. Research, execution capability, the commission rate charged, the broker-dealers financial responsibility, and responsiveness to the firm should also be considered. Higher commission rates are reasonable in order to obtain the products and services of a broker-dealer. Best execution may not be reached if a client directs brokerage and the client must forego any benefit that the firm's preferred broker-dealer offers. Under the RIA's compliance obligations, policies and procedures must be in place as a way to ensure that best execution is being reached on a consistent basis.

We benefit from our relationship with Custodians. Because our expenses would likely increase considerably without these relationships, they might be considered a "soft dollar" relationship. Under Section 28(e) of the Securities and Exchange Act of 1934, an investment adviser's use of client commission dollars to acquire research and brokerage products and services is not a breach of an investment adviser's fiduciary duty to clients – even if the brokerage commissions paid are higher than the lowest available as long as (among certain other requirements) the investment adviser determines that the commissions are reasonable compensation for both the brokerage services and the research acquired.

### **Recommendation of Custodians**

WFG recommends the Custodians to clients for custody and brokerage services. While there is no direct link between WFG's participation in the Programs and the investment advice it gives to its clients, through its participation in the Programs WFG receives economic benefits that are typically not available to the Custodian's retail investors. These benefits generally include, without limitation, the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to trading desks serving the Programs' participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds and exchange traded funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to WFG by third party vendors. The Custodians may also pay for business consulting, professional services and/or software received or utilized by WFG and its related persons. These services are not soft dollar arrangements but are part of the institutional platform offered by the Custodians.

Some of the products and services made available by the Custodians through the Programs may benefit WFG but may not directly benefit its client accounts. These products or services may assist WFG in

managing and administering client accounts, including accounts not maintained at the Custodians. Other services made available by the Custodians are intended to help WFG manage and further develop its business enterprise. The benefits received by WFG or its personnel through participation in the Programs do not depend on the amount of brokerage transactions directed to the Custodians. As part of its fiduciary duties to clients, WFG endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by WFG or its related persons in and of itself creates a potential conflict of interest and may indirectly influence WFG's choice of the Custodians for custody and brokerage services.

### **Directed Brokerage**

In limited circumstances, Clients may direct WFG to use a particular broker for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements, the client is responsible for negotiating the commission rates and other fees to be paid to the broker. Accordingly, a client who directs brokerage should consider whether such designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions or obtain less favorable execution, or the designation limits the investment options available to the client.

The arrangement that WFG has with the Custodians is designed to maximize efficiency and to be cost effective. By directing brokerage arrangements, the client acknowledges that these economies of scale and levels of efficiency are generally compromised when alternative brokers are used. While every effort is made to treat clients fairly over time, the fact that a client chooses to use the brokerage and/or custodial services of these alternative service providers can in fact result in a certain degree of delay in executing trades for their account(s) and otherwise adversely affect management of their account(s).

By directing WFG to use a specific broker or dealer, clients who are subject to ERISA confirm and agree with WFG that they have the authority to make the direction, that there are no provisions in any client or plan document which are inconsistent with the direction, that the brokerage and other goods and services provided by the broker or dealer through the brokerage transactions are provided solely to and for the benefit of the client's plan, plan participants and their beneficiaries, that the amount paid for the brokerage and other services have been determined by the client and the plan to be reasonable, that any expenses paid by the broker on behalf of the plan are expenses that the plan would otherwise be obligated to pay, and that the specific broker or dealer is not a party in interest of the client or the plan as defined under applicable ERISA regulations.

### **Aggregated Trade Policy**

WFG may enter trades as a block where possible and when advantageous to clients whose accounts have a need to buy or sell shares of the same security. This method permits the trading of aggregate blocks of securities composed of assets from multiple client accounts. It allows WFG to execute trades in a timely, equitable manner, and may reduce overall costs to clients.

WFG will only aggregate transactions when it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients and is consistent with the terms of WFG's Investment Advisory Agreement with each client for which trades are being aggregated. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all WFG's transactions in a given security on a given business day. Transaction costs for participating accounts will be assessed at the custodian's commission rate applicable to each account; therefore, transaction costs may vary among accounts. Accounts may be excluded from a block due to tax considerations, client direction or other factors making the account's participation ineligible or impractical.

If an aggregated order is filled in its entirety, it will be allocated among applicable clients. If the order is partially filled, it will generally be allocated on a pro-rata basis, or randomly in certain circumstances. Notwithstanding the foregoing, the order may be allocated differently if all client accounts receive fair and equitable treatment, and the reason for different allocation is explained in writing and is approved by an appropriate individual/officer of WFG. WFG's books and records will separately reflect, for each client account included in a block trade, the securities held by and bought and sold for that account. Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the clients' cash nor their securities will be held collectively any longer than is necessary to settle the transaction on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement, and WFG will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation.

### **Item 13 - Review of Accounts**

Managed portfolios are reviewed at least annually but may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by WFG. These factors generally include but are not limited to, the following: change in general client circumstances (marriage, divorce, retirement); or economic, political or market conditions. WFG's Members review all accounts.

For those clients to whom WFG provides separate financial planning, reviews are conducted on an as needed or agreed upon basis.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. Additional reports are available at the request of the client.

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

As noted above, WFG receives an economic benefit from the Custodians in the form of support products and services it makes available to WFG name and other independent investment advisors whose clients maintain accounts at the Custodians. These products and services, how they benefit our firm, and the related conflicts of interest are described in **(Item 12 - Brokerage Practices)**. The availability of the Custodians' products and services to WFG is based solely on our participation in the Programs, and not on the provision of any particular investment advice. Neither the Custodians nor any other party is paid to refer clients to WFG.

WFG does not receive payment from any other company for the referral of business.

### **Item 15 - Custody**

WFG does not maintain physical possession of client funds or securities, however WFG is deemed to have limited custody due to the written authorization to deduct advisory fees from client accounts. In any case, it is the account custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully,

and to notify WFG of any questions or concerns. Clients are also asked to promptly notify WFG if the custodian fails to provide statements on each account held.

From time to time and in accordance with WFG's agreement with clients, WFG 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 may be small differences due to the timing of dividend reporting, pending trades or other similar issues.

## **Item 16 - Investment Discretion**

As described above under **Item 4 - Advisory Business**, WFG manages portfolios on a discretionary basis. This means that after an Investment Plan is developed for the client's investment portfolio, WFG will execute that plan without specific consent from the client for each transaction. In some limited instances, the client will hold discretion over their account and execute trades on their own. For discretionary accounts, a Limited Power of Attorney ("LPOA") is executed by the client, giving WFG the authority to carry out various activities in the account, generally including the following: trade execution; the ability to request checks on behalf of the client, and the withdrawal of advisory fees directly from the account. WFG then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with WFG and the requirements of the client's custodian. The discretionary relationship is further described in the agreement between WFG and the client.

## **Item 17 - Voting Client Securities**

As a policy and in accordance with WFG's client agreement, WFG does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. Clients may have proxy materials forwarded to WFG by indicating so on the Investment Advisory Agreement. This is only as a convenience to the Client, as Clients cannot "opt out" of receiving proxy materials from the custodian, however WFG will not vote them. Clients may contact WFG with questions relating to proxy procedures and proposals; however, WFG generally does not research particular proxy proposals.

## **Item 18 - Financial Information**

WFG does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore has no disclosure required for this item.

## **Item 19 - Privacy Notice**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure. We do not disclose any non-public personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.