



PART 2A OF FORM ADV: FIRM BROCHURE

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This brochure provides information about the qualifications and business practices of RSM US Wealth Management LLC ("WM"), a registered investment adviser. Registration does not imply a certain level of skill or training, but only indicates that WM has registered its business with the United States Securities and Exchange Commission ("SEC"). The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

If you have any questions about the contents of this brochure, please contact WM at 704-206-7222 or wmcompliance@rsmus.com. Additional information about WM is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 111221.

ITEM 2 MATERIAL CHANGES

Item 2 of the Form ADV 2A Brochure of RSM US Wealth Management LLC ("WM") is updated if material changes have occurred during the course of WM's fiscal year or with WM's annual updating amendment. There are no material changes since the last Brochure dated July 29, 2020.

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ITEM 4 ADVISORY BUSINESS

RSM US Wealth Management LLC (“WM”) is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) that provides investment advisory, aggregated reporting, financial planning, wealth management consulting, and retirement plan consulting and advisory services. WM may provide one or more of the services described below to its clients. Our principal place of business is located in Minneapolis, Minnesota. WM began conducting an investment advisory business in 2000, and our parent company and sole member is RSM US LLP, a limited liability partnership that provides audit, tax, and consulting services.

As of April 30, 2021, our regulatory assets under management consisted of \$7,454,966,665 discretionary assets plus \$9,445,139 non-discretionary assets, for a total of \$7,464,411,804. These amounts do not include “*Independence Securities*,” as defined below. The portion of WM’s regulatory assets under management attributable to non-discretionary assets decreased significantly this year as a result of updates to WM’s Services Agreement providing that WM generally has discretionary authority over client accounts for which we provide Investment Advisory Services.

In addition, as of April 30, 2021, we had \$3,079,930,041 assets under advisement related to separately managed accounts (as described below) and accounts for which we do not have trade authorization, such as those where we provide Retirement Plan Consulting and Advisory Services, Aggregated Reporting Services, and Wealth Management Consulting Services.

INVESTMENT ADVISORY SERVICES

For clients who retain us to provide Investment Advisory Services, our firm provides ongoing investment advice based on the client’s individual needs and circumstances. We meet with our advisory clients periodically to understand, without limitation, the client’s:

- Individual investment objectives
- Risk profile
- Liquidity needs
- Certain tax considerations related to the client’s investment portfolio
- Certain other assets held outside the portfolio we manage
- Any constraints or preferences agreed upon with the client

This and other information is used to (1) develop a written investment plan (also referred to as an investment policy statement or IPS) for the client in which we determine an appropriate asset allocation (i.e., a mix of equity, fixed income, and other asset classes, including private equity and cash) for the client, (2) make appropriate investment recommendations, and (3) create and manage a portfolio based on that investment plan. We also periodically provide clients with reports on the performance of their portfolios. The scope, focus and services comprising our advisory relationship with each client generally varies and may be modified in writing with the client.

At the direction of the client, we manage these advisory accounts primarily on a discretionary basis (please see [Item 16 – Investment Discretion](#)). In limited circumstances, we may also manage these advisory client accounts on a non-discretionary basis, as agreed with the client.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors, so long as we consent to those restrictions in writing.

We provide Investment Advisory Services to a large number of clients based on their investment objectives and written investment plans. In providing these advisory services, we may give advice, make recommendations and take action with respect to some clients that is similar to or different from that given to other clients.

A. Investment Recommendations:

Our investment recommendations are not limited to any specific product and will generally include advice regarding the following types of securities:

- Mutual fund shares
- Exchange traded funds (ETFs)
- United States Treasury securities
- Certificates of Deposit (CDs)
- Separately Managed Accounts (SMAs - see details below)

This list is not exhaustive. WM may recommend other types of securities if they are suitable for the client (e.g., structured notes with broad equity and/or fixed income indices as the underlying investment, and hedge fund of funds). All investment recommendations are based on what is appropriate for the client as determined by the client's written investment plan and objectives.

In no case will WM provide investment advice on the investment merits of any individual stocks, municipal or taxable bonds (other than certain U.S. Treasury securities) or specific private equity funds. WM may, however, work with the client to include in the investment plan a strategy for when to sell such assets for diversification, portfolio concentration and tax reasons. We then may sell such assets in a discretionary manner consistent with the investment plan. However, we do not provide advice to buy, sell, or hold securities that are considered "*Independence Securities*" as described below, or include them in an investment plan strategy.

B. Separately Managed Accounts (SMAs):

We may recommend that a client invest all or a portion of their assets in one or more Separately Managed Accounts ("SMAs"). An SMA is an account managed by an unaffiliated third party registered investment adviser (each, an "SMA Manager") that has been pre-reviewed and approved by our internal Investment Council. Clients should refer to the selected SMA Manager's ADV or other disclosure document for a full description of the services offered by such SMA Manager.

WM does not make any investment decisions to buy, sell or hold securities within an SMA and does not review, investigate or otherwise examine the investment worthiness of any individual assets held in a SMA. In addition, WM will not provide any advice, opinions or recommendations to clients regarding individual investments purchased, sold or held in SMAs. Further, WM will not recommend an SMA that is an audit client or applicable affiliate of an RSM US LLP audit client.

However, we will perform the following services related to each SMA:

- Recommend and assist a client in selecting an SMA Manager and opening an account for each SMA.
- Include the value and performance of the SMA in the client's performance reports and monitor the performance of the SMA.
- Periodically assess whether the SMA is consistent with the client's investment objectives and financial requirements for the account. If we determine that a particular SMA is not meeting the needs of our

client, we generally will suggest that the client terminate such SMA Manager or contract with a different SMA Manager.

- If elected by the client, we will have authority to act on the client's behalf to add, change or terminate their SMA Managers.

C. Independence Securities:

As a subsidiary of RSM US LLP (please see [Item 10 – Other Financial Industry Activities and Affiliations](#)), WM's actions may impact RSM US LLP's compliance with certain rules, regulations, and industry standards that apply to audit firms. These include rules requiring auditors to maintain their independence from their audit clients and applicable affiliates of their audit clients. In order for RSM US LLP to maintain its independence, WM will not provide investment advice related to a security or other financial arrangement (e.g., Certificates of Deposit) issued by or otherwise related to an RSM US LLP audit client or, in certain instances, the securities issued by an applicable entity affiliated with an RSM US LLP audit client. WM classifies the securities issued by an RSM US LLP audit client or applicable entities affiliated with an RSM US LLP audit client as "*Independence Securities*."

"*Independence Securities*" may be held in Separately Managed Accounts (SMAs) or other accounts not managed by WM.

If a client's portfolio contains an "*Independence Security*" that is held in an account managed by WM for whatever reason (for example, when an account that contains such securities transfers to WM), WM will discuss the following options with the client: (i) the client can direct WM to sell the security, and WM can reinvest the proceeds in securities that are not "*Independence Securities*," or (ii) the client can direct WM to transfer the security to an account not managed by WM (including an SMA or accounts for which WM only provides Aggregated Reporting Services). In determining whether to sell an "*Independence Security*," tax implications and any related transaction fees to the client will be discussed and considered before the security is sold.

D. Retirement Plan Rollovers

A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted; (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted; (iii) roll over to an Individual Retirement Account ("IRA"); or (iv) cash out the account value. If WM recommends that a client roll over their retirement plan assets into an account to be managed by WM, such a recommendation creates a conflict of interest if WM will earn an advisory fee on the rolled over assets. No client is under any obligation to roll over retirement plan assets to an account managed by WM.

AGGREGATED REPORTING SERVICES

For clients who retain us to provide Aggregated Reporting Services, WM will:

- Obtain and aggregate information regarding the value or performance of client's accounts that are either unmanaged or managed by an unaffiliated third-party ("Third-Party Accounts").
- Produce an aggregate investment holdings report including client's Third-Party Account(s) on a quarterly basis, which will be provided to client.
- Provide more frequent reporting to client upon request, which may be subject to additional fees as agreed upon in writing with the client.

- If requested, recommend an asset allocation (i.e., a mix of equity, fixed income and other asset classes) as appropriate in furtherance of the client's investment objectives as set forth in a written investment plan (also referred to as an investment policy statement or IPS) and based on our understanding of clients' needs, circumstances and risk profile. Such asset allocation advice will be made on a non-discretionary basis, meaning the client will have sole responsibility for implementing such recommendations (e.g., executing the relevant trades).

WM will view and use information from Third-Party Account(s) to provide Aggregated Reporting Services, but will not be able directly to access or initiate transactions within the Third-Party Account(s). All transactions within these Third-Party Account(s) must be initiated by the client. WM will not review, investigate or otherwise examine the investment worthiness of securities or any other assets held in Third-Party Accounts and is not responsible for any investment decisions related to such Third-Party Account(s). In addition, WM will not make any recommendations to the client regarding the appropriateness of investments offered or recommended by the client's Third-Party Account advisors ("Third-Party Advisors") (including investment advisors, investment managers or issuers, custodians, trustees and other asset managers that provide services to the client and are unaffiliated with WM).

FINANCIAL PLANNING SERVICES

For our clients who retain us to provide Financial Planning Services, we use a comprehensive approach to financial planning in which we analyze various aspects of the client's financial position, make what we believe to be appropriate recommendations based on the client's individual circumstances, and then assist the client with implementing those recommendations. The financial planning process begins with gathering relevant information from the client and may include collecting applicable financial documents, such as:

- Estate documents
- Income tax returns
- Investment account statements
- Retirement plan benefits statements
- Business and partnership agreements
- Insurance policies

We will discuss the client's future goals, objectives and attitudes towards risk. After reviewing and discussing a client's financial situation, we will help design and coordinate the client's personal financial goals and may prepare a written financial plan, to be updated periodically to reflect changes in the client's circumstances.

In general, the financial plan may include the following areas, as determined by each client's needs:

- **Net Worth:** We provide an analysis of the client's assets and liabilities.
- **Income Tax Planning:** We illustrate the projected impact of various investments on the client's current income tax and future tax liability and may coordinate any income tax planning strategies with the client's tax preparer as directed by the client.
- **Cash Flow Analysis:** We provide a cash flow analysis for the upcoming year using past and present cash inflows and outflows and other information supplied by the client.
- **Investment Planning:** We provide a strategic asset allocation (a tailored mix of asset classes such as global equities, global fixed income, real assets, alternative investments, etc.) and advice on the appropriate style of investing (using third-party managers and/or broker-dealers to actively buy and sell

securities, compared with investing in exchange traded funds (ETFs) and mutual funds that passively track the performance of a particular market index).

- **Insurance Planning:** We review the adequacy of current insurance and advise on potential future needs and an appropriate insurance strategy.
- **Retirement Planning:** We assess cash flow needs during retirement, determine investment capital needed at retirement, and recommend vehicles to use for retirement savings as well as distribution strategies.
- **Estate Planning:** While we do not draft legal documents or provide legal advice, we can provide reviews of existing documents to assist the client in assessing and developing long-term strategies to meet estate preservation and transfer objectives.
- **Education:** We analyze potential future education expenses and review options for funding.
- **Philanthropy:** We help families develop a philanthropic structure and process to giving and assist with organization and leadership of family meetings, family education and coaching.

Implementation of financial planning recommendations is entirely at the client's discretion. If the client chooses to implement our recommendations, the client should work closely with their attorney, accountant, insurance agent, and/or other advisors ("Third Party Service Providers"). Clients may ask us to provide a list of referrals for such Third Party Service Providers, but in doing so, we may be unable to make referrals to any Third Party Service Provider that is an audit client or applicable affiliate of an audit client of RSM US LLP. We may refer business to RSM US LLP to provide audit, tax or consulting services. Please see Item 10 – Other Financial Industry Activities and Affiliations regarding our affiliation with RSM US LLP and such referral activities.

WEALTH MANAGEMENT CONSULTING SERVICES

For certain clients (which may include clients receiving Investment Advisory, Aggregated Reporting and/or Financial Planning Services, as described above) seeking additional or stand-alone Wealth Management Consulting Services, we may, as directed and agreed to by the client, provide specific consultation and administrative services that do not involve recommending, determining or executing any transaction or providing an opinion on any individual security holding or transaction.

A. Consulting Services for WM Clients

Wealth Management Consulting Services may involve WM providing certain consultation, monitoring and administrative services related to a client's Third-Party Advisors as agreed to with the client. As part of this service, WM will monitor the performance of Third-Party Advisors by reviewing:

- Periodic client investment reports prepared by Third-Party Advisors;
- Any information regarding organizational changes of or other events pertaining to each Third-Party Advisor (e.g., portfolio manager changes, regulatory proceedings);
- Whether Third-Party Advisors are adhering to their investment policy statements;
- Whether fees that the Third-Party Advisors are charging to client are consistent with the agreement between client and Third-Party Advisor; and
- Any overlapping and concentrated equity positions held or managed by client's Third-Party Advisors.

In no event will these Wealth Management Consulting Services include or involve recommending, determining or executing any transaction or otherwise providing investment advice related to any individual security holding or transaction. WM will not provide investment advice on the individual securities held or

managed by Third-Party Advisors. The client is solely responsible for all decisions related to investing with, continuing to invest with, or terminating their relationship with Third-Party Advisors.

If WM provides Wealth Management Consulting Services, there is a conflict of interest if WM also provides Investment Advisory Services to the same client. This conflict of interest arises due to the possibility that WM could be perceived as being unable to judge fairly the performance of its own advisors relative to Third-Party Advisors.

B. Consulting Services for RSM US Alliance Firms

WM may also provide consulting services to “RSM US Alliance” firms and other independent investment advisory firms to assist in the development of their wealth management practices. These services are specified in the contract with each advisory firm and may include but not be limited to, assistance with business development, planning, strategy, technology, training, and the identification of core investment advisory resources. In some circumstances, individual clients of the advisory firm may engage WM directly to provide them with services. “RSM US Alliance” is an affiliation of independent accounting and consulting firms in the United States.

RETIREMENT PLAN CONSULTING AND ADVISORY SERVICES

When providing Retirement Plan Consulting and Advisory Services for plans subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), we generally act as a fiduciary under section 3(21)A of ERISA or Section 3(38) of ERISA, as agreed contractually with the client. In general, WM’s Retirement Plan Consulting and Advisory Services for a particular plan consist of some of all of the following services:

- **Benchmarking Services:** We evaluate a plan sponsor’s existing retirement plans and perform a side-by-side comparison of different service providers. We provide plan sponsors with an executive summary including a cost analysis and an analysis of services available through various retirement plan record keepers, helping employers make informed decisions.
- **Fiduciary Process Management:** We assist plan sponsors in building, managing and monitoring a fiduciary process designed to help meet their fiduciary responsibilities under ERISA.
- **Investment Policy Statement (“IPS”) Preparation:** We assist plan sponsors in preparing a written IPS for the retirement plan that reflects the stated investment objectives for the overall plan. The IPS outlines the underlying philosophies and process for investment selection as well as the procedures for periodic monitoring and evaluation of the investment options offered by the plan.
- **Investment Recommendations:** Once the IPS has been established, we will work with the plan sponsor and plan investment committee to determine suitable investment options for the plan based on the IPS.
- **Monitoring of Investments:** We monitor investment options in the plan based on the periodic monitoring and evaluation procedures described in the plan’s IPS. This will include a review of both quantitative performance measures and qualitative factors such as the investment style of the recommended fund manager. We may recommend changes to the investment options as market factors and plan needs dictate.
- **Employee Education and Communications:** We also provide periodic educational support, including access to a third-party digital financial wellness platform, and investment workshops designed for individual plan participants. The nature of the topics to be covered will be determined by WM and the plan sponsor. Unless specifically contracted for by the individual plan participant, the educational support and investment workshops will NOT provide plan participants with individualized, tailored

investment advice or asset allocation advice, or any other services offered by WM that require a separate agreement between WM and the individual, and WM should not be considered a fiduciary under ERISA with respect to these services.

As previously noted, WM is restricted from providing certain services where a relationship with an RSM US LLP audit client or applicable affiliate exists. Examples of these restrictions within our Retirement Plan Consulting and Advisory Services include:

- When advising on a change in record keeper and one or more potential record keepers is an RSM US LLP audit client or applicable affiliate, we will help our clients perform activities like developing a criteria to score record keepers; however, we will not specifically recommend or endorse one record keeper over another.
- Where a plan's investment options include an Independence Security, we will score that security and any potential alternatives using an impartial third party, Retirement Plan Advisory Group (RPAG), and provide RPAG's information to the client. The client will make decisions on any changes using the RPAG information; we will not make specific recommendations on any Independence Security.
- Where the record-keeper is an RSM US LLP audit client or applicable affiliate, we will not enter into any contractual agreement with that record keeper except as to enable the record keeper to facilitate a payment from the plan (our client) to us.

ITEM 5 FEES AND COMPENSATION

INVESTMENT ADVISORY FEES

Our annual fees for Investment Advisory Services are calculated as a percentage of assets under management, up to 1.5%, or on a fixed-fee basis. Neither fee arrangement for Investment Advisory Services will exceed 1.5% of the total assets under management. Generally, we request new investment advisory clients to have investable assets of at least \$1,000,000. Lower amounts may be accepted on an accommodation basis.

Negotiability of Advisory Fees: WM retains the discretion to negotiate fees on a client-by-client basis within the above stated fee parameters. Client facts, circumstances and needs are considered in determining the fee arrangement. These include the complexity of client assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, and custom reports, among other factors. Clients may pay more or less than other clients receiving similar services from WM. The specific annual fee is identified in the contract between WM and each client.

Separately Managed Account (SMA) Fees: WM's Investment Advisory Services Fees are assessed on the assets held in SMAs managed by an SMA Manager. In addition, the client is charged a separate fee by the SMA Manager providing the advisory/management services. SMA Manager management fees are disclosed in the SMA Manager's firm brochure or other disclosure document.

Independence Securities: Except in the limited circumstance as described in "Timing" below, when an "Independence Security" is identified as being held in an investment advisory account managed by WM, WM will exclude the "Independence Security" (as defined in Item 4 – Advisory Business: Independence Securities) when calculating fees. However, as stated in the paragraph above, WM does charge a fee on SSMA's, including any "Independence Securities" held within the SMA.

Timing: The fee for the quarter in which the account has been initially funded is prorated based on an average daily balance and charged in arrears. Thereafter, fees are payable in advance in quarterly installments during the first month of each calendar quarter and are computed based on the value of the assets under management on the last day of the month preceding the billing month. In certain situations, as agreed upon with the client, deposits or withdrawals made at any time during the calendar quarter exceeding a specified amount shall be prorated on the basis of the number of days held in the calendar quarter. If a security becomes an Independence Security after the beginning of a quarter, WM does not rebate a fee on that security for any portion of that quarter, and likewise if a security ceases to be an Independence Security after the beginning of a quarter, WM does not charge a fee on that security for any portion of that quarter.

WM may cause a client to maintain cash and cash equivalent positions (such as money market funds) for defensive and liquidity purposes, and periodic investment plans (i.e., dollar-cost-averaging). A significant amount of cash may accumulate in the account prior to WM rebalancing the portfolio. If cash is being managed at the portfolio level rather than the individual account level, it is possible that an account may be allocated up to 100% cash. Unless otherwise agreed in writing, all cash and cash equivalent positions will be included as part of assets under management for purposes of calculating WM's investment advisory fee. Fees assessed on margin balances will be based on the gross market value of the securities collateralizing the loan unless otherwise agreed to in writing.

AGGREGATED REPORTING SERVICES FEES

Our annual fees for Aggregated Reporting Services are calculated as a percentage of assets under management and/or assets under advisement, up to 1.5%, or on a fixed-fee basis. Neither fee arrangement for Aggregated Reporting Services will exceed 1.5% of the total assets under management and/or assets under advisement. Fees are generally payable quarterly in advance and are computed based on the value of the assets held on the last day of the month before the billing month. All fees are agreed upon prior to entering into a contract with any client.

Aggregated Reporting Services Fee Offset: WM may reduce or waive the fees for Aggregated Reporting Services if a client additionally chooses to engage WM for other services.

FINANCIAL PLANNING FEES

WM's Financial Planning fee is determined based on the nature of the services provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Financial Planning fees may be calculated and charged on a fixed fee basis, depending on the specific arrangement reached with the client, or on an hourly basis, ranging from \$100 to \$600 per hour. The length of time it will take to provide a Financial Plan will depend on each client's personal situation.

Financial Planning Fee Offset: WM may reduce or waive the hourly or fixed fees for Financial Planning Services if a client additionally chooses to engage WM for other services.

WEALTH MANAGEMENT CONSULTING SERVICES FEES

WM's Wealth Management Consulting Services fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Wealth Management Consulting Services fees may be calculated and charged on a fixed fee basis, subject to the specific arrangement reached with the client, or on an hourly basis, ranging from \$100 to \$600 per hour. The length of time it will take to provide the agreed upon services will depend on each client's personal situation.

RETIREMENT PLAN CONSULTING AND ADVISORY FEES

We charge an annual fee for Retirement Plan Consulting and Advisory Services up to 1.5% of plan assets, and/or an agreed-upon minimum flat fee depending on the services requested and the size of the plan. Accounts charged an agreed upon flat fee may experience a fee greater than 1.5% of assets under management. Additional agreed-upon fees are charged for access to a third-party financial wellness platform for plan participant education. Our fees for benchmarking services are charged on a fixed-fee basis depending on the nature and complexity of the services provided.

Retirement Plan Benchmarking Fee Offset: WM may reduce or waive the fixed fee for benchmarking services if a client chooses to additionally engage WM for our ongoing Retirement Plan Consulting and Advisory Services.

For Retirement Plan Consulting and Advisory clients, fees are generally payable in advance in quarterly installments during the first month of each calendar quarter. However, fees for some Retirement Plan Consulting and Advisory clients will be billed in arrears in quarterly installments based on the selected record keeper's billing practices. Whether billed in advance or in arrears, annual asset based fees are based on the value of total plan assets on the last day of the month preceding the billing month. Generally, investments in employer stock and self-directed brokerage accounts are excluded. The fee for the quarter in which the agreement becomes effective will be prorated.

WM may provide services to individual plan participants in addition to Retirement Plan Consulting and Advisory Services provided to the plan. Under this arrangement, the individual will contract separately with WM for a separate agreed upon fee that is paid either directly from the individual plan participant's account, or indirectly by the participant. This creates an inherent conflict of interest due to the possibility of WM receiving fees for both Retirement Plan Consulting and Advisory Services from the plan as well as fees from the plan participant for other WM services.

COMBINED FEE ARRANGEMENTS

A client may choose to engage WM to provide multiple services for an all-inclusive fee. For example, we may provide Financial Planning, Aggregated Reporting, Wealth Management Consulting Services and Investment Advisory Services to a client and charge one fee for all these services. While fees for those individual services will be determined and negotiated separately, they may be combined and deducted from an investment advisory account specified by the client. In that situation, the deducted fee could consist of Financial Planning Fees, Aggregated Reporting Fees, Wealth Management Consulting Services Fees and Investment Advisory Services fees, in which case the overall fee could exceed 1.5% of total assets under management. In all cases, the terms of these fees (including what portion of the all-inclusive fee is attributable to each service) will be documented in the contractual agreement between WM and the client.

Some of our clients are also tax clients of RSM US LLP. In that case, in addition to the contractual agreements that the clients have with us, they also enter into separate contractual agreements with RSM US LLP. Typically, we and RSM US LLP charge separate fees for these separate services, with the client paying our fees directly to us and RSM US LLP's fees directly to RSM US LLP. However, in certain limited cases, the client may pay both our fee and RSM US LLP's fee together in one payment to us. In addition,

in some limited cases, RSM US LLP may be willing to provide tax services to these joint clients pursuant to a fee allowance. Please refer to *Item 10 – Other Financial Industry Activities and Affiliations* for additional information on our relationship with RSM US LLP, including conflicts of interest related to these joint client arrangements.

GENERAL INFORMATION ABOUT FEES

Payment of Fees: Clients may grant WM the authority to receive payments of WM's fees directly from the client's investment account held by a qualified custodian. Based on WM's instruction and calculation, the custodian will deduct the fee from the client's investment account and will send the client a statement, at least quarterly, indicating all amounts disbursed from the account including the amount of fees. Clients paying investment advisory fees by check will receive an invoice for quarterly fees, which are billed in advance during the first month of each quarter and are payable within 30 days of receipt of the invoice.

Valuation: We charge advisory fees based upon the valuation of your account(s) as reflected in our internal portfolio management system, which interfaces and is reconciled with the custodian daily. The total portfolio value on which fees are based can vary from the value on the custodian statement (the valuation could be higher or lower) due to such factors that include, but are not limited to, the timing and posting of dividends, settlement dates for trades and accrued interest. The value of your account, including any accruals (i.e., pending dividends and interest), as of the last business day of the previous quarter (as shown in our internal portfolio management system) is used to determine the fees charged for the following quarter.

Services to Employees: WM employees and RSM US LLP partners, principals, and employees, as well as their family members, generally are charged a discounted fee (or no fee) for services provided by WM.

Termination of the Advisory Relationship: The agreement between WM and the client will continue in effect until terminated by either party by written notice, or upon the death of a client, in accordance with the terms of the agreement. Upon termination, the client will receive a refund of any prepaid and unearned advisory fees (prorated for the balance of the quarter, if needed). The client shall remain responsible for payment for all services rendered by WM prior to the date of termination as well as any transactional or custodial charges levied by the client's custodian after the termination of the advisory agreement. We have no obligation to refund fees charged by the custodian.

Mutual Fund Fees: All fees paid to WM are separate and distinct from the fees and expenses charged by mutual funds and/or exchange traded funds (ETFs) to their shareholders. These fees and expenses are described in each fund's prospectus. These mutual fund and ETF fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm, which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to the client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client.

Wrap Fee Programs and Separately Managed Account Fees: While WM does not participate in wrap fee arrangements, clients participating in SMA programs are charged various SMA program fees. These fees are in addition to the advisory fee charged by WM. For example, such SMA program fees likely include the investment advisory fees of the SMA Managers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions generally are executed without a separate commission charge in a

wrap fee arrangement, however, the SMA Manager retains the right to trade away with a third-party broker which would result in commission charges. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any SMA program fees that may be charged to clients.

Additional Fees and Expenses: In addition to WM's fees, clients are also responsible for other fees. These include fees imposed for third-party reporting services providers, and/or expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker-dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to *Item 12 – Brokerage Practices* for additional information.

Trust Services Fees: Trust accounts incur fees that are separate from and in addition to our advisory services fee, such as legal fees, custodian fees, trust administration fees charged by a corporate trustee or other trust administrator, and other fees typically associated with a trust account.

ERISA Accounts: To the extent that we provide services to an ERISA account and serve as a fiduciary, WM is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include, among other things, restrictions concerning certain forms of compensation. WM does not receive any commissions, 12b-1 fees or revenue-sharing from any funds.

Margin Fees: Clients electing to use margin in a WM account will incur interest charges assessed by and paid to the custodian, pursuant to the custodial agreement. These charges are separate from WM's advisory services fee.

Advisory Fees in General: Clients should note that similar advisory services are available from other registered investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1,200 six months or more in advance of services rendered.

Indirect Compensation: From time to time, WM receives non-monetary compensation in connection with investment advisory business generally, and also potentially with respect to client account(s), from providers or other third parties such as mutual fund companies, insurance companies, custodians or retirement plan record keepers. Non-monetary compensation includes the value of gifts or entertainment that are received from providers or third parties, as well as the cost of meals, travel, lodging, waived registration fees and entertainment that WM advisors may receive in connection with training events or conferences, generally subject to limits imposed by WM. Please refer to *Item 12 – Brokerage Practices* for additional information.

For more information, clients can contact their advisor or the Wealth Management Compliance Department at 704-206-7222 or wmcompliance@rsmus.com.

ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

WM does not charge performance-based fees.

ITEM 7 TYPES OF CLIENTS

WM provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension, retirement and profit sharing plans (other than plan participants)
- Charitable organizations
- Trusts
- Corporations or other businesses not listed above

As a subsidiary of RSM US LLP (please see *Item 10 – Other Financial Industry Activities and Affiliations*), WM may not be able to provide services to a prospective client if such prospective client is an audit client or applicable affiliate of an audit client of RSM US LLP, including a prospective client who is in a financial reporting oversight role for any issuer of securities for which RSM US LLP provides attest services. A “financial reporting oversight role” means a role in which a person is in a position to or does exercise influence over the contents of the financial statements or anyone who prepares them, such as when the person is a member of the board of directors or similar management or governing body, chief executive officer, president, chief financial officer, chief operating officer, general counsel, chief accounting officer, controller, director of internal audit, director of financial reporting, treasurer, or any equivalent position. If a current client will be assuming a financial reporting oversight role, it is the client's responsibility to notify WM at least 15 days in advance of assuming any such financial reporting oversight role so that the new role can be evaluated in light of any services RSM US LLP may be providing to its audit clients.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

METHODS OF ANALYSIS AND RISKS

In providing investment advice to clients, WM currently uses a third-party investment consultant to provide investment manager searches, due diligence on investment managers, market research, capital market assumptions, client model portfolios (i.e., asset allocation models designed to provide an appropriate mix of equities, fixed income, and other asset classes as discussed below), and other expertise as it relates to investments, and WM may retain other such consultants in the future. The third-party investment consultants we use are evaluated internally and subject to change based on our internal reviews performed by the WM Investment Council. No third-party investment consultants have been or will be given discretion over any client accounts or the ability to make any recommendations directly to our clients, unless the client separately contracts with the third-party investment consultant. The investment recommendations and asset allocation models provided by a third-party investment consultant are reviewed and approved by the WM Investment Council prior to being recommended or implemented in any client portfolios.

The WM Investment Council is currently comprised of WM senior advisors and key employees, including the Chief Investment Officer and Senior Director of Investment Services. The composition of the WM Investment Council is subject to change in the future. The WM Investment Council meets regularly on a quarterly basis and as otherwise needed to discuss changes that may impact the investment platform. WM may also use the following tools and information when formulating investment advice: commercially available software and databases, securities rating services, market and financial information, financial newspapers, various reports of mutual fund performance, prospectuses, various financial and business

magazines, periodicals and issuer-prepared information, including filings with the Securities and Exchange Commission and financial statements.

The primary sources of information used in providing investment advice to clients include the advisor's financial analysis regarding the client and the client's written investment plan. The investment plan provides the framework for defining objectives, risk tolerance, and performance parameters for the individual client.

Risks for All Forms of Analysis: Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Risk of Loss: Clients should understand that investing in any securities, including mutual funds, ETFs and SMAs, involves a risk of loss of both income and principal.

INVESTMENT STRATEGIES AND RISKS

Our advice is primarily based upon long-term investment strategies: We emphasize the development of broadly and globally diversified portfolios. Our investment approach allows WM to focus on the issues and concerns of our clients, avoiding decision-making based on emotion or short-term forecasts. We use the client's written investment plan to document the advisor and client understanding of the strategy for each client's account(s), as it is important that implementation is appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations.

Asset Allocation: Rather than focusing primarily on securities selection, we attempt to identify an appropriate mix of various types of securities among different asset classes (e.g., equities, fixed income, alternative investments, etc.) suitable to the client's investment goals and risk tolerance as defined in the client's written investment plan.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities among different asset classes will change over time due to market movements and, if not corrected, will no longer be appropriate for the client's goals. Rebalancing is a process that we employ to minimize this risk. Rebalancing is a process whereby the client's current asset allocation among various asset classes is adjusted back to its target allocation. Rebalancing may occur infrequently due to several factors, including tax considerations.

Long-Term Purchases: We may recommend that a client hold certain securities in the client's account for a year or longer in order to obtain exposure to a particular asset class over time.

A risk in a long-term purchase strategy is that by holding the security for this length of time, a client may not take advantage of short-term gains that could be profitable. Another risk is that a security may decline sharply in value before a decision to sell is made.

TYPES OF INVESTMENTS AND RISKS

Different types of investments involve varying degrees of risk. It should not be assumed that future performance of any specific investment will be profitable or equal any specific performance level(s). Our advisors strive to ensure our clients understand the risks of the investments we recommend, and that the client's portfolio matches the client's risk tolerance (willingness and ability to take risks). The most common

types of investments we recommend include mutual funds, exchange traded funds (ETFs), Separately Managed Accounts (SMAs), U.S. Treasuries, and Certificates of Deposit (CDs). Certain investors may also have access to limited partnership vehicles or options strategies. Some of the most common risks associated with investments are discussed below. Being broadly diversified may help mitigate these risks.

- **Market Risk:** The investment may incur losses due to declines in the market.
- **Issuer Risk:** A company or issuer of a security goes out of business, suffers financial problems, or otherwise does not perform as expected.
- **Credit Risk:** An issuer of a security is unable to pay interest payments as scheduled or repay the principal. Credit risk can be seen with U.S. Treasury securities, for example.
- **Interest Rate Risk:** As interest rates rise, the value of fixed income investments fall, and vice versa.
- **Inflation Risk:** The value of bonds or other debt instruments may not keep up with price increases from inflation.
- **Concentration Risk:** A fund may concentrate its investments in a particular industry, sector or geographical area, which can result in a less diversified portfolio that may be subject to greater volatility in performance than a fund that does not concentrate its investments.
- **Sovereign Risks:** A foreign nation may either fail to meet debt repayments or not honor sovereign debt payments.
- **Political/Geopolitical Risk:** The investment may incur losses due to political changes or instability in a country, including changes in regulations, currency valuation, tax law, and spending. This risk increases with less developed or emerging nations.
- **Liquidity Risk:** Risk that an investment will not be readily marketable, e.g., may not be sold in a short period of time without risk of negatively impacting the price.
- **Margin Risk:** Accounts that trade securities on margin are subject to potentially higher losses. The client may not be entitled to an extension of time on a margin call and the custodian holding the account can force the sale of securities in the account without contacting the client.
- **Cash Management Risk:** A portfolio may not achieve its investment objectives during such time as cash in an account is not invested.

In addition to this list, there is a risk that investments may have high fees, be tax inefficient, experience poor performance, and/or have poor quality of management. For mutual funds, we seek to obtain access to the most cost effective share class available given individual client circumstances and may recommend more tax efficient mutual funds (passively managed or indexed). Clients should read any prospectus, offering memorandum, or disclosure document provided by the mutual fund or investment manager for details on the risks associated with the specific investment. All investments have a risk of loss.

ITEM 9 DISCIPLINARY INFORMATION

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

On August 27, 2019, RSM US LLP, WM's parent company, entered into a consent order with the SEC (the "Order"). The Order relates to RSM US LLP's 2014 and 2015 independence controls designed to detect and prohibit the provision of non-audit services to RSM US LLP audit clients, or their international affiliated companies, by persons and international firms associated with the firm. The SEC made no finding that RSM US LLP's objectivity or impartiality were impaired in any of the engagements subject to the Order, finding that "[i]n each instance, the audit teams were unaware of the prohibited non-audit services or relationship."

Many of the issues that are the subject of the Order are similar to those facing other accounting firms, as shown by the significant public commentary from the accounting profession on the SEC's rule, Auditor Independence with Respect to Certain Loans or Debtor-Creditor Relationships, in 2018.

In the Order, the SEC specifically credits RSM US LLP for the remedial measures it has taken "to enhance its existing policies, procedures, systems, and training over time regarding auditor independence" including with respect to training, discipline, client acceptance and continuance procedures, personnel and conflicts checks. Nonetheless, RSM US LLP is continuing to analyze and consider ways that it can further strengthen its independence processes, procedures and controls and is embracing this as an opportunity to emerge as a leader in this arena.

Pursuant to the terms of the Order, RSM US LLP agreed to cease and desist from further violations, be censured, pay a civil monetary penalty of \$950,000, and comply with certain undertakings. These undertakings include, among other things, RSM US LLP retaining an Independent Consultant to assess whether RSM US LLP's policies, procedures and controls provide reasonable assurance of compliance with PCAOB and SEC independence rules concerning the provision of prohibited non-audit services by RSM US LLP or its associated entities to RSM US audit clients or their affiliates, in relation to, among other things: (i) preventing and detecting prohibited non-audit services, including monitoring systems designed to check conflicts and preventively consider independence issues across all RSM US LLP and WM engagements; and (ii) providing guidance and training to personnel, including education regarding independence issues related to WM clients.

As noted in Item 4 – Advisory Business: Independence Securities and Item 16: Investment Discretion, WM has policies and procedures related to Independence Securities, which are designed to help ensure RSM US LLP's independence is maintained from its audit clients by restricting WM's discretion in relation to Independence Securities. On June 22, 2020, the Independent Consultant issued his report ("IC Report"). In his IC Report, the Independent Consultant concluded, among other things that, "RSM US [LLP]'s independence quality controls to prevent and detect prohibited non-audit services, including monitoring systems designed to check conflicts and preventively consider independence across all RSM US [LLP] and RSM WM engagements are sufficient."

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The management and advisory personnel of WM's advisory business spend the majority of their time on advisory business.

Insurance Agency. Previously, insurance services and products were offered to clients and/or facilitated through Birchtree Financial Services LLC (Birchtree) and RSM US Insurance Agency Services LLC (IAS). IAS and Birchtree no longer provide licensed insurance agency services or any other services. Personnel of WM may hold insurance licenses, but are not authorized to provide any licensed insurance services to clients of WM. Clients seeking licensed insurance services are referred by personnel of WM to licensed third-parties. However, WM may be unable to refer clients to any audit clients or applicable affiliates of an audit client of RSM US LLP.

RSM US LLP. RSM US LLP, the parent firm of WM, is a limited liability partnership and the U.S. member of RSM International, a global network of independent audit, tax and consulting firms. The member firms of RSM International collaborate to provide services to global clients, but are separate and distinct legal entities that cannot obligate each other. Each member firm is responsible only for its own acts and

omissions, and not those of any other party. Visit www.rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

Certain WM management members and WM advisors are also partners or principals of RSM US LLP. RSM US LLP tax and consulting professionals refer RSM US LLP tax and consulting clients in need of investment advisory services to WM. Conversely, WM typically refers clients in need of RSM US LLP tax and consulting services to the RSM US LLP tax and consulting professionals who provide those services. Tax and consulting services provided by RSM US LLP are separate and distinct from WM's investment advisory services. WM advisors may also refer investment advisory clients who require assurance services to RSM US LLP. No WM client is obligated to use RSM US LLP for other services, and conversely, no client of RSM US LLP is obligated to use the investment advisory services provided by WM. While WM advisors are not directly compensated for such referrals, a conflict of interest could still be deemed to exist in that the parent company of WM will benefit from such referrals and certain WM management members and advisors are also partners or principals for RSM US LLP.

ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

WM has adopted a code of ethics to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (referred to below as the "Code of Ethics"). The Code of Ethics contains provisions related to:

- Compliance with the firm's fiduciary obligations to investment advisory clients.
- Compliance with applicable securities laws.
- Reporting violations of the Code of Ethics to the Chief Compliance Officer of WM.
- Periodic submission of personal securities holdings and transactions reports to WM.
- Initial and annual certification of review and receipt of the Code of Ethics.

Certain WM employees, according to their role in the firm, must also certify upon being hired and periodically thereafter, that they have received, read and will comply with the Independence Policy and Procedures adopted by RSM US LLP to comply with the independence standards of the AICPA, SEC, PCAOB, State Boards of Accountancy and other regulatory bodies. These individuals must also refrain from purchasing or owning certain securities on a restricted list of securities maintained by RSM US LLP.

In compliance with Rule 206(4)-7 under the Investment Advisers Act of 1940, WM has adopted written policies and procedures, including those set forth in its Code of Ethics, designed to detect and prevent the misuse of material, non-public information and to protect against any advantage to firm personnel from any recommendations made to clients. There may be a conflict of interest if the firm or individuals associated with the firm purchase, have an interest in, or sell certain securities that are the same as those recommended to customers for their personal accounts. Moreover, the firm or a related person might have an interest or position in a certain security(ies) which may also be recommended to a client. However, because of the types of services offered and the securities typically recommended (mutual funds, exchange traded funds, or fixed income securities), it is unlikely that any security holding by the firm or any associated person would have an impact on the market and would not likely have any influence on any recommendation.

A copy of the Code of Ethics will be provided upon request. Clients and prospective clients may request a copy from their advisor or from the WM Compliance Department at 704-206-7222 or

wmcompliance@rsmus.com. Any concerns and reportable events can be reported through our hotline at 800-913-5052.

ITEM 12 BROKERAGE PRACTICES

THE CUSTODIAN AND BROKERS WE USE

WM does not maintain physical custody of client assets on which we advise, although we may be deemed to have custody of a client's assets if given authority to withdraw assets from a client's account or for other reasons (please see Item 15 – Custody). Client assets must be maintained in an account at a "qualified custodian," generally a broker/dealer or bank. We generally recommend that clients use Charles Schwab & Co., Inc. (Schwab); however, we may also recommend that clients use Fidelity Brokerage Services LLC and National Financial Services LLC (Fidelity) as the qualified custodian. Both Schwab and Fidelity are registered broker-dealers and members of the Securities Investor Protection Corporation (SIPC). If clients do not wish to place assets at Schwab or Fidelity, we may not be able to manage the account. We are independently owned and operated and are not affiliated with any custodian. The custodian will hold client assets in a brokerage account and buy and sell securities based on instruction from WM or the client. While we recommend that clients use Schwab or Fidelity as custodian/broker, clients will decide whether to do so and will open client accounts with the custodian by entering into an account agreement directly with the custodian. We generally do not open accounts for clients, although we may assist clients in doing so, and if a client elects to grant WM authority to add, change, or terminate SMA Managers, we will have the authority to open SMAs on the client's behalf. As our clients receive statements concerning their portfolios from both WM and their custodians, we encourage them to compare these reports. Even though a client's account is maintained at the custodian, we can still use other brokers to execute trades for a client account as described below (see "Client Brokerage and Custody Costs").

The custodians and brokers we recommend and/or use may be impacted where a broker or custodian is an RSM US LLP audit client or applicable affiliate. We may be unable to recommend a custodian or broker that is an RSM US LLP audit client or applicable affiliate. We may also be unable to make recommendations, e.g. buy, sell or hold an investment or leverage a margin loan account, where a custodian is an RSM US LLP audit client or applicable affiliate. In addition, from time to time RSM US LLP seeks and obtains non-audit engagements with the custodians and brokers we recommend. This presents a potential conflict of interest in that the custodians and brokers may be incentivized to hire our parent company based, in part, on the fact that our clients hold assets and execute transactions with the custodians and brokers. In connection with such commercial engagements, RSM US LLP receives compensation that may be substantial, as well as other benefits. For example, providing such services may enhance RSM US LLP's business relationships and lead to RSM US LLP obtaining additional business and generating additional revenue. Clients will not be entitled to compensation related to any such benefit to our parent company.

HOW WE SELECT CUSTODIANS AND BROKERS

We seek to recommend a custodian/broker that will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for accounts)

- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, etc.)
- Availability of investment research and tools that assist WM in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.)
- Reputation, financial strength, and stability
- Prior service to WM and our other clients
- Availability of other products and services that benefit WM, as discussed below (see “Products and Services Available to WM From Custodians”)

We do not consider client referrals in selecting or recommending broker-dealers.

CLIENT BROKERAGE AND CUSTODY COSTS

For our clients’ accounts that Schwab or Fidelity maintain as custodian, the custodian generally does not charge clients separately for custody services but is compensated by charging clients commissions or other fees on trades that it executes or that settle into a client account. In addition to commissions, the custodian charges clients a flat dollar amount as a “prime broker” or “trade away” fee for each trade executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a client’s account. These fees are in addition to the commissions or other compensation clients pay the executing broker-dealer. Because of this, in order to minimize client trading costs, we have Schwab or Fidelity execute most trades for client accounts. Clients are not permitted to direct brokerage away from their chosen custodian. We have determined that having Schwab or Fidelity execute most trades is consistent with our duty to seek “best execution” of clients’ trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How We Select Brokers/Custodians”). The commission and/or transaction fees charged by Schwab and/or Fidelity may differ from each other and be higher or lower than those charged by other brokers.

PRODUCTS AND SERVICES AVAILABLE TO WM FROM CUSTODIANS

Schwab and Fidelity provide WM access to their institutional trading and custody services, which are typically not available to retail customers. The custodians also make available various support services. Some of those services help WM manage or administer our clients’ accounts, while others help WM manage and grow our business. The custodians’ support services generally are available on an unsolicited basis (we do not have to request them) and at no charge, or little charge, to WM. Following is a more detailed description of the custodians’ support services:

Services That Benefit Clients

The custodians’ services include access to a broad range of investment products, execution of securities transactions, custody of client assets, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. The custodians’ services described in this paragraph generally benefit clients and clients’ accounts.

Services That May Not Directly Benefit Clients

The custodians also make available to WM other products and services that benefit WM but may not directly benefit clients or a client’s account. These products and services assist WM in managing and administering

our clients' accounts. They include investment research, both the custodians' own and that of other third parties.

In addition to investment research, the custodians also make available software and other technology that:

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

We do not generally rely upon unsolicited research provided to us by the custodians in servicing our clients' accounts, but it remains available to us. On occasion, if a report would be responsive to a client's request, we may provide copies of research reports to our clients, including clients whose accounts are not maintained at the applicable custodian. We do not consider the investment research and other products and services received from Schwab or Fidelity to be "soft dollars" (research and/or other products and services paid for with client commissions) since these are not directly tied to commissions. These products and services are provided by the custodian on an unsolicited basis for using their institutional platform.

Services That Generally Benefit Only WM

The custodians also offer other services intended to help WM manage and further develop our business enterprise. These services include:

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

The custodians may provide some of these services directly to WM. In other cases, a custodian will arrange for third-party vendors to provide the services to WM. A custodian may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Custodians may also provide WM with other benefits, such as occasional business entertainment of our personnel.

Our Interest in our Custodians' Services

The availability of these services from the custodians benefits WM because we do not have to produce or purchase them. We do not have to pay for the custodians' services so long as our clients collectively keep a specified amount of their assets in accounts at the custodian. This is a conflict of interest. We believe, however, that our selection of Schwab or Fidelity as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of the custodians' services (please see "How We Select Custodians and Brokers" above) and not the custodians' services that benefit only WM.

AGGREGATION OF CLIENT TRADE ORDERS

Due to the nature of securities traded by WM and our individualized approach to portfolio management, we typically implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at different prices and/or commission rates. Additionally, our clients will not receive volume discounts available to advisors who block client trades.

CROSS TRADES, PRINCIPAL TRADES, AND AGENCY TRADES

WM does not perform cross trades (a transaction involving the sale of a security in one client account and the simultaneous purchase of that security in another client account that is effected by a third party broker), principal trades (a transaction involving the purchase or sale of a security between WM and a client account) or agency cross trades (a transaction involving the purchase or sale of a security between a client account and an affiliated broker).

VALUATION

Consistent with its Valuation Policy, WM relies on the valuations determined by the applicable custodians, portfolio management systems, trustees and record keepers. For investments and other securities for which custodians, trustees and record keepers do not provide a value and for which current pricing is not available, WM requires documentation from a credible source, such as a client statement, prior to updating a value in WM systems. Any positions for which we do not have a current value are noted with the last known valuation date on quarterly reports.

We charge advisory fees based upon the valuation of your accounts(s) as determined by our internal portfolio management system, which interfaces and is reconciled with the custodian daily. The total portfolio value on which fees are based can vary from the value on the custodian statement (the valuation could be higher or lower) due to such factors that include, but are not limited to, the timing and posting of dividends, settlement dates for trades and accrued interest. The value of your account, including any accruals (i.e., pending dividends and interest), as of the last business day of the previous quarter (as shown in our internal portfolio management system) is used to determine the fees charged for the following quarter.

ITEM 13 REVIEW OF ACCOUNTS

INVESTMENT ADVISORY SERVICES

REVIEWS: Accounts of clients to whom WM provides Investment Advisory Services are monitored on a continuous and ongoing basis with formal reviews conducted not less than annually. The review is conducted by the advisor responsible for the account, in association with the client. The review process consists of the following elements: a comparison of the portfolio to the client's goals and objectives as outlined in the client's written investment plan; an evaluation of the investment strategy in light of any change in client's circumstances; a review of the assets in the portfolio; and discussion with the client as to rebalancing the portfolio, if and as necessary.

REPORTS: In addition to the written monthly statements that clients receive from their custodian, we offer written quarterly reports summarizing account performance, balances and holdings.

AGGREGATED REPORTING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Aggregated Reporting Services clients unless otherwise contracted. WM will not review, investigate or otherwise examine the investment worthiness of securities or any other assets held in Third-Party Accounts and is not responsible for any investment decisions related to such Third-Party Account(s). If requested, we will recommend an asset allocation (i.e., a mix of equity, fixed income and other asset classes) as appropriate in furtherance of the client's investment objectives as set forth in a written investment plan and based on our understanding of clients' needs, circumstances and risk profile. Such asset allocation advice will be made on a non-discretionary

basis, meaning the client will have sole responsibility for accepting and implementing such recommendations (e.g., executing the relevant trades).

REPORTS: Aggregated Reporting clients receive consolidated investment holdings reports on a quarterly basis regarding the value or performance of clients' accounts that are either unmanaged or are Third-Party Accounts. More frequent reporting may be provided to clients upon request, which may be subject to additional fees as agreed upon in writing with the client.

FINANCIAL PLANNING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted.

REPORTS: Financial Planning clients generally receive a completed financial plan in writing. As agreed upon with the client in writing, additional reports and/or updates may be provided.

OTHER WEALTH MANAGEMENT CONSULTING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews are conducted for Wealth Management Consulting Services clients unless otherwise contracted.

REPORTS: Wealth Management Consulting Services clients may receive reports based on the contractual arrangement with the client.

RETIREMENT PLAN CONSULTING AND ADVISORY SERVICES

REVIEWS: WM reviews the client's written investment plan whenever the client advises WM of a change in circumstances regarding the needs of the plan. WM will also review the investment options of the plan according to the agreed upon time intervals established in the written investment plan and contract. Such reviews generally occur quarterly. These plans are reviewed by the advisor assigned to the account.

REPORTS: These client accounts receive written reports as contracted at the inception of the advisory relationship.

It is the client's responsibility to promptly notify WM if there is any change in their financial or personal situation or investment objectives as it relates to any of the above contracted services.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

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

CLIENT REFERRALS

Our firm does not pay referral fees to independent persons or firms (Solicitors) for introducing clients to WM. However, as set forth in Item 10, RSM US LLP tax and consulting professionals refer RSM US LLP

tax and consulting clients in need of investment advisory, aggregated reporting, financial planning or other wealth management services to WM.

ITEM 15 CUSTODY

Except for any privately held securities that do not need to be held by a qualified custodian, all client securities under our management are held at independent, qualified custodians. We previously disclosed in Item 5 - Fees and Compensation that our firm directly debits advisory fees from client accounts. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. WM urges its clients to compare the official account statement from the custodian with the quarterly reports sent from WM.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact WM directly if they believe an error may have occurred.

ITEM 16 INVESTMENT DISCRETION

Except as otherwise agreed, Clients generally hire WM to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell
- Determine the amount of the security to buy or sell
- Determine when to place the buy or sell

In addition, if elected by the client, WM will have the authority to add, change or terminate SMA Managers on the client's behalf.

Clients generally give WM discretionary authority when they engage WM to provide them with investment advisory services. They may limit this authority by giving WM written instructions. Clients may also change/amend such limitations by once again providing WM with written instructions.

Notwithstanding a grant of discretionary authority to an account, WM will not exercise any discretionary authority for securities which are deemed "*Independence Securities*" as defined in Item 4 – Advisory Business: Investment Advisory Services - Independence Securities, and the client maintains discretion over any transaction decision on these "Independence Securities."

ITEM 17 VOTING CLIENT SECURITIES

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender

offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

ITEM 18 FINANCIAL INFORMATION

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client six months or more in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts and that may be deemed to have custody, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. WM has no additional financial circumstances to report. WM has not been the subject of a bankruptcy petition at any time during the past ten years.