

**Item 1 – Cover Page**

**Form ADV Part 2A – Disclosure Brochure**



**TSW Wealth Management**

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**Effective: March 23, 2021**

This Disclosure Brochure provides information about the qualifications and business practices of TSW Wealth Management ("TSW"). If you have any questions about the contents of this Disclosure Brochure, please contact us at (508) 655-9303.

TSW is a Registered Investment Advisor with the U.S. Securities and Exchange Commission ("SEC"). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about TSW to assist you in determining whether to retain the Advisor. The CRD number for TSW is 125209.

Additional information about TSW and advisory persons are available the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

### Current ADV Changes

There have been changes made to the TSW Part 2A Brochure since its prior Annual Amendment filing on March 24, 2020. Specifically, this Part 2A Brochure has been amended as follows:

- Throughout the document to reflect TSW's new principal place of business
- At Item 4 to incorporate disclosure language regarding cash positions in client accounts
- At Items 4 and 5 to enhance disclosure language regarding limitations applicable to financial planning and consulting services and to revise the description of financial planning and consulting fees
- At Item 5 to clarify disclosure language regarding securities sales activity
- At Item 8 to incorporate disclosure language regarding risks related to securities that may be transferred to TSW's management

### Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of TSW.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). To review the firm information for TSW:

- Click Investment Advisor Search in the left navigation menu.
- Select the option for **Investment Advisor Firm** and enter **125209** (our firm's CRD number) in the field labeled "Firm IARD/CRD Number".
- This will provide access to Form ADV Part 1 and Part 2.
- Item 11 of the ADV Part 1 lists legal and disciplinary questions regarding the Advisor.
- In the left navigation menu, Form ADV Part 2 is located near the bottom.

You may also request a copy of this Disclosure Brochure at any time, by contacting us at (508) 655-9303.

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## Item 4 – Advisory Services

### A. FIRM INFORMATION

Wells Financial Advisors, Inc. d/b/a TSW Wealth Management (“TSW” or the “Advisor”) is a Registered Investment Advisor with the United States Securities and Exchange Commission, which is organized as an S Corporation under the laws of the Commonwealth of Massachusetts. TSW was founded as Wells Financial Advisors, Inc. in 1996 and is owned and operated by Managing Principal, Terry B. Wells and Principal, Sarah A. Wells. This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by TSW.

### B. ADVISORY SERVICES OFFERED

TSW offers investment advisory services to individuals, trusts, and estates (each referred to as a “Client”).

#### Account Portfolio Management

TSW provides investment management services to its Clients. This is achieved through personal Client contact and interaction while providing discretionary investment management and consulting services. TSW works with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio allocation. TSW will then construct a portfolio, consisting of low-cost, diversified mutual funds and/or exchange-traded funds (“ETFs”) to achieve the Client’s investment goals. The Advisor does not provide recommendations on individual stock and bonds, but may include pre-existing individual stock and bond positions in the managed account relationship at the request of a client. The client may engage TSW to provide discretionary investment advisory services on a fee basis. TSW’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under its management. Before engaging TSW to provide investment advisory services, clients are required to enter into an Investment Advisory Agreement with TSW setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client. TSW’s annual investment advisory fee shall include investment advisory services, and, to the extent specifically requested by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of TSW, TSW may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

TSW’s investment strategy is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. TSW will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio.

TSW may recommend, on occasion, redistributing investment allocations to diversify the portfolio. TSW may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement, which may adversely affect the portfolio. TSW may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance.

Clients placed in the same or similar asset allocation percentage as other clients may have their securities traded simultaneously, depending on each instance, which may allow for operational efficiencies not available to TSW if client securities were traded individually. If the securities are not traded simultaneously, some accounts may be modified before others. This may result in accounts being traded earlier inadvertently have an advantage over accounts traded later.

TSW will provide investment advisory services and portfolio management services and will not provide securities custodial or other administrative service. All Client assets will be managed within their designated brokerage account or pension account, pursuant to the Client Investment Advisory Agreement.

### **Financial Planning and Consulting Services**

To the extent it is specifically requested to do so, TSW may provide its clients with a broad range of financial planning and consulting services (including non-investment related matters) on a possible stand-alone separate fee basis. Prior to engaging the client to provide financial planning and/or consulting services, the client will be required to enter into a Financial Planning or Consulting Agreement setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the portion of the fee, if any, that is due from the client prior to TSW commencing services. Services are offered in several areas of a Client's financial situation, depending on their goals, objectives and financial situation. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for Clients based on the Client's financial goals and objectives. This planning or consulting may encompass one or more areas of need, including, but not limited to investment planning, retirement planning, personal savings, education savings and other areas of a Client's financial situation.

TSW's financial planning and consulting services do not include investment implementation, supervisory, management, or reporting services, nor the regular review or monitoring of the client's financial plan or investment portfolio, unless otherwise explicitly agreed upon in writing. In the event the client desires that TSW provide investment supervisory or management services, such engagement shall be set forth in a separate Investment Advisory Agreement between TSW and the client, for which services TSW shall be paid a separate and additional fee.

**Please Note:** The client is under no obligation to engage the services of any third party professional recommended during the financial planning process. The client retains absolute discretion over any implementation decisions related to the financial planning portion of the engagement and is free to accept or reject any recommendation from TSW in the financial planning process, including the use of a recommended third party professional. Please Note: If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. Please Also Note: It remains the client's responsibility to promptly notify TSW if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising TSW's previous recommendations and/or services.

### **MISCELLANEOUS**

#### **Limitations of Financial Planning and Non-Investment Consulting/Implementation Services**

As indicated above, and to the extent requested by the client, TSW may provide financial planning and related consulting services regarding non-investment related matters, such as tax and estate planning, insurance, etc. on a separate and additional fee basis per the terms and conditions of a Financial Planning and Consulting

Agreement. TSW does not serve as an attorney or accountant, and no portion of its services should be construed as legal or accounting services. TSW may waive this additional fee at its discretion, depending upon the facts and circumstances of the engagement. **Please Note:** We **do not** serve as an attorney or accountant, and no portion of our services should be construed as same. Accordingly, we **do not** prepare estate planning documents or tax returns. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purpose (i.e. attorneys, accountants, insurance, etc.), including representatives of TSW in their separate individual capacities as representatives of Triad Advisors, LLC (“Triad”), an SEC registered and FINRA member broker-dealer and/or as licensed insurance agents. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from TSW and/or its representatives. **Please Note:** If the client engages any unaffiliated professional, recommended or otherwise, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. If, and when, TSW is involved in a specific matter (i.e. estate planning, insurance, accounting-related engagement, etc.), it is the engaged licensed professionals (i.e. attorney, accountant, insurance agent, etc.), and not TSW that is responsible for the quality and competency of the services provided.

**Please Also Note-Conflict of Interest:** The recommendation by a TSW representative that a client purchase a securities or insurance commission product from a TSW representative in his/her individual capacity as a representative of Triad and/or as an insurance agent, presents a ***conflict of interest***, as the receipt of commissions may provide an incentive to recommend products based on commissions to be received, rather than on a particular client’s need. No client is under any obligation to purchase any securities or insurance commission products from a TSW representative. Clients are reminded that they may purchase securities and insurance products recommended by TSW through other, non-affiliated broker-dealers and/or insurance agencies. **Please Further Note:** Firm representatives maintain the above registrations/licenses primarily to continue to service legacy variable annuity and other legacy commission-based products. Unless there is a client mitigating circumstance or client directed request, Firm representatives do not offer commission based securities or insurance products to Firm clients. In the event that a client requires an insurance policy, the Firm will generally refer the client to an unaffiliated insurance agent, and neither the Firm, nor the representative, will receive any portion of the commission earned by such agent. **ANY QUESTIONS: TSW’s Chief Compliance Officer, Terry Wells, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

### **Variable Annuity Management**

TSW also may render investment advisory services to clients relative to variable annuity product(s) that they may own. In so doing, TSW either directs or recommends the allocation of client assets among the various investment alternatives (generally mutually funds) that comprise the variable annuity. The client assets shall be maintained at the specific insurance company that issued the variable annuity. **Please Note:** In the event that TSW is requested to provide advisory services with respect to a variable annuity, TSW’s advice is limited to the investment alternatives provided by the variable annuity.

### **Please Note: Retirement Rollovers-Potential for Conflict of Interest**

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 (which could, depending

upon the client's age, result in adverse tax consequences). If TSW recommends that a client roll over their retirement plan assets into an account to be managed by TSW, such a recommendation creates a conflict of interest if TSW will earn new (or increase its current) compensation as a result of the rollover. **No client is under any obligation to rollover retirement plan assets to an account managed by TSW. TSW's Chief Compliance Officer, Terry Wells, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

#### **ERISA Plan and 401(k) Individual Engagements**

- **Trustee Directed Plans.** TSW may be engaged to provide discretionary investment advisory services to ERISA retirement plans, whereby the Firm shall manage Plan assets consistent with the investment objective designated by the Plan trustees. In such engagements, TSW will serve as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 ("ERISA"). TSW will generally provide services on an "assets under management" fee basis per the terms and conditions of an *Investment Advisory Agreement* between the Plan and the Firm.
- **Client Retirement Plan Assets.** In connection with either investment management or financial planning and consulting engagements, TSW may be engaged to provide investment advisory services relative to the client's 401(k) plan assets. In such event, TSW shall recommend that the client allocate the retirement account assets among the investment options available on the 401(k) platform. The client is exclusively responsible for implementing all transactions. TSW's ability shall be limited to making recommendations regarding the allocation of the assets among the investment alternatives available through the plan. TSW will not receive any communications from the plan sponsor or custodian, and it shall remain the client's exclusive obligation to notify TSW of any changes in investment alternatives, restrictions, etc. pertaining to the retirement account. Unless explicitly agreed upon in writing, TSW will not provide ongoing monitoring, supervision, or updates to its recommendations after communication of the initial allocation recommendations to the client.

#### **Please Note: Use of Mutual and Exchange Traded Funds**

Most mutual funds and exchange traded funds are available directly to the public. Thus, a prospective client can obtain many of the funds that may be utilized by TSW independent of engaging TSW as an investment advisor. However, if a prospective client determines to do so, he/she will not receive the TSW's initial and ongoing investment advisory services. **Please Note:** In addition to TSW's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). **ANY QUESTIONS: TSW's Chief Compliance Officer, Terry Wells, remains available to address any questions that a client or prospective client may have regarding the above.**

#### **Account Aggregation Platform**

TSW may provide its clients with access to an online account aggregation platform (the "Platform"). The Platform allows a client to view their complete asset allocation, including those assets that TSW does not manage (the "Excluded Assets"). TSW does not provide investment management, monitoring, or implementation services for the Excluded Assets. Therefore, TSW shall not be responsible for the investment performance of the Excluded Assets. Rather, the client and/or their advisor(s) that maintain management authority for the Excluded Assets, and not TSW, shall be exclusively responsible for such investment performance. Without limiting the above, TSW shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. The client may choose to engage TSW to manage some or all of the Excluded Assets pursuant to the terms and



conditions of an Investment Advisory Agreement between TSW and the client.

#### **Custodian Charges-Additional Fees**

As discussed below at Item 12, when requested to recommend a broker-dealer/custodian for client brokerage accounts, TSW generally recommends that Charles Schwab and Co., Inc. ("Schwab") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Schwab charge transaction fees for effecting certain securities transactions. In addition to TSW's investment advisory fee referenced in Item 5 below, the client may also incur transaction fees to purchase securities for the client's account (i.e., mutual funds, exchange traded funds, etc.) in accordance with the broker-dealer/custodian's transaction fee schedule. **ANY QUESTIONS: TSW's Chief Compliance Officer, Terry Wells, remains available to address any questions that a client or prospective client may have regarding the above.**

#### **Portfolio Activity**

TSW has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, TSW will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when TSW determines that changes to a client's portfolio are neither necessary nor prudent. Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity. Of course, as indicated below, there can be no assurance that investment decisions made by TSW will be profitable or equal any specific performance level(s).

#### **Cash Positions**

Depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), TSW may maintain cash and cash equivalent positions (such as money market funds, etc.) for defensive, liquidity, or other purposes. Unless otherwise agreed in writing, all such cash positions are included as part of assets under management for purposes of calculating TSW's advisory fee.

#### **Client Obligations**

In performing our services, TSW shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, it remains each client's responsibility to promptly notify TSW if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

#### **Please Note: Investment Risk**

Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by TSW) will be profitable or equal any specific performance level(s).

#### **Disclosure Statement**

A copy of TSW's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the Investment Advisory Agreement or Financial Planning and Consulting Agreement.

### **C. CLIENT ACCOUNT MANAGEMENT**



Prior to engaging TSW to provide investment advisory services, each Client is required to enter into an Investment Advisory Agreement with the Advisor that defines the terms, conditions, authority and responsibilities of the Advisor and the Client.

- Establishing an Investment Policy Guideline – TSW, in connection with the Client, may develop a statement that summarizes the Client’s investment goals and objectives along with the broad strategy [ies] to be employed to meet the objectives.
- Asset Allocation – TSW will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – TSW will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – TSW will provide investment management and ongoing oversight of the Client’s portfolio and overall account.

If you request, TSW may recommend the services of other professionals for implementation purposes. You are under no obligation to engage the services of any such recommended professional. You retain absolute discretion over all such implementation decisions and are free to accept or reject any recommendation from TSW. If you engage any professional recommended by TSW, and a dispute arises thereafter relative to such engagement, you agree to seek recourse exclusively from and against the engaged professional.

#### **D. WRAP FEE PROGRAMS**

TSW does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by TSW.

#### **E. ASSETS UNDER MANAGEMENT**

As of December 31, 2020, TSW managed \$203,948,315 on a discretionary basis.

### **Item 5 – Fees and Compensation**

#### **A. FEES FOR ADVISORY SERVICES**

##### **Account Portfolio Management**

Investment Advisory Fees are paid quarterly in advance pursuant to the terms of the Investment Advisory Agreement. Investment Advisory Fees are based on the market value of assets under management at the end of the prior calendar quarter. Prorated adjustments made for account deposits and withdrawals during the course of a billing quarter are applied at the next billing interval, if such adjustment would result in a \$1 or more change to the client’s fee. Investment Advisory Fees can range from 1.25% to 0.60%. Typical fees are as follows:

| Assets Under Management    | Annual Rate |
|----------------------------|-------------|
| Up to \$749,999            | 1.25%       |
| \$750,000 to \$1,499,999   | 1.00%       |
| \$1,500,000 to \$2,999,999 | 0.90%       |
| \$3,000,000 to \$5,999,999 | 0.80%       |
| \$6,000,000 to \$8,999,999 | 0.70%       |
| Over \$9,000,000           | 0.60%       |

Investment Advisory Fees in the first quarter of service are prorated to the inception date of the account to the end of the first quarter. Fees may be negotiable at the discretion of the Advisor. Depending upon various facts and circumstances specific to each client, a Client's fees may take into consideration the aggregate assets under management with Advisor. All securities held in accounts managed by TSW will be independently valued by the designated Custodian. TSW will not have the authority or responsibility to value portfolio securities.

### **Fee Dispersion**

TSW's investment advisory fee is negotiable at its discretion, depending upon objective and subjective factors including but not limited to: the amount of assets to be managed; portfolio composition; the scope and complexity of the engagement; the anticipated number of meetings and servicing needs; related accounts; future earning capacity; anticipated future additional assets; the professional(s) rendering the service(s); prior relationships with TSW and/or its representatives, and negotiations with the client. As a result of these factors, similarly situated clients could pay different fees, the services to be provided by TSW to any particular client could be available from other advisers at lower fees, and certain clients may have fees different than those specifically set forth above. **TSW's Chief Compliance Officer, Terry Wells, remains available to address any questions that a client or prospective client may have regarding the above fee determination.**

### **Financial Planning and Consulting Services**

Financial planning engagements are typically offered on a fixed fee basis ranging from \$1,900 to \$5,900 and are negotiable. If a special consulting project is requested, fees are charged at a rate of up to \$350 per hour. An estimate for total hours will be determined prior to establishing the advisory relationship, and the final fee shall be set by TSW prior to completion of the requested planning services. Financial planning fees, including fees for review of previously-provided financial plans, may be negotiable at the sole discretion of TSW. In addition, for clients who receive both investment management and financial planning services, special fee arrangements may be negotiated and agreed upon on a case by case basis, which may include applying financial planning and consulting fees as an offset against TSW's investment management fee. Such special fee arrangements will be set forth in writing between TSW and the client.

TSW's fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses, which may be incurred by the Client. However, TSW shall not receive any portion of these commissions, fees, and costs. The hourly fees are determined after considering many factors, such as the level and scope of the services. All clients, but especially those with smaller accounts, should be advised they may receive similar services from other professionals for higher or lower overall costs.

## **B. FEE BILLING**

### **Account Portfolio Management**

Client advisory fees due to TSW are deducted from their custodial account. Both TSW's Investment Advisory Agreement and the custodial/ clearing agreement authorize the custodian to debit the account for the amount of TSW's investment advisory fee and to directly remit that management fee to TSW in compliance with regulatory procedures. Investment Advisory Fees will be automatically deducted from the appropriate Client Account by the Custodian. When directly deducting fees, the Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client Account quarterly, in advance. The amount due is calculated by billed value x flat rate x (calendar days in billing quarter/calendar days in billing year). Deposits and withdrawals (flows) are also taken in account calculatingly flow amount x flat rate x (flow day count/calendar days in billing year). Billed value is the last day of the previous quarter as reported by the custodian. In calculating the market value of a client's assets, assets allocated to cash or a cash proxy, such as a money market account, will be included in the calculation of assets

under management, unless otherwise agreed, in writing. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the Investment Advisory Fee. In addition, the Advisor will provide the Client a report itemizing the fee, including the calculation period covered by the fee, the account value and the methodology used to calculate the fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting TSW to be paid directly from their accounts held by the Custodian as part of the Investment Advisory Agreement and separate account forms provided by the Custodian.

### **Financial Planning and Consulting Services**

Financial planning and consulting fees are directly invoiced by the Advisor and are due upon receipt. Clients are generally required to provide an advance deposit of the lesser of \$1,200 or 50% of the initial estimated cost of the financial plan.

### **C. OTHER FEES AND EXPENSES**

As discussed below, unless the client directs otherwise or an individual client's circumstances require, TSW shall generally recommend that Charles Schwab and Co., Inc. ("Schwab") to serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Schwab charge brokerage commissions and/or transaction fees for effecting certain securities transactions. The Client is responsible for all applicable custodial and securities execution fees charged by the custodian and executing broker-dealer. The Investment Advisory Fee charged by TSW is separate and distinct from these custodian and execution fees.

In addition, all fees paid to TSW for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client could invest in these products directly, without the services of TSW, but would not receive the services provided by TSW which are designed, among other things, to assist the Client in determining which products or services are most appropriate to each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by TSW to fully understand the total fees to be paid.

### **D. ADVANCE PAYMENT OF FEES AND TERMINATION**

#### **Account Portfolio Management**

TSW is compensated for its services in advance the quarter in which investment advisory services are rendered. The Financial Advisory Agreement between TSW and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Financial Advisory Agreement. The Client shall be responsible for Investment Advisory Fees up to and including the effective date of termination. Upon termination, the Advisor will refund any unearned, prepaid Investment Advisory Fees on a pro rata from the effective date of termination to the end of the quarter. For example, if a client were to terminate an advisory agreement with 30 days left in a 91 day quarter, the fee deducted from the client's account for the entire 91 day quarter would be divided by 91, and then multiplied by 30, the resulting amount being returned to the client as unearned fee. The Client's Investment Advisory Agreement with the Advisor is non-transferable without Client's written approval.

### **Financial Planning and Consulting Services**

As noted above, Clients are generally required to provide an advance deposit of the lesser of \$1,200 or 50% of the estimated cost of the financial plan. TSW will set the final plan fee prior to completion of the Client's requested services. In the event that this final fee is higher than the initial estimated fee, and the Client wishes to terminate the financial

planning agreement as a result, the Client shall be billed for actual hours worked at the agreed upon hourly rate.

The Client may also terminate a planning or consulting agreement by providing written notice to TSW within five (5) days of signing the financial planning or consulting agreement. In such cases, the Client will incur charges for bona fide advisory services rendered to the point of termination, calculated based on the agreed upon hourly rate, and such fees will be due and payable by the Client.

After this initial five (5) day period, Client may terminate the planning or consulting agreement at any time, in writing. For any such termination, the balance of the financial planning or consulting fee, including for services rendered but not yet invoiced, will become immediately payable by Client.

If the Client has prepaid all or some of the financial planning fee, a refund will be issued to the extent this prepayment exceeds the amount due to TSW.

The agreement for financial planning services is effectively terminated upon the presentation of the financial plan or specific deliverables included in the agreement.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. Each quarter, clients will receive a bill itemizing the fees to be debited, including the formula used to calculate the fee, the amount of assets the fee is based, and the time period covered by the fee. The invoice will also state that the fee was not independently calculated by the custodian. The client will also receive a statement from their account custodian showing all transactions in their account, including the fee.

TSW will cease to perform services, including processing trades and distributions, upon termination. Assets not transferred from terminated accounts within 30 (thirty) days of termination may be “de-linked”, meaning they will no longer be visible to TSW and will become a retail account with the custodian.

### **Commission Transactions**

Certain of TSW’s representatives are, in their separate capacities, registered representatives of Triad, an SEC registered and FINRA member broker-dealer. In the event the client chooses to purchase investment products through Triad, Triad will charge brokerage commissions to effect securities transactions, a portion of which commissions Triad shall pay to TSW’s representatives, as applicable. The brokerage commissions charged by Triad may be higher or lower than those charged by other broker-dealers. In addition, Triad, as well as TSW’s Representatives, relative to commission mutual fund purchases, may also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment.

**Please Note:** TSW representatives maintain the above registrations primarily to continue to service legacy variable annuity and other legacy commission-based products. Unless there is a client mitigating circumstance or client-directed request, TSW representatives do not typically offer commission-based securities products to TSW clients. **ANY QUESTIONS: TSW’s Chief Compliance Officer, Terry Wells, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

1. **Conflict of Interest:** The recommendation that a client purchase a commission product from Triad

presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's needs. No client is under any obligation to purchase any commission products from TSW's representatives. TSW's Chief Compliance Officer, Terry Wells, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

2. **Please Note:** Clients may purchase investment products recommended by TSW through other, non-affiliated broker dealers or agents.
3. TSW does not receive more than 50% of its revenue from advisory clients because of commissions or other compensation for the sale of investment products that TSW recommends to its clients.
4. When TSW's representatives sell an investment product on a commission basis, TSW does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, TSW's representatives do not also receive commission compensation for such advisory services. However, a client may engage TSW to provide investment management services on an advisory fee basis and separate from such advisory services purchase an investment product from TSW's representatives on a separate commission basis.

## Item 6 – Performance-Based Fees

TSW does not charge performance-based fees for its investment advisory services. The fees charged by TSW are as described in Item 5 – Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any Client.

TSW does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund).

## Item 7 – Types of Clients

TSW provides investment advisory services to individuals and high net worth individuals, including IRAs which may be considered retirement assets, trusts, and estates. The relative percentage of each type of Client is available on TSW's Form ADV Part 1. These percentages will change over time. TSW generally requires a \$1 million minimum for investment management services. However, TSW, in its sole discretion, may modify its minimum, charge a lesser investment advisory fee and/or a charge a flat fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, competition, negotiations with client, etc.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS: TSW's Chief Compliance Officer, Terry Wells, remains available to address any questions that a client or prospective client may have regarding advisory fees.**

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

### A. METHODS OF ANALYSIS

TSW primarily employs fundamental analysis methods in developing investment strategies for its Clients. Research and analysis from TSW is derived from numerous sources, including financial media companies, third-

party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

As noted above, TSW generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. TSW will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, TSW may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

Additionally, part of the TSW process includes, where appropriate, involving multiple generations in order to facilitate family financial planning. This can increase the financial education of the later generations and manage expectations. However, potential for conflicts of interest exist with the exchange of intergenerational information. TSW attempts to minimize these conflicts by treating each household as its own fiduciary relationship. Information can only be shared across generations with each household's consent.

## **B. RISK OF LOSS**

**All investing carries a risk of loss, including a loss of principal that clients should be prepared to bear.** Regardless of the amount of expertise the Advisor has, or the diligence with which it approaches in the rendering of investment advice, Client accounts may not always increase in value, and may decrease in value, including a the possibility of a total loss. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. TSW will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Each Client engagement will entail a review of the Clients' investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Clients' account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Clients' account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. There are always risks to investing. It is impossible to name all possible types of risks. Among the risks are the following:

### **Political Risks**

Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.

### **General Market Risks**

Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason, and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.



### **Currency Risk**

When investing in another country using another currency, the changes in the value of the currency can change the value of your security value in your portfolio.

### **Regulatory Risk**

Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.

### **Purchasing Power Risk**

Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.

### **Business Risk**

This can be thought of as certainty or uncertainty of income. Management comes under business risk. Cyclical companies (like automobile companies) have more business risk because of the less steady income stream. On the other hand, fast food chains tend to have steadier income streams and therefore, less business risk.

### **Financial Risk**

The amount of debt or leverage determines the financial risk of a company.

### **Information Risk**

All investment professionals rely on research in order to make conclusions about investment options. This research is always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.

### **Small Companies**

Some investment opportunities in the marketplace involve smaller issuers. These companies may be starting up or are historically small. While these companies sometimes have potential for outsized returns, they also have the potential for losses because the reasons the company is small are also risks to the company's future. For example, a company's management may lack experience, or the company's capital for growth may be restricted. These small companies also tend to trade less frequently than larger companies, which can add to the risks associated with their securities because the ability to sell them at an appropriate price may be limited as compared to the markets as a whole. Not only do these companies have investment risk, if a client is invested in such small companies and requests immediate or short term liquidity, these securities may require a significant discount to value in order to be sold in a shorter time frame.

### **Concentration Risk**

While TSW selects individual securities for client portfolios based on an individualized assessment of each security, this evaluation comes without an overlay of general economic or sector specific issue analysis. This means that a client's portfolio may be concentrated in a specific sector, geography, or sub- sector (among other types of potential



concentrations), so that if an unexpected event occurs that affects that specific sector or geography, for example, the client's portfolio may be affected negatively, including significant losses.

### **Transition Risk**

As assets are transitioned from a client's prior advisers to TSW there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly, these investments will need to be sold in order to reposition the portfolio into the asset allocation strategy selected by TSW. However, this transition process may take some time to accomplish. Some investments may not be unwound for a lengthy period of time for a variety of reasons that may include unwarranted low share prices, restrictions on trading, contractual restrictions on liquidity, or market-related liquidity concerns. In some cases, there may be securities or investments that are never able to be sold. The inability to transition a client's holdings into recommendations of TSW may adversely affect the client's account values, as TSW's recommendations may not be able to be fully implemented.

### **Restriction Risk**

Clients may at all times place reasonable restrictions on the management of their accounts. However, placing these restrictions may make managing the accounts more difficult, thus lowering the potential for returns.

### **Risks Related to Investment Term & Liquidity**

Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.

### **Use of Margin**

TSW does not recommend the use of margin as a way to enhance returns. In limited circumstances, it may be desired by a client. To the extent that a client determines to use margin to purchase assets that TSW will manage, TSW would include the entire market value of the margined assets when computing its advisory fee. Conversely, TSW generally nets any margin balance owed by a client account against the account's market value when calculating its advisory fee. A conflict of interest would arise when TSW recommends that a client terminate the use of margin or otherwise satisfy its outstanding margin loan balance using assets from an outside account, because such recommendations could be made on the basis of attempting to maximize TSW's advisory fee, rather than basing such recommendation on a particular client's need.

While the use of margin borrowing can substantially improve returns, such use may also increase the adverse impact to which a client's portfolio may be subject. Borrowings will usually be from securities brokers and dealers and will typically be secured by the client's securities and/or other assets. Under certain circumstances, such a broker-dealer may demand an increase in the collateral that secures the client's obligations and if the client were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the client's obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the client's borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the client's profitability.

Currently, TSW primarily allocates client investment assets among various mutual funds and/or ETFs, in accordance with the client's designated investment objective(s).

Although generally not utilized or recommended by TSW in the management of client accounts, certain clients may hold legacy positions in individual fixed income securities, which securities may be transferred to TSW's management. In addition to the risks described above, fixed income products are generally also subject to the following risks:

#### **Default Risk**

This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.

#### **Interest Rate Risk**

Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

#### **Credit Risk**

A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value, and thus, impact performance. Credit risk is greater for fixed income securities with ratings below investment grade (BB or below by Standard & Poor's Rating Group or Ba or below by Moody's Investors Service, Inc.). Fixed income securities that are below investment grade involve higher credit risk and are considered speculative.

#### **Call Risk**

Call risk is the risk that during periods of falling interest rates, a bond issuer will call or repay a higher-yielding bond before its maturity date, forcing the investment to reinvest in bonds with lower interest rates than the original obligations.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

## **Item 9 – Disciplinary Information**

**There are no legal, regulatory or disciplinary events involving TSW or any of its employees.** TSW and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider in which you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). To review the firm information contained in ADV Part 1, select the option for Investment Adviser Firm and enter **125209** in the field labeled "Firm IARD/CRD Number". This will provide access to Form ADV Parts 1 and 2. Item 11 of the ADV Part 1 lists legal and disciplinary questions. You may also research the background of TSW's Principals, Terry B. Wells and Sarah A. Wells, by selecting the Investment Adviser Representative and entering Terry Wells' Individual CRD# **2147013** or Sarah Wells' Individual CRD# **5351896** in the field labeled "Individual CRD Number".

## **Item 10 – Other Financial Activities and Affiliations**

### **A. REGISTERED REPRESENTATIVES OF TRIAD**

As disclosed above in Item 5.E, certain of TSW's representatives are also registered representatives of Triad, a FINRA member broker-dealer.

- B. Neither TSW, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

### C. BROKER-DEALER AFFILIATIONS

As indicated above, representatives of TSW, in their separate individual capacities, serve as representatives of Triad, an SEC registered and FINRA member broker-dealer, and as licensed insurance agents. **Please Note-Conflict of Interest:** The recommendation by a TSW representative that a client purchase a securities or insurance commission product from a TSW representative in his/her individual capacity as a representative of Triad and/or as an insurance agent, presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any securities or insurance commission products from a TSW representative. Clients are reminded that they may purchase securities and insurance products recommended by TSW through other, non-affiliated broker-dealers and/or insurance agencies.

**Please Further Note:** TSW representatives maintain the above registrations/licenses primarily to continue to service legacy variable annuity and other legacy commission-based products. Unless there is a client mitigating circumstance or client-directed request, TSW representatives do not typically offer commission-based securities or insurance products to TSW clients. In the event that a client requires an insurance policy, TSW will generally refer the client to an unaffiliated insurance agent, and neither TSW, nor the representative, will receive any portion of the commission earned by such agent. **ANY QUESTIONS: TSW's Chief Compliance Officer, Terry Wells, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

Depending on the needs and preferences of each Client, TSW may recommend investment implementation directly through the fee-based offerings of TSW or through Triad's brokerage (commission-based) platform. Clients are not obligated to implement any recommendation provided by TSW. The Advisor will not earn investment advisory fees in connection with any services implemented by TSW where commissions are earned. Registered representatives and principals spend approximately 25% of their business time on this activity.

Investment advisory fees and brokerage commissions charged for ongoing investment management do not offset financial planning fees paid to TSW. The receipt of additional fees is a conflict of interest, and clients should be aware of this conflict when considering whether to engage the Advisor or utilize TSW to implement any investment recommendations. The Advisor attempts to mitigate the conflict of interest by requiring employees to acknowledge in the firm's Code of Ethics, their individual fiduciary duty to the clients of the Advisor, which requires that employees put the interests of clients ahead of their own.

### **Insurance Agency Affiliations**

Certain employees of TSW are also licensed insurance professionals. This activity is done separate and apart from their role with the Advisor. As insurance professionals, employees of TSW may receive customary commissions and other related revenues from the various insurance companies whose products are sold.

Commissions generated by insurance sales do not offset financial planning fees paid to TSW. This may cause a conflict of interest in recommending certain products of the insurance companies. The Advisor attempts to mitigate the conflict of interest by requiring employees to acknowledge in the firm's Code of Ethics, their

individual fiduciary duty to the clients of the Advisor, which requires that employees put the interests of clients ahead of their own. Clients are under no obligation to implement any recommendations made these professionals or the Advisor. Employees of TSW spend less than 1% of their business time on this activity.

D. TSW does not select or recommend other advisers for indirect or direct compensation.

## **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

### **A. CODE OF ETHICS**

TSW has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with TSW. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. TSW and its personnel owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of TSW associates to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that may include; general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV and supervisory procedures. TSW has written its Code of Ethics to meet and exceed regulatory standards. To request a copy of our Code of Ethics, please contact us at (508) 655-9303.

### **B. PERSONAL TRADING AND CONFLICTS OF INTEREST**

TSW allows our employees to purchase or sell the same securities that may be recommended to Clients. Owning the same securities we recommend to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures.

TSW has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of TSW's "Access Persons." TSW's securities transaction policy requires that an Access Person of TSW must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date TSW selects.

We have also adopted written policies and procedures to detect the misuse of material, non-public information. We may have an interest or position in certain securities, which may also be recommended to you.

**At no time, will TSW or any associated person of TSW, transact in any security to the detriment of any client. In every situation, clients' needs are considered first and the securities are widely held and publicly traded.**

## **Item 12 – Brokerage Practices**

### **Brokerage Practices**

In the event that the client requests that TSW recommend a broker-dealer/custodian for execution and/or

custodial services, TSW generally recommends that brokerage investment advisory accounts be maintained at Charles Schwab & Co., Inc. ("Schwab"). Prior to engaging TSW to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with TSW setting forth the terms and conditions under which TSW shall advise on the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that TSW considers in recommending Schwab (or any other broker-dealer/custodian to clients) include historical relationship with TSW, financial strength, reputation, execution capabilities, pricing, research, and service. Although the transaction fees paid by TSW's clients shall comply with TSW's duty to obtain best execution, a client may pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where TSW determines, in good faith, that the transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, transaction rates, and responsiveness. Accordingly, although TSW will seek competitive rates, it may not necessarily obtain the lowest possible rates for client account transactions. Unless services are provided in conjunction with a wrap program, transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, TSW's investment advisory fee. Broker-dealer/custodian fees are exclusive of, and in addition to, TSW's investment management fee. TSW's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

#### **Non-Soft Dollar Research and Benefits**

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, TSW can receive from Schwab (or another broker-dealer/custodian, investment manager, platform or fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist TSW to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by TSW can be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support including client events, computer hardware and/or software and/or other products used by TSW in furtherance of its investment advisory business operations.

Certain of the above support services and/or products assist TSW in managing and administering client accounts. Others do not directly provide such assistance, but rather assist TSW to manage and further develop its business enterprise.

TSW's clients do not pay more for investment transactions effected and/or assets maintained at Schwab as a result of this arrangement. There is no corresponding commitment made by TSW to Schwab, or any other any entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

**ANY QUESTIONS: TSW's Chief Compliance Officer, Terry Wells, remains available to address any questions that a client or prospective client may have regarding the above arrangement and the corresponding conflict of interest presented by such arrangement.**

### **Directed Brokerage**

The Firm recommends that its clients utilize the brokerage and custodial services provided by Schwab. The Firm generally does not accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Firm will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Firm. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. **Please Note:** In the event that the client directs Firm to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Firm. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

### **Order Aggregation**

Transactions for each client account generally will be effected independently, unless Firm decides to purchase or sell the same securities for several clients at approximately the same time. Firm may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Firm's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Firm shall not receive any additional compensation or remuneration as a result of such aggregation.

## **Item 13 – Review of Accounts**

### **A. FREQUENCY OF REVIEWS**

Investment accounts are monitored on a regular and continuous basis by the principals of the firm. Formal reviews are generally conducted at least annually or more or less frequently depending on the needs of the Client. If a Client wishes to engage the Advisor for an additional or ongoing review of their financial plan, each review may require a new financial planning agreement.

### **B. CAUSES FOR REVIEWS**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify TSW if changes occur in his/her personal financial situation. There are no specific intervals or events that will result in an automatic review by the Advisor, except as may be agreed with a particular Client.

### **C. REVIEW REPORTS**

The Client will receive brokerage statements no less than quarterly from the trustee or custodian, if applicable. These brokerage statements are sent directly from the custodian to the Client. The Client may also establish electronic access



to the custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. TSW may also provide a written periodic report summarizing account activity and performance.

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

##### A. COMPENSATION RECEIVED BY TSW

As indicated at Item 12 above, TSW can receive from Schwab without cost (and/or at a discount), support services and/or products. TSW's clients do not pay more for investment transactions effected and/or assets maintained at Schwab as result of this arrangement. There is no corresponding commitment made by TSW to Schwab, or to any other entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement. **ANY QUESTIONS: TSW's Chief Compliance Officer, Terry Wells, remains available to address any questions that a client or prospective client may have regarding the above arrangement and the corresponding conflict of interest presented by such arrangement.**

##### B. CLIENT REFERRALS FROM SOLICITORS

TSW does not compensate individuals or entities for prospective client introductions.

#### Item 15 – Custody

TSW shall have the ability to deduct its advisory fee from the client's custodial account on a quarterly basis. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from the custodian (i.e., Schwab, etc.) at least quarterly. **Please Note:** To the extent that TSW provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by TSW with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of TSW's advisory fee calculation.

**Please Also Note: Custody Situations:** TSW engages in other practices and/or services on behalf of its clients that require disclosure at ADV Part 1, Item 9, but which practices and/or services **are not** subject to an annual surprise CPA examination in accordance with the guidance provided in the SEC's February 21, 2017 Investment Adviser Association No-Action Letter.

#### Item 16 – Investment Discretion

TSW generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by TSW. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by TSW will be in accordance with each client's investment objectives and goals, and Clients may place reasonable restrictions on the Advisor's discretionary authority.

#### Item 17 – Voting Client Securities

A. TSW does not vote client proxies. 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.

**B.** Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact TSW to discuss any questions they may have with a particular solicitation.

**ANY QUESTIONS: TSW's Chief Compliance Officer, Terry Wells, remains available to address any questions regarding this Part 2A.**

From time to time, shareholders of stocks, mutual funds, exchange traded funds or other securities may be permitted to vote on various types of corporate actions. Examples of these actions include mergers, tender offers, or board elections. Clients are required to vote proxies related to their investments, or to choose not to vote their proxies. TSW will not accept authority to vote client securities. Clients will receive their proxies directly from the custodian for the client account. TSW will not give clients advice on how to vote proxies.

## **Item 18 – Financial Information**

Neither TSW, nor its management has any adverse financial situations that would reasonably impair the ability of TSW to meet all obligations to its Clients. Neither TSW, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. TSW is not required to deliver a balance sheet along with this Brochure as the firm does not collect advance fees for services to be performed six months or more in advance.