



## **Bulltick Wealth Management, LLC**

### **Form ADV Part 2A, Appendix 1 Wrap Fee Program Brochure**

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This wrap fee brochure provides information about the qualifications and business practices of Bulltick Wealth Management, LLC (hereinafter "BWM" or the "Adviser"). If you have any questions about the contents of this brochure, please contact us at 305-533-1541 and/or [compliance@bulltick.com](mailto:compliance@bulltick.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about BWM is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number known as a CRD number. BWM's CRD number is 141588.

BWM is an SEC registered investment adviser. Registration of an investment adviser does not imply that we hold a specific level of skill or training.



## **Item 2 – Material Changes to Part 2A Appendix 1**

This version of Part 2A, Appendix 1 of Form ADV (“Wrap Fee Brochure”), is BWM’s annual Wrap Fee Brochure document. It contains information about our wrap fee program along with our business practices and a description of potential conflicts of interest relating to our advisory business which could affect client accounts with us. We are providing this material in accordance with Rule 204-3 of the Investment Advisers Act of 1940 (the “Advisers Act”), which requires a registered investment adviser to provide a written disclosure statement upon entering into an advisory relationship.

There are no material changes to note at the time. We will provide a new version of the Wrap Fee Brochure as necessary when updates or new information are added, at any time, without charge. Request a complete copy of our Wrap Fee Brochure, by contacting us by telephone at 305-533-1541 or by email at: [compliance@bulltick.com](mailto:compliance@bulltick.com).



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## **Item 4 –Services, Fees & Compensation**

BWM was founded in November 2006 and registered with the SEC in May 2008. BWM is a wholly owned subsidiary of Bulltick Capital Markets Holdings LLC, a holding company that also owns Bulltick, LLC (“BLLC”), an SEC registered, FINRA member broker-dealer and Bulltick Insurance Agency, an insurance agency registered with the State of Florida.

BWM serves as the sponsor and investment manager of the BWM Wrap Fee Program (the “Wrap Program”). A wrap fee program is a common alternative to a typical advisory fee structure in which you pay a single “wrapped” fee for both investment advisory and brokerage execution services. You do not pay separately for commissions (markups/markdowns) for each trade we execute in this type of account. Instead, we incur the cost of executing securities transactions.

This Wrap Fee Brochure is meant to help you understand the nature of the advisory services offered by BWM through the Wrap Program, whether the Wrap Program offered by BWM is right for you, and the potential conflicts of interest associated with client participation in the Wrap Program. As used in this brochure, the words “we”, “our” and “us” refer to BWM and the words “you”, “your” and “client” refer to you as a client or prospective client of BWM. You may also see the term “Associated Person” throughout this brochure. Our Associated Persons are BWM’s officers, employees and all individuals providing investment advice on behalf of BWM.

### **Services**

The Wrap Program offers you the opportunity to select internal institutional fixed income portfolio managers (“Program Managers”) to individually manage and develop certain investment portfolio recommendations within your designated account. Once selected, the Program Managers will effect portfolio trades in the account on a discretionary basis according to your stated investment profile, retaining investment discretion over the entire strategy and your assets. Under this Wrap Program, you pay a single fee for discretionary investment management services and trade execution costs (for trades executed through BWM’s affiliate, see below).

This Wrap Program offers you an investment solution that allows Program Managers to tactically invest the account’s assets into a predefined investment discipline. Unlike an investment in a private fund, the Wrap Program provides you the ability to directly own the portfolio securities and segregate your assets from other investors.

The Wrap Program is made available based on the Program Managers’ investment philosophy, investment strategies, and portfolio construction consistent with your investment objectives, and our overall belief that participation of the Program Managers will provide you with access to high quality investment management.

BWM considers your investment goals and needs when recommending the Wrap Program. Your investment adviser representative (“Representative”) will collect information regarding your risk tolerance, financial situation, investment objective(s), and investment time horizon and other factors, as well as any reasonable investment restrictions, that will assist the Representative in determining an appropriate investment profile tailored to meet your current needs.



After defining your appropriate investment profile, the investment strategy is chosen by the Representative and implemented by the Program Managers. BWM, and the Program Managers rely on the financial and other information provided by you, which you agree to inform the Representative of any material change in the information provided in the investment profile or in your financial circumstances that might affect the manner in which your assets are invested.

Your account is overseen by the Representative, and changes in your investment profile may result in your investment strategy being revised by the Representative, from time to time.

Prior to receiving services through the Wrap Program, you are required to enter into a Wrap Fee Program Agreement (the "Agreement") with BWM setting forth the relevant terms and conditions of the advisory relationship. The Agreement will grant BWM discretionary authority to manage your account. This authorization includes deciding which securities to buy and sell, when to buy and sell, and in what amounts, in accordance with your investment profile, without obtaining your prior consent or approval for each transaction. You may impose reasonable investment restrictions in the Wrap Program by written notification to and acceptance by BWM.

By entering into the Agreement with BWM, you authorize and direct our affiliate broker-dealer, BLLC to place all trades in your account as introducing broker. BLLC's procedures are designed to make every attempt to obtain the best execution possible, although there can be no assurance that it can be obtained. You should understand that the appointment of BLLC as the sole introducing broker for your account under the Wrap Program may result in disadvantages to you as a possible result of less favorable executions than may be available through the use of a different broker-dealer. Once you agree to open your account through BLLC, the custody of your assets will be through Pershing, LLC, a wholly-owned subsidiary of BNY Mellon, and one of the largest investment custodians and clearing firms in the world.

BWM offers both the Wrap Program as well as investment advisory services in a non-wrap account. The core strategies utilized by the Program Managers for the Wrap Program may be similar to or may vary widely from the strategies typically utilized by BWM for its non-wrap accounts. However, the investment portfolios created for the Wrap Program are not available to clients outside the Wrap Program.

In addition, BWM also provides investment consultation services to clients, family office investment advisory services as well as furnishing advice to clients on matters not involving securities, such as financial planning matters, retirement planning, real estate planning, and trust services that often include estate planning and educational services. These additional services would carry separate fees and are detailed in BWM's Firm Brochure.

## **Fees and Compensation**

The Wrap Program is provided for a bundled fee based upon the percentage of assets under management (the "Wrap Fee"). The Wrap Fee covers investment management services and execution of transactions through BLLC. The Fee is billed in arrears at the end of each calendar quarter (or month) and will be deducted directly from the client's custodial account. The quarterly (or monthly) Wrap Fee is based upon the market value of all assets held within the client's account on the last day of the previous calendar quarter (month) and is applied by dividing the number of days in the calendar year multiplied by the number of days in the billing period. The market value of assets is based on



information received from Pershing LLC.

BWM utilizes a component-based pricing framework in which the sub-components of the Wrap Fee (referred to as “fee components”) are separately itemized.

The fee components include both (i) a negotiable Advisory Fee from 0.50% to a maximum annual rate of 1.75%; and (ii) a non-negotiable Program Fee from 0.30% to a maximum annual rate of 0.60%. The fee components will vary based on factors such as, but not necessarily limited to, account size, relationship size, investment strategy and services. However, the total Wrap Fee will not exceed 2.35% per annum. The fee components will be set forth and described in the Agreement.

**Advisory Fee:** The Advisory Fee rate is negotiated between you and the Representative and covers services such as asset allocation, advisory service due diligence and oversight, investment strategy selection, account review and reporting including client statements and services provided by the Representative for your Account. The Advisory Fee is shared with the Representative.

**Program Fee:** The Program Fee rate is non-negotiable and represents the portion of your total Wrap Fee that is allocated to cover your investment in the Wrap Program, including but not limited to, portfolio construction, investment recommendation and selection including applicable investment product due diligence, and execution of transaction. The Program Fee is credited directly to the Program Managers’ division and your Representative does not receive any portion of this Fee.

The Wrap Program begins on the effective date of the Agreement. The client may be charged a prorated fee in the event that the client's service is initiated or terminated on a day other than the first or last day of a calendar quarter (or month). In that event, the prorated fee will be due and payable upon the end of quarter (or month) or the termination of the service, whichever occurs earlier. Fees may be amended by BWM upon thirty (30) days’ written notice to the client.

Clients have the right of termination without penalty or payment of fees within five (5) business days of entering into an agreement with BWM. If any payment has been made, such payment shall be refunded in its entirety. Thereafter, the client's agreement may be terminated either by the client upon written notice to BWM or by BWM upon thirty (30) days’ written notice to the client in which case any fees incurred through the effective termination date will be assessed and collected.

The benefits under a wrap fee program depend, in part, upon the size of the account, the management fee charged, amount of turnover, type and quantities of securities purchased or sold, and commission rates likely to be generated in the client account. For example, a wrap fee program may not be suitable for accounts with little trading activity. In order to evaluate whether a wrap fee program is suitable for you, you should compare the Wrap Fee and any other costs of the Wrap Program with the amounts that would be charged by other advisers, broker-dealers, and custodians for advisory fees, brokerage and other execution costs, and custodial services comparable to those provided under the Wrap Program. BWM encourages clients to review BLLC’s pricing to compare the total costs of entering into a wrap fee arrangement versus a non-wrap fee arrangement.

If you choose to enter into a wrap fee arrangement, your total cost to invest could exceed the cost of paying for brokerage and advisory services separately. Wrap Fees paid for the Wrap Program may also be higher or lower than fees charged by other sponsors of comparable investment advisory programs.



## **Additional Fees**

Although BWM does not anticipate utilizing ETFs and Mutual Funds within the Wrap Program, the Wrap Fees you pay to BWM are separate and distinct from the fees and expenses imposed directly by a mutual fund, index fund, or exchange traded fund ("ETF") which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses). In particular, mutual funds and certain ETFs typically include embedded expenses that may reduce the fund's net asset value, and therefore may directly affect the fund's performance and indirectly affect client portfolio performances or an index benchmark comparison. Expenses of a mutual fund or ETF may include management fees, custodian fees, brokerage commissions and legal and accounting fees. These expenses may change from time to time at the sole discretion of the issuers. To the extent your portfolio has investments in mutual funds or ETFs, you may pay two levels of advisory fees for the management of your assets: one directly to BWM and the other indirectly to the manager(s) of the mutual funds and ETFs held in your portfolios.

In addition, you may incur certain incidental service fees by the custodian, brokers and other third parties for special services such as bank wires, transfer of securities between accounts, exchange fees, electronic funds fees, and other service fees or taxes. You may obtain a complete list of these service fees and taxes from BWM upon request. These fees will be automatically debited from your account by the custodian. These fees are not included within the Wrap Fee you are charged by BWM and BWM does not receive any compensation of any kind for these additional fees. Bulltick, LLC, the affiliated broker-dealer, may be compensated in some of these fees.

While BWM does not anticipate "trading away", the Wrap Fees you pay will not include trading costs if we place orders with broker-dealers other than BLLC. Third-party broker-dealers will charge mark-ups or mark-downs to the price of the bonds that are in addition to the Wrap Fee. You may not get the full benefit of your Wrap Fee if we trade away from BLLC. In some instances, these services may be obtained at a lower aggregate cost if purchased separately.

BWM does not charge you higher or lower advisory fees based on trading activity within your account, although we may have an incentive to limit our trading activities due to transaction costs attributed to management of your portfolio. The Program Managers may also be incented to limit trading activities because they receive a lesser component of the total Wrap Fee. In connection with the Wrap Program, Program Managers may utilize an investment strategy that generally seeks investments that are long term in nature with a buy and hold bias. Due to the nature of these strategies, investments in accounts could incur low turnover. However, you continue to pay the Wrap Fee regardless of the number of transactions incurred in the account. You should also be aware that services similar or comparable to those provided to them might be available to you at a lower aggregate cost elsewhere on an "unbundled" basis.

Clients will continue to pay advisory, transactional, clearing and custodial fees in connection with any non-wrap account you may have with BWM pursuant to a separate Investment Advisory Agreement. See BWM Form ADV Part 2A, Firm Brochure for further detail.

## **Compensation to Others**

A portion of the Wrap Fee paid to BWM is used to cover the securities brokerage commissions and



transactional costs attributed to the management of client portfolios. BWM Associated Persons may receive a portion of the Advisory Fee, either directly as a percentage of your overall fee or as their salary from BWM. In cases where BWM Associated Persons are paid a percentage of your overall Advisory Fee, this may create an incentive to recommend that you participate in our Wrap Program. However, the fee components are designed so that compensation to your Representative will not be more than what the Representative would receive if you participated in other programs available through BWM or paid separately for investment advice, brokerage, and other services.

## **Item 5 – Account Requirements & Types of Clients**

### **Account Requirements**

When subscribing to the Wrap Program, generally, the minimum account value is \$2,000,000 and additional account deposits will typically be at least \$500,000. In some situations, account minimums may be less, as negotiated between the client and BWM.

### **Types of Clients**

BWM provides the Wrap Program primarily to international high net worth individuals, trusts, and corporations.

## **Item 6 – Portfolio Manager Selection and Evaluation**

BWM has established guidelines with respect to the standards necessary to manage the Wrap Program, which generally include but are not limited to, the following:

- Registered as an investment adviser representative;
- 15 years of experience in the securities industry;
- Certain minimum commissions/fees earned and client assets in the prior twelve months’;
- No significant customer complaints or disciplinary action against the Program Manager; and
- Certain relevant industry professional designations may be applicable

BWM retains the right to determine the Program Manager qualifications for the Wrap Program, regardless of whether they meet all of the aforementioned guidelines.

### **Investment Strategies, Method of Analysis and Risk of Loss**

BWM is the sponsor and sole portfolio manager for the Wrap Program providing continuous investment advisory services to client portfolios. Upon client’s selection of the Wrap Program, BWM will invest and reinvest the client’s assets based on each client’s individual investment objectives within the framework of the Wrap Program’s investment approach (described below). This will be done without regard to holding period, portfolio turnover or resulting gain or loss.

The Program Managers seek to achieve capital appreciation and income, while generating alpha through security selection of US & Latam corporate and sovereign dollar denominated bonds. The Wrap Program includes a long only strategy, with a medium-term investment horizon through





diversification at the portfolio level, and solid fundamentals and technical analysis at the security level. Your portfolio is monitored to adjust and rebalance when securities appear to be disproportionately mispriced. The Wrap Program also includes an opportunistic strategy, with a short-medium term investment horizon, which seeks to profit opportunistically from fundamental themes, inefficiencies and dislocation throughout the fixed income universe.

BWM's Program Managers may use the following methods of analysis when managing client assets for the Wrap Program:

Fundamental and technical analysis on all securities recommended or invested for client accounts. This analysis varies depending on the security in question but will include an evaluation of an issuer's fundamental financial condition and competitive position. BWM generally analyzes the financial condition, capabilities of management, earnings capacity, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific company information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that BWM will be able to accurately predict such a reoccurrence.

The investment process begins looking at the constraints of a benchmark index. Within these constraints we proceed with country outlook, sector analysis and finally a specific company due diligence. With top down analysis, we identify macroeconomic opportunities based on factors such as yield, credit rating, liquidity, relative value, fundamentals and market flow. We then build different scenarios (positive and negative) that combined with analysis of daily news and shifts in market trends, uncover investment opportunities and undervalued segments of the USA & Latam fixed income market.

All investments bear different types and degrees of risk and investing in securities involves risk of loss (including loss of principal) that clients should be prepared to bear. No investment strategy can protect against risk of loss. The Program Managers use various investment techniques and strategies to try to control risk in the portfolios they manage. Still, some investments have significantly greater risks than others. Obtaining higher rates of return on investments entails accepting higher levels of risk. Recommended investment strategies seek to balance risks and rewards to achieve investment objectives. Clients need to ask questions about risks they do not understand.

Ultimately, however, there is no guarantee that your investments will not lose money. Clients should understand that they could lose some, or, all their investment, and should be prepared to bear the risk of such potential losses.

We strive to render our best judgment on behalf of our clients. Still, we cannot assure or guarantee your investments will be profitable or assure that no losses will occur in an investment portfolio. Past performance is an important consideration with respect to any investment or investment adviser, but is not a reliable predictor of future performance. The material risks of investing in the Wrap Program



include:

- **Reliance on Program Managers:** The Wrap Program is new and consequently has no history upon which clients can evaluate. The Wrap Program is managed by the Program Managers, and its success will depend, in large part, on their skill and expertise. A portfolio's performance will reflect in part on their ability to implement their investment strategy and make investment decisions which are suited to achieve a portfolio's investment objective. A strategy used by the Portfolio Managers may fail to produce the intended results or underperform its benchmark. The Program Managers of the Wrap Program have no performance history with the Wrap Program. While the Program Managers have over 15 years' experience with fixed income institutional trading in US and Latam markets, the Program Managers have no previous advisory experience.
- **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.
- **Call Risk:** Bonds may be redeemed ("called") at the option of the issuer before their stated maturity date. In general, an issuer will call its bonds if they can be refinanced by issuing new bonds which bear a lower interest rate. A portfolio may then be forced to invest the unanticipated proceeds at lower interest rates, resulting in a decline in a portfolio's income.
- **Credit Risk:** An issuer or guarantor of a fixed-income security, or the counterparty to a derivatives or other contract, may be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor may default causing a loss of the full principal amount of a security. The degree of risk for a particular security may be reflected in its credit rating. There is the possibility that the credit rating of a fixed-income security may be downgraded after purchase, which may adversely affect the value of the security.
- **Short Term Purchases:** Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.
- **Risk of Wider Spreads:** Spread refers to the difference in best buy price and best sell price. It represents the differential between the price of buying a security and immediately selling it or vice versa. Lower liquidity and higher volatility may result in wider than normal spreads for less liquid or illiquid securities. This in turn will hamper better price formation.
- **Concentration Risk:** Concentrating investments in a single country, region, market, and industry or asset class means that performance will be more susceptible to loss due to adverse occurrences affecting that country, region, market, and industry or asset class.
- **Non-Diversification Risk:** Non-Diversification of investments means a portfolio may invest a large percentage of its assets in securities issued by or representing a small number of issuers. As a result, the portfolio's performance may depend on the performance of a small number of issuers.



- **Market Risk:** The price of a security may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Management Risk:** Your portfolio is subject to management risk because it is actively managed by our investment professional, who may have responsibilities for more than one strategy. We will apply our investment techniques and risk analyses in making investment decisions for your portfolio, but there is no guarantee that these techniques and our judgments will produce the intended results.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Tax Considerations:** Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.
- **Investment Company and Exchange Traded Fund Risk:** An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual



funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss. Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV. Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

- **Bank Obligations:** Banks and other financial institutions are highly dependent on short-term interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations. Certain bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry.
- **Corporate Bonds:** Corporate bonds may incur greater risk than government bonds, as corporate bonds are generally financed by a business or corporation and may be subject to loss of part or total value in the event of an issuer's bankruptcy or restructuring.
- **Foreign (Non-US) Securities:** Investments in securities of non-U.S. issuers may involve more risk than those of U.S. issuers. These risks include currency exchange rates and policies, country or government specific issues, less favorable trading practices or regulations, and greater price volatility.
- **High yield debt securities** (commonly known as "junk bonds") are generally considered speculative because they may be subject to greater levels of interest rate, credit (including issuer default), and liquidity risk than investment grade securities, and may be subject to greater volatility. High yield, lower rated securities involve greater price volatility and present greater risks than higher rated fixed income securities. High yield securities are rated lower than investment grade securities because there is a greater possibility that the issuer may be unable to make interest and principal payments on those securities.
- **Municipal Bond Risk:** Municipal securities issuers may face local economic or business conditions (including bankruptcy) and litigation, legislation or other political events that could have a significant effect on the ability of the municipality to make payments on the interest or principal of its municipal bonds. In addition, because municipalities issue municipal securities to finance similar types of projects, such as education, healthcare, transportation, infrastructure and utility projects, conditions in those sectors can affect the overall municipal bond market. Furthermore, changes in the financial condition of one municipality may affect the overall municipal bond market. The



municipal obligations in which clients invest will be subject to credit risk, market risk, interest rate risk, credit spread risk, selection risk, call and redemption risk and tax risk, and the occurrence of any one of these risks may materially and adversely affect the value of the client's assets or profits.

- **Valuation Risk:** The portfolio may hold securities for which prices from pricing services may be unavailable or are deemed unreliable. There is a risk that the fair value determined by the custodian or may be different than the actual sale prices of such securities.
- **Disease Outbreak Risk and Recent Market Events:** Disease outbreaks that affect local economies or the global economy may have material and adverse impacts on a portfolio's investments. Outbreaks such as COVID-19 can be expected to cause severe decreases in business activities throughout the economy. These disruptions lead to instability in the marketplace, including stock market losses and overall volatility, which has and continues to occur in connection with COVID-19. Governments may take extreme and unpredictable measures in order to combat the spread of disease and mitigate the resulting market disruptions and losses. During an outbreak, there can be no assurance that BWM or any portfolio company or issuer will be able to maintain normal business operations or will not lose the services of key personnel or service providers on a temporary or long-term basis due to illness or other related reasons. The disruptions that have recently occurred and continue to occur in connection with COVID-19 will also exacerbate other pre-existing political, social and economic risks in certain countries. The full impacts of disease outbreaks are unknown, resulting in a high degree of uncertainty for potentially extended periods of time.

While this information provides a synopsis of the events that may affect your portfolio, there are many other circumstances not described here that could adversely affect your investments and prevent your portfolio from reaching its objective.

### **Side-By-Side Management**

Performance-based fee arrangements create an incentive to recommend investments which are riskier or more speculative than those which would be recommended under a different fee arrangement. Managing clients that are charged performance-based compensation may create an incentive to favor the clients for which it receives performance-based compensation over clients for which it receives only asset-based fee or other non-performance-based compensation.

Neither BWM nor any of its Associated Persons accept performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) in connection with the Wrap Program.

The Program Managers and Representatives for the Wrap Program do not have other accounts that pay performance-based fees. As such, they are not involved in side by side management.

However, the Program Managers are also registered as representatives of BLLC and service institutional clients of BLLC. The Program Managers may have an incentive to give preferential treatment to non-advisory clients of BLLC in allocating new investment opportunities. In addition, the Program Managers' receipt of transaction-based compensation from BLLC may provide an incentive for the Program Managers to devote more time to their non-advisory clients.

### **Voting of Client Securities**



Recognizing that proxy voting is a rare event in the realm of fixed income investing and is typically limited to solicitation of consent to changes in features of debt securities, as a matter of firm policy and practice, BWM does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. BWM may provide advice to clients regarding the clients' voting of proxies.

BWM is not able to advise or act on clients' behalf in legal proceedings and, therefore, accepts no responsibility with respect to class actions or bankruptcies, involving securities purchased or held in client accounts. BWM cannot render advice with respect to a securities class action, advise clients as to their eligibility as class members, undertake to obtain information concerning such an action for clients, or assist clients in obtaining, completing, or filing forms relating to such an action. Clients should seek legal advice from their attorney for all class actions.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

#### **Item 7 – Client Information Provided to Portfolio Managers**

BWM acts as the sponsor and portfolio manager to the Wrap Program. The Program Managers will be privy to the client's investment goals and objectives, financial situation, risk tolerance, time horizon, restrictions placed on the management of the account(s) and relevant client notes taken by the Representative. Please see our Privacy Policy for more information on how we utilize client information.

#### **Item 8 – Client Contact With Portfolio Managers**

Clients may contact and communicate with the Program Managers, but generally do so through their Representative. Clients may contact BWM, and Representatives, at any time during normal business hours to discuss management of their accounts in the Wrap Program, their financial situation and investment objectives.

#### **Item 9 – Additional Information**

##### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of BWM or the integrity of BWM's management. BWM has no legal or disciplinary events that we believe to be material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Information about BWM and its holding company Bulltick Capital Markets, LLC is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Furthermore, any disciplinary information about our affiliated broker-dealer (BLLC) is available via FINRA's web site (Broker Check) <https://brokercheck.finra.org/>.

##### **Other Financial Industry Activities and Affiliations**





BWM and its management persons are not registered or associated with the Commodity Futures Trading Commission ("CFTC") as a futures commission merchant ("FCM"), a commodity pool operator ("CPO") or a commodity trading advisor ("CTA") or an Associated Person of the foregoing entities.

BWM does have an arrangement material to its business with BLLC, a registered broker/dealer that is under common control with BWM. Several of BWM's management or Associated Persons are registered and associated with BLLC as registered representatives and licensed insurance agents, which allows them to offer brokerage and insurance products and services to clients.

Implementations of insurance recommendations are separate and apart from one's role with BWM. As an insurance professional, Associated Persons 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 regular advisory fees. Our Associated Persons will fully disclose a conflict of interest if and when it arises.

Representatives and Program Managers may be registered representatives of BLLC, they may divide their time between broker-dealer activities and advisory activities and have responsibilities to both BWM advisory clients and BLLC brokerage clients. Depending on your Representative's individual business mix and client base, they may spend more or less time devoted to broker-dealer activities than other Representatives. In addition to broker-dealer activities and responsibilities, your Representative may also be engaged in one or more outside business activities. These outside activities may or may not be related to the financial industry. Your Representative will provide you with a copy of their Form ADV Part 2B brochure supplement, which describes their business background and outside business activities.

## **Code of Ethics**

BWM has adopted a Code of Ethics, which governs personal trading by its principals, employees and related accounts ("Employees"). Employees are permitted to maintain personal securities accounts provided that such accounts are disclosed to BWM and that any personal trading is consistent with applicable law and BWM's Code of Ethics.

The Code of Ethics contains policies and procedures that, among other things:

- Prohibit employees from taking personal advantage of opportunities belonging to clients;
- Prohibit trading on the basis of material nonpublic information;
- Place reporting obligations on personal trading by employees;
- Require initial and annual reports of securities holdings and monthly transaction reports by employees.

Subject to compliance with the Code of Ethics, employees may buy, sell, or hold, for their own personal trading accounts, certain securities that BWM may also buy, sell, or hold for clients. On certain occasions, Employees' personal investment activity of securities held or traded by the clients may be different to that of clients' due to, among other factors, differences in account investment horizons and risk profiles. Additionally, employees must obtain prior written approval from the Chief Compliance Officer before



investing in initial public offerings (“IPOs”) or limited offerings (i.e., private placements). In the event the Chief Compliance Officer wishes to purchase IPOs or the securities of a private placement for his/her own employee account, the Chief Compliance Officer must obtain prior written approval from the CEO of BWM.

## **Reporting Violations**

All Associated Persons are required to report actual or known violations or suspected violations of BWM’s Code of Ethics promptly to the Chief Compliance Officer or his designee. Any report of a violation or suspected violation of the Code will be treated as confidential to the extent permitted by law. As part of Adviser’s obligations to conduct an annual review of all of its policies and procedures pursuant to Rule 206(4)-7 of the Advisers Act, the Chief Compliance Officer shall review on an annual basis the adequacy of the Code and the effectiveness of its implementation. BWM’s Code of Ethics is available upon request.

## **Trading Alongside by Adviser and its Personnel**

Client accounts managed by BWM may trade in the same or similar securities at or about the same time as accounts managed or advised by affiliates of BWM. Investments by BWM’s affiliates and their clients may have the effect of diluting or otherwise disadvantaging the values, prices, or investment strategies of a client’s account, particularly in small capitalization, emerging market, or less liquid strategies. This may occur when portfolio decisions regarding a client’s account are based on research or other information that is also used to support portfolio decisions for BWM’s affiliates. If a portfolio decision or strategy for BWM’s affiliates’ accounts or the accounts of clients of affiliates is implemented ahead of, or contemporaneously with, similar portfolio decisions or strategies for BWM’s client’s account, market impact, liquidity constraints, or other factors could result in the BWM’s client’s account receiving less favorable trading results and the costs of implementing such portfolio decisions or strategies could be increased.

Furthermore, it is BWM’s policy that acknowledgment from Compliance is required to effect any principal or agency cross securities transactions. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client against its own inventory/portfolio. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. BWM executes fixed income transactions with BLLC on a riskless principal basis wherein BLLC may charge up to 50 basis points per transaction. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. Such transactions shall be conducted in compliance with regulatory requirements (i.e., disclosures and client consent, as applicable).

## **Review of Accounts**

Accounts are reviewed periodically, and at least annually, by BWM Representatives. In addition, clients may request a comprehensive review of their advisory account(s) upon the occurrence of any agreed-





upon triggering event(s). BWM's Representatives regularly monitor market and economic activity for potential impact on client accounts.

### **Client Referrals and Other Compensation**

BWM may compensate third parties for the referral of prospective advisory clients. Such referral fees will generally be a percentage of the annual fees and/or other compensation earned by BWM or such other amount such as a fixed amount. In addition, BWM receives referral fees from third parties to whom BWM refers clients. Solicitation arrangements inherently give rise to potential conflicts of interest because the solicitor is receiving an economic benefit for the recommendation of advisory services. Rule 206(4)-3 of the Advisors Act (the "Cash Solicitation Rule") addresses this conflict of interest by requiring advisers who pay third party solicitors to enter into agreements requiring the solicitors to make certain disclosures to solicited potential Clients. In accordance with the Cash Solicitation Rule, BWM requires third party solicitors who introduce potential Clients to us to provide the potential Client with a copy of this disclosure brochure and a copy of the solicitors' disclosure statement which explains that the solicitor will be compensated for the referral and contains the terms and conditions of the solicitation arrangement, including the compensation the solicitor is to receive.

Certain Associated Persons and/or management personnel of the Adviser may also be employed as registered representatives with BLLC. In this capacity, they may facilitate the purchase and/or sale of securities, and other investment products for their clients, who may or may not have an advisory fee agreement with BWM. BWM Representatives may receive compensation for these non-advisory services that they may provide. Such compensation would be in addition to the advisory and other fees they may receive.

### **Financial Information**

BWM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. Also, BWM has not been the subject of a bankruptcy proceeding.