



WESPAC Advisors, LLC  
4 Orinda Way, Suite 100-B  
Orinda, CA 94563  
(800) 535-4253  
(510) 287-5255  
[www.wespac.net](http://www.wespac.net)

March 29, 2021

This brochure provides information about the qualifications and business practices of WESPAC Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at one of the numbers listed above and/or send a message to [advisors@wespac.net](mailto:advisors@wespac.net). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

WESPAC is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training.

Additional information about WESPAC Advisors, LLC also is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). The searchable CRD number for WESPAC Advisors, LLC is 148242.

---

## Item 2 - Material Changes

SEC-registered investment advisers are required to provide their clients with a summary of any material changes to their Form ADV 2A brochure (“Brochure”) since their last annual updating amendment and offer to provide the entire Brochure free of charge.

Since our 2019 annual updating amendment, the only material change is that after many years headquartered in Oakland, we have moved our main office to Orinda, CA.

There are other minor, nonmaterial changes throughout the Brochure. Clients are encouraged to review the Brochure in its entirety. Client can obtain a copy of our Brochure at any time, free of charge, by contacting us at [advisors@wespac.net](mailto:advisors@wespac.net) or by telephone at (800) 535-4253.

---

### Item 3 - Table of Contents

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

---

#### Item 4 - Advisory Business

A. WESPAC ADVISORS is part of the Focus Financial Partners, LLC (“Focus LLC”) partnership. Specifically, we are a wholly owned subsidiary of Focus Operating, LLC (“Focus Operating”), which is a wholly owned subsidiary of Focus LLC. Focus Financial Partners Inc. (“Focus Inc.”) is the sole managing member of Focus LLC and is a public company traded on the NASDAQ Global Select Market. Focus Inc. owns approximately two-thirds of the economic interests in Focus LLC.

Focus Inc. has no single 25% or greater shareholder. Focus Inc. is the managing member of Focus LLC and has 100% of its governance rights. Accordingly, all governance is through the voting rights and Board at Focus Inc. As of the end of 2019, investment vehicles affiliated with Stone Point Capital, LLC (“Stone Point”) had a greater than 25% voting interest in Focus Inc., and Stone Point had the right to designate two of seven directors on the Focus Inc. Board. As of the end of 2019, investment vehicles affiliated with Kohlberg Kravis Roberts & Co. L.P. (“KKR”) had a less than 25% voting interest in Focus Inc., and KKR had the right to designate one of seven directors on the Focus Inc. Board.

Focus LLC also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, business managers and other firms (the “Focus Partners”), most of which provide wealth management, benefit consulting and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Form ADVs.

B. We have two primary lines of business: providing investment advisory and fiduciary oversight services to participant-directed retirement plans, and providing investment management services to high net worth clients in separately managed accounts. Services may be customized depending on the client’s needs.

We provide investment advisory services to the plan sponsors of participant-directed retirement plans to plan, develop, design, implement and administer an investment program based on the client’s goals and needs. This typically includes providing the client with an investment policy statement, analyzing and recommending the mutual funds and asset allocation portfolios to be included on the plan investment menu, monitoring those selections on an ongoing basis, and providing investment advice to the plan participants through group meetings, individual meetings or phone consultation. The plan sponsor is sent a report each quarter and investment data and financial tools are available to participants through our interactive participant website. We will also take on the role of ERISA 3(21) co-fiduciary or ERISA 3(38) designated fiduciary over the plan assets.

We also provide investment management services to individuals, trustee-directed plans (typically defined benefit pension plans), trusts, and corporations. Certain legacy client assets are subadvised by WESPAC Advisors SoCal, LLC d/b/a Stonemark Wealth Management, an SEC-registered investment adviser that formerly was affiliated with us. After obtaining information regarding clients’ investment objectives, financial circumstances and risk tolerance, we typically invests client assets in strategies managed in accordance with our investment models. Some of our clients’ assets are managed by a sub-adviser.

C. WA determines appropriate investment strategies for clients after assessing the client’s investment objectives and risk tolerance. Clients with similar risk and return objectives will have these

allocations implemented uniformly through the use of investment models. Clients are permitted to impose reasonable restrictions on the management of their accounts.

D. WA does not take part in any wrap fee programs.

E. As of 12/31/2020, we managed \$842,241,079 on a discretionary basis

### Item 5 - Fees and Compensation

A. As full compensation for investment advisory services, WA charges the following maximum investment management fees based on an annual percentage of total asset values: Maximum Fee Schedule:

	Portfolio	Annual
	Asset Value	Fee Rate
First	\$1,000,000	1.25%
Next	\$1,000,000	1.15%
Next	\$1,000,000	1.05%
Next	\$2,000,000	0.95%
Over	\$5,000,000	0.85%

Fees are negotiable and may be waived in certain circumstances, as in the case of employee accounts. The fee charged by WA includes any advisory fees of any sub-advisers; that is, WA pays any sub-advisers directly from the advisory fees paid to WA.

B. Clients typically grant WA authority to deduct its fees directly from client's account. However, WA will also bill directly for fees if that is a client's preferred option. Fees are billed quarterly in advance and calculated based on the market value (provided by each client's independent custodian) of each client account as of the last day of the applicable quarter.

In situations where a new retirement plan client is engaged and customer funds are transferred in at various points during the first quarter of engagement, we have a slightly different method of calculating fees. Here we would use the weighted average of the monthly balances during the quarter and then pro-rate it based on the number of days money was actually in the account. We are using this method so as not to overly penalize a client in the event that a large conversion balance is transferred in near the end of a quarter. The following is an illustration:

Balance as of:	Scenario 1	Scenario 2	Scenario 3
1/31/2013	\$ 3,500.00	-	-
2/28/2013	\$ 7,000.00	7,000.00	-
3/31/2013	\$ 325,000.00	325,000.00	325,000.00

	\$	\$	\$
	335,500.00	332,000.00	325,000.00
divided by # of months	\$	\$	\$
	111,833.33	166,000.00	325,000.00
Date money first enters the account	1/15	2/15	3/15
Fee would =	(76/90*.001875*\$111,833.33)		
	\$	\$	\$
	177.07	155.63	108.33

C. In addition to our fees, clients are responsible for fees, expenses and charges imposed by third parties in connection with the investment and maintenance of their assets. These fees, expenses and charges could potentially include brokerage commissions or securities transaction fees and other expenses and charges imposed by the client's custodian and/or broker-dealer, or custodial fees. Investment companies (mutual funds, ETFs, etc.) in which a client's assets may be invested charge additional management fees and other expenses as described in the fund's prospectus. Please also refer to Items 12-15 of this Brochure for more information regarding our brokerage and trading practices.

D. Because we charge our fees in advance, any clients who terminate our advisory services during the course of a quarter will receive a pro-rata refund for any unused pre-paid portion of any advisory fees based on how many days remain in that calendar quarter. The pro-rata refund is calculated from the date we receive a notice of termination.

Supervised persons of the Firm from time-to-time receive typical and customary commissions from the recommendation and sale of insurance products. One of our related persons is a licensed agent of a WA affiliate, WESPAC Benefits & Insurance Services, LLC ("WBIS"), an insurance brokerage firm. To the extent that a client purchases insurance the related person recommends, WBIS and/or the related persons will receive commission from the applicable insurance company. Advisory clients should understand this represents a conflict as there is an incentive for these persons to recommend products for which they receive compensation. We address this conflict through disclosure and make recommendations we reasonably believe to be in the best interests of its clients. Additionally, advisory clients are under no obligation to utilize these services. Our related persons are prohibited from selling insurance products to clients where such sale would be deemed a Prohibited Transaction under ERISA.

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

We do not have any arrangements where we charge performance based fees, so this item is inapplicable to our firm.

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

We advise a variety of client types, including plan sponsors of self-directed and trustee-directed retirement plans, individuals, testamentary trusts, corporations and other forms of business entities. We usually require prospective clients who are individuals or trustee-directed retirement plans to have a minimum of \$250,000 to invest with us (\$5,000 if the client is a self-directed retirement

---

plan), but retain the discretion to waive the minimum under appropriate circumstances.

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

Our investment strategies for taxable clients primarily involve top down sector rotation and relative strength investing. We invest primarily in equity securities and exchange-traded funds selected primarily on the basis of technical research, yet supported by fundamental research. The synthesis of these types of analysis help us decide in which securities we want to invest based on their overall valuation levels and growth stories. In addition, it also helps us to determine price targets, good entry points for various securities, areas of relative strength in the financial markets, and proper price levels to set stop loss points in portfolios where we may to engage in risk management.

For self-directed retirement plan clients, we primarily select no-load mutual funds.

Other investment types, such master limited partnerships, covered call options, and even other independent money managers may be used if the advisor and client agree it is an appropriate strategy for the client.

#### **Risk of Loss:**

Investing in securities involves risk of loss that clients should be prepared to bear. Different investments involve varying types and degrees of risk. All investments present the risk of loss of principal – the risk that the value of securities, when sold or otherwise disposed of, may be less than the price paid for the securities. Investing in portfolios of equity securities exposes clients to the risk of substantial loss. In fact, three times in the past two decades (2001, 2002, and 2008) many market participants heavily invested in equity securities experienced double-digit losses, with the broad market declining by more than 20% in 2002 and by more than 35% in 2008.

Clients should not assume that future performance of any specific investment, including those recommended by WA, will be profitable or attain specific performance levels.

The mutual funds, ETFs and equity securities WA invests client assets with or recommends to clients generally own securities and therefore also involve the risk of loss that is inherent in investing in securities. The extent of the risk of ownership of fund shares generally depends on the type and number of securities held by the fund. Mutual funds invested in fixed income securities are subject to the same interest rate, inflation, and credit risks associated with the fund's underlying bond holdings. Fixed income securities may decrease in value as a result of many factors, for example, increases in interest rates or adverse developments with respect to the creditworthiness of the issuer. Risks also may be significantly increased if a mutual fund pursues an alternative investment strategy. An investment in an alternative mutual fund involves special risks such as risk associated with short sales, leveraging the investment, potential adverse market forces, regulatory changes, and potential illiquidity. Returns on mutual fund investments are reduced by management costs and expenses.

An ETF's risks include declining value of the securities held by the ETF, adverse developments in the specific industry or sector that the ETF tracks, capital loss in geographically focused funds because of unfavorable fluctuation in currency exchange rates, differences in generally accepted accounting principles, or economic or political instability, tracking error, which is the difference between the return of the ETF and the return of its benchmark and trading at a premium or discount, meaning the difference between the ETF's market price and NAV. ETFs also are subject to the individual risks described in their prospectus. Although many mutual funds and

---

ETFs may provide diversification, risks can be significantly increased if a mutual fund or ETF is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage to a significant degree, or concentrates in a particular type of security. One of the main advantages of mutual funds and ETFs is that they give individual investors access to professionally managed, diversified portfolios of equities, bonds and other securities.

An ETF's risks include declining value of the securities held by the ETF, adverse developments in the specific industry or sector that the ETF tracks, capital loss in geographically focused funds because of unfavorable fluctuation in currency exchange rates, differences in generally accepted accounting principles, or economic or political instability, tracking error, which is the difference between the return of the ETF and the return of its benchmark and trading at a premium or discount, meaning the difference between the ETF's market price and NAV. ETFs also are subject to the individual risks described in their prospectus. Although many mutual funds and ETFs may provide diversification, risks can be significantly increased if a mutual fund or ETF is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage to a significant degree, or concentrates in a particular type of security. One of the main advantages of mutual funds and ETFs is that they give individual investors access to professionally managed, diversified portfolios of equities, bonds and other securities.

Although the goal of diversification is to combine investments with different characteristics so that the risks inherent in any one investment can be balanced by assets that move in different cycles or respond to different market factors, diversification does not eliminate the risk of loss. In some circumstances, price movements may be highly correlated across securities and funds. A specific fund may not be diversified and a client portfolio may not be diversified. Additionally, when diversification is a client objective, there is risk that the strategies that the Firm uses may not be successful in achieving the desired level of diversification. There is also risk that the strategies, resources, and analytical methods that the Firm uses to identify mutual funds and ETFs will not be successful in identifying investment opportunities.

The following events also could cause mutual funds, ETFs, equities and other investments managed for clients to decrease in value:

- **Market Risk:** The price of an equity security, bond, or mutual fund 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, changes in political, economic and social conditions may trigger adverse market events.
- **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.
- **Event Risk:** An adverse event affecting a particular company or that company's industry could depress the price of a client's investments in that company's stocks or bonds. The company, government or other entity that issued bonds in a client's portfolio could become less able to, or fail to, repay, service or refinance its debts, or the issuer's credit rating could be downgraded by a rating agency. Adverse events affecting a particular country, including political and economic instability, could depress the value of investments in issuers headquartered or doing business in that country.
- **Liquidity Risk:** Securities that are normally liquid may become difficult or impossible to sell at an acceptable price during periods of economic instability or other emergency conditions. Some securities may be infrequently or thinly traded even under normal market conditions.



- **Leverage Risk:** The use of leverage may lead to increased volatility of a fund's NAV and market price relative to its common shares. Leverage is likely to magnify any losses in the fund's portfolio, which may lead to increased market price declines. Fluctuations in interest rates on borrowings or the dividend rates on preferred shares that take place from changes in short-term interest rates may reduce the return to common shareholders or result in fluctuations in the dividends paid on common shares. There is no assurance that a leveraging strategy will be successful.
- **Domestic and/or Foreign Political Risk:** The events that occur in the U.S. relating to politics, government, and elections can affect the U.S. markets. Political events occurring in the home country of a foreign company such as revolutions, nationalization, and currency collapse can have an impact on the security.
- **Inflation Risk:** Countries around the globe may be more, or less, prone to inflation than the U.S. economy at any given time. Companies operating in countries with higher inflation rates may find it more difficult to post profits reflecting its underlying health.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the U.S. dollar against the currency of the investment's originating country. This is also referred to as an exchange rate risk.
- **Reinvestment Risk:** This risk is 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.
- **Operational Risk:** fund Advisors and other ETF service providers may experience disruptions or operating errors such as processing errors or human errors, inadequate or failed internal or external processes, or systems or technology failures, that could negatively impact the ETF.
- **Regulatory/Legislative Developments Risk:** Regulators and/or legislators may promulgate rules or pass legislation that places restrictions on, adds procedural hurdles to, affects the liquidity of, and/or alters the risks associated with certain investment transactions or the securities underlying such investment transactions. Such rules/legislation could affect the value associated with such investment transactions or underlying securities.

### **Cybersecurity:**

The computer systems, networks and devices used by WESPAC and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In

---

addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.”

#### **Item 9 - Disciplinary Information**

As a registered investment advisor, WA is required to disclose all material facts regarding any legal or disciplinary events that would be material to a client’s or prospective client’s evaluation of our business or the integrity of our management personnel. Both WA and its management personnel have no reportable legal or disciplinary events to disclose.

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

As noted above in response to Item 4, certain investment vehicles managed by Stone Point collectively are principal owners of Focus LLC and Focus Inc., and certain investment vehicles managed by KKR collectively are minority owners of Focus LLC and Focus Inc. Because we are an indirect, wholly owned subsidiary of Focus LLC and Focus Inc., the Stone Point and KKR investment vehicles are indirect owners of WESPAC Advisors. None of Stone Point, KKR, or any of their affiliates participates in the management or investment recommendations of our business. WESPAC Advisors does not believe the Focus Partnership presents a conflict of interest with our clients. WESPAC Advisors has no business relationship with other Focus Partners that is material to its advisory business or to its clients.

As discussed in response to Item 5 above, one of our related persons is a licensed agent of a WA affiliate, WESPAC Benefits & Insurance Services, LLC (“WBIS”), an insurance brokerage firm. To the extent that a client purchases insurance the related person recommends, WBIS and/or the related persons will receive commission from the applicable insurance company. Advisory clients should understand this represents a conflict as there is an incentive for these persons to recommend products for which they receive compensation. We address this conflict through disclosure and make recommendations we reasonably believe to be in the best interests of its clients. Additionally, advisory clients are under no obligation to utilize these services. Our related persons are prohibited from selling insurance products to clients where such sale would be deemed a Prohibited Transaction under ERISA.

We and our related persons will refer clients who request qualified retirement plan administrative and record-keeping services to our affiliate, WESPAC Plan Services, LLC (“WPS”), an entity under common ownership with WESPAC Advisors. WPS and its clients enter into an administration agreement and the clients pay WPS a separate fee. WESPAC Advisors and its related persons receive fees from these plans for supervising the plan’s portfolio and recommending investments to be made available to plan participants. Advisory clients should understand this represents a conflict as there is an incentive to recommend such affiliates for administrative and recordkeeping services as there is economic benefit due to the receipt of compensation by the affiliates and or the related persons. We address this conflict through disclosure and make recommendations we reasonably believe to be in the best interest of our clients. Additionally, advisory clients are under no obligation to utilize these services.

WESPAC Advisors SoCal, LLC: This firm used to be a part of WESPAC Advisors, but spun off to create their own separate advisory firm at the end of 2011. WESPAC Advisors SoCal, which offers a variety of investment strategies based on both fundamental and technical analysis, manages some

---

client accounts as a sub-adviser to the Firm.

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

We have adopted a Code of Ethics (the “Code”) which requires our personnel to comply with their legal obligations and fulfill the fiduciary duties owed to our clients. Among other things, the Code of Ethics sets forth policies and procedures related to conflicts of interest, outside business activities, gifts and entertainment, compliance with insider trading laws and policies and procedures governing personal securities trading by our access persons. Personal securities transactions of advisory personnel present potential conflicts of interest with the price obtained in client securities transactions or the investment opportunity available to clients. The Code addresses these potential conflicts by requiring, with certain exceptions, access persons to report their personal securities holdings and transactions to the Firm for review by compliance personnel, and by requiring access persons to obtain preclearance prior to investing in private placements or initial public offerings. The Code also prohibits securities trades that would breach a fiduciary duty to a client, short sales in securities that are held long in client accounts, transactions in securities on our restricted list, and transactions that would constitute insider trading or market manipulation.

We will provide a copy of the Code of Ethics to any client or prospective client upon request.

### **Item 12 - Brokerage Practices**

We have a long-standing relationship with Charles Schwab & Co., Inc. (Schwab), and, at our recommendation, most of our client accounts are custodied there. A small percentage of client assets are custodied, at our recommendation, with TD Ameritrade (TDA). Clients’ use of custodians we recommend permits us to aggregate the purchase and sale of securities through block trading and help us obtain favorable pricing for the cost of client securities transactions. Moreover, both firms are currently offering trading commissions at extremely competitive and favorable prices.

Schwab and TD Ameritrade provide us with access to tools that assist us with managing and servicing clients’ securities portfolios. They also offer advisers on their platforms access to products and services which may help us to manage and grow our business enterprise. Because of our relationship with Schwab, we qualify for third party discounts to various products such as Zephyr Style Advisor, a software analysis program.

#### **Item 12A.1. - Research and Other Soft Dollar Benefits**

We do not currently have soft dollar arrangements in which a broker-dealer provides research and brokerage services accrued from client securities transactions. Schwab and TD Ameritrade provide us with research and other services that assist in the management of client accounts because our clients custody their assets with the firms. Schwab also pays for various investment and professional related research materials, software programs, publications, newsletters, website maintenance fees, educational seminars for clients and staff, and registration fees for attendance at professional and technical conferences and seminars. These services are a benefit to us because we do not have to pay for them.

WESPAC Advisors acknowledges that the firm owes a duty of best execution with respect to transactions executed through the custodians and brokers we recommend; however, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the

---

same transaction where the adviser determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, we may not necessarily obtain the lowest possible commission rates for client account transactions.

#### **Item 12A.2. - Brokerage for Client Referrals**

WESPAC Advisors has in the past received client referrals from Charles Schwab & Co., Inc. ("Schwab") through our participation in Schwab Advisor Network (the "Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with the Firm. Schwab does not supervise us and has no responsibility for our management of clients' portfolios or other advice or services. WESPAC Advisors pays Schwab fees for client referrals received through the Service. We additionally receive referrals from Schwab for its participant-directed retirement services and for the administration and recordkeeping services offered by WESPAC Plan Services. For each retirement plan referral that WESPAC Advisors successfully closes, the firm is contractually obligated to pay Schwab 0.10% annually on the "core" assets in that plan for a period of four years. The core assets do not include any individually directed brokerage accounts that may be linked to the core account.

We pay Schwab a participation fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by WA is a percentage of the value of the assets in the client's account. We pay Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to WA quarterly and may be increased, decreased, or waived by Schwab from time to time. The Participation Fee is paid by WESPAC Advisors and not by the client. WESPAC Advisors has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs WESPAC Advisors charges clients with similar portfolios who were not referred through the Service.

WESPAC Advisors is obligated to pay Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees we generally would pay in a single year.

The referrals we receive from Schwab present potential conflicts of interest. The arrangements described above provide an incentive for us to recommend that client accounts be held in custody at Schwab based on its interest in receiving client referrals, and avoiding payment of the non-Schwab custody fee, rather than on its clients' interest in receiving most favorable execution. We nevertheless, when recommending custodians broker-dealers, have a duty to recommend firms that we reasonably believes will provide best execution of securities transactions.

---

### **Item 12A.3. - Directed Brokerage**

Generally, WESPAC Advisors is retained by clients on a discretionary basis and authorized to determine and direct execution of portfolio transactions, without consultation with the client on a transaction by transaction basis. However, the client may limit discretionary authority in terms of type or amount of mutual funds and other securities to be bought or sold.

WESPAC Advisors, does not have discretion as to the broker dealer to be used for executing trades. Clients must direct us as to the broker or dealer to be used. In directing the use of a particular broker or dealer, clients should understand that we will not seek more favorable execution from other broker-dealers. Not all advisers require their clients to enter into directed brokerage arrangements.

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

Investment Management accounts are reviewed quarterly or more often, as requested by the client or as dictated by certain triggering events. Triggering events include, but are not limited to: changes in clients' circumstances, federal or state legislation, regulatory and political events such as changes in monetary policy, interest rates, large market fluctuations, mergers, rating agency changes and corporate restructuring.

Clients will receive from their custodian trade confirmations and monthly statements. For accounts we manage directly, clients will receive a written quarterly report that typically includes the following information: Portfolio value at the beginning and end of the quarter, contributions, withdrawals, realized capital gains and losses, interest, dividends, management fees, and time-weighted rate of return for the quarter and year to date. Reports may (but not always) include a letter written to the client and/or market commentary. The custodial broker dealer or trust company will provide the client with a form 1099 after the close of each calendar year.

Clients for whom we manage accounts directly will sometimes receive an electronic newsletter from us. The format of the newsletter has been evolving over time, but has generally made some high level commentary on recent financial market action and may highlight one of our investment strategies.

---

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

Our parent company is Focus Financial Partners, LLC (“Focus”). From time to time, Focus holds partnership meetings and other industry and best-practices conferences, which typically include the Firm, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including WESPAC Advisors. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors and other third party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including WESPAC Advisors. Although the participation of Focus firm personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at such meetings and conferences could cause us to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including WESPAC Advisors. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement.

The following entities have provided conference sponsorship to Focus in the last year:

Charles Schwab & Co., Inc.  
eMoney Advisors, LLC  
Envestnet Financial Technologies, Inc.  
Fidelity Brokerage Services LLC  
Fidelity Institutional Asset Management LLC  
Orion Advisor Services, LLC

We have arrangements in place with certain third parties whereby we compensate them for client referrals by paying them a percentage of the investment advisory fees we receive from the solicited 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 Advisers 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, we require 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 solicitor’s 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.



---

### **Item 15 - Custody**

WESPAC Advisors does not have physical custody of client assets, but we have legal custody over client assets when we have the authority to debit fees directly from client accounts. Because we use third party custodians like Schwab and TD Ameritrade for client accounts, clients will receive account statements from those entities and should carefully review them. We urge clients to compare the portfolio performance reports that we send out on a quarterly basis to the account statements that they receive from the custodians and to review custodial statements for fee calculations.

WESPAC Advisors has legal custody of client assets as a result of having the authority to instruct custodians to act on standing instructions to transfer client assets to third parties. We rely on SEC no action relief from the requirement to obtain a custody audit with respect to such assets.

In addition to having legal custody under the foregoing circumstances, custody is imputed to us because our affiliate, WESPAC Plan Services, a recordkeeper and third party retirement plan administrator, has the authority to direct custodians to disburse client assets to third parties. We retain an independent auditor on an annual basis to conduct surprise examinations to verify client assets over which WESPAC Plan Services has disbursement authority.

### **Item 16 - Investment Discretion**

For clients for whom we directly manage accounts, we are generally retained on a discretionary basis and authorized to determine and direct execution of portfolio transactions, without consultation with the client on a transaction by transaction basis. However, the client may limit discretionary authority in terms of type or amount of mutual funds and other securities to be bought or sold. The discretionary investment management agreement clients sign gives us full power and authority to make all investment decisions on a discretionary basis for portfolio assets designated for management by WESPAC Advisors.

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

Clients may choose to have WESPAC Advisors vote proxies on its behalf. This is the standard arrangement that we have with clients whose accounts we vote on a discretionary basis. In this regard, we have adopted proxy voting policies and procedures, and engages Broadridge, a third party proxy voting vendor, to vote client proxies through its ProxyEdge service. This third party service provider automatically votes on securities held in client accounts based on research provided by one of their partner firms, Glass Lewis. Upon request, at any time a client may receive a copy of our Proxy Voting Policy as well as a record of how each proxy pertaining to a Client account was voted. Client may request the proxy voting policies as well as the voting record via written request to WESPAC Advisors, LLC, 519 17th Street, 5th Floor, Oakland, CA 94612.

### **Item 18 - Financial Information**

The SEC requires advisers who require prepayment of advisory fees of \$1,200 or more, six months or more in advance, to provide a balance sheet. We do not require or solicit prepayment of more than \$1,200 in fee per client, six months or more in advance. In addition, we have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition anytime in the past 10 years.

### **Item 19 - Requirements for State-Registered Advisors**

This is not applicable since WA is not registering with any state securities authorities.