



PRENTICE WEALTH MANAGEMENT, LLC

FORM ADV PART 2A

FIRM BROCHURE

MARCH 29, 2021

This Part 2A of Form ADV (“Brochure”) provides information about the qualifications and business practices of Prentice Wealth Management, LLC (“PWM” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at (585) 218-0001 or wprentice@prenticewealth.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. Registration does not imply a certain level of skill or training.

Additional information about PWM is also available on the SEC’s website at www.adviserinfo.sec.gov.

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ITEM 2: MATERIAL CHANGES

This version of Prentice Wealth Management, LLC's Brochure, dated March 29, 2021, is our Annual Amendment Brochure document. It contains information regarding our business practices as well as a description of potential conflicts of interest relating to our advisory business that could affect a client's account with us.

MATERIAL CHANGES SINCE THE LAST UPDATE

Item 4: We have added a new service to be provided those going through or having recently divorced.

Item 5: We added the fees associated with the new service.

FULL BROCHURE AVAILABLE

We will provide a new version of the Brochure as necessary when updates or new information are added, at any time, without charge. To request a complete copy of our Brochure, contact us by telephone at (585) 218-0001 or by email to wprentice@prenticewealth.com.

ITEM 3: TABLE OF CONTENTS

Item 1: Cover Page.....	i
Item 2: Material Changes.....	1
Item 3: Table of Contents	2
Item 4: Advisory Business.....	3
Item 5: Fees and Compensation.....	8
Item 6: Performance-Based Fees and Side-By-Side Management.....	11
Item 7: Types of Clients.....	11
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	11
Item 9: Disciplinary Information	16
Item 10: Other Financial Industry Activities and Affiliations.....	16
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.	17
Item 12: Brokerage Practices	19
Item 13: Review of Accounts	21
Item 14: Client Referrals and Other Compensation.....	21
Item 15: Custody.....	22
Item 16: Investment Discretion.....	23
Item 17: Voting Client Securities	23
Item 18: Financial Information	24
Privacy Policy	25

ITEM 4: ADVISORY BUSINESS

A. FIRM DESCRIPTION

Prentice Wealth Management, LLC (“PWM” or the “Firm”) is a New York limited liability company that was founded in 2012. PWM is based in Rochester, NY and is registered as a registered investment advisor with the Securities and Exchange Commission (“SEC”).

PWM is owned by William Prentice and Shawn Tesoro.

The Firm provides asset management, financial planning, and divorce planning services. Our clients are individuals, high net worth individuals, pension and profit-sharing plans, trusts, charitable organizations and small businesses.

B. TYPES OF ADVISORY SERVICES

ASSET MANAGEMENT SERVICES

We provide discretionary asset management services to our clients, based on the specific needs and objectives of such persons and the suitability of products and services. PWM shall be granted full discretion and authority to manage the client’s account. Accordingly, we are authorized to perform various functions without further approval from the client, such as the determination of securities to be purchased or to be sold without permission from the client prior to each transaction. We do not act as a custodian of client assets, and the client always maintains control of their assets.

Prior to engaging us to provide any of the aforementioned investment advisory services, we require a written investment management agreement (“IMA”) signed by the client prior to the engagement of services. The IMA outlines the services and fees the clients will incur pursuant to the IMA with PWM.

Upon signing the IMA, we will gather the client’s financial information and work with them to identify their risk tolerance, which will help us identify, quantify, and understand our client’s unique risk tolerance. The information gathered during the course of conversations with the client will be used to develop the client’s investment strategy. The client’s adviser identifies the appropriate investments and portfolio construction, and specifies any restrictions or prohibitions expressed by the client for their portfolio and / or assets. A written evaluation of each client’s initial situation is provided to the client, often in the form of a net worth statement.

PWM’s asset management services include, but are not limited to, the following:

- Investment Strategy
- Asset Allocation
- Regular Portfolio Monitoring
- Personal Investment Policy

- Security Selection

As noted, PWM's asset management services are designed to offer portfolio construction and ongoing management of accounts with defined investment strategies to meet the client's personal investment goals and objectives. We evaluate the current investments of each client with respect to risk tolerance levels and time horizon. Risk tolerance levels are documented internally. PWM is responsible for providing ongoing re-balancing and continuous monitoring of our clients' securities holdings.

To better meet the advisory needs of the Firm's diverse client base, PWM offers a variety of asset management plans for clients to select from. Its standard asset management service, as described above, is provided directly through PWM, with fees as set forth in its standard asset management agreement. For clients desiring or requiring more specialized asset management strategies, however, they may be referred to several additional portfolio options administered through Knightbridge Capital Management ("Knightbridge"), a portfolio management subsidiary of PWM. Knightbridge's portfolios and strategies are developed and overseen by Shawn S. Tesoro, its Chief Investment Officer ("CIO"). Clients electing to utilize Knightbridge's services will be charged an additional management fee above PWM's normal management fee.

PENSION AND PROFIT-SHARING PLAN CONSULTING SERVICES

We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, education services to plan participants, investment performance monitoring, and/or ongoing consulting. These pension consulting services will generally be non-discretionary and advisory in nature. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

We may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as:

- Diversification
- Asset allocation
- Risk tolerance
- Time horizon

Our educational seminars may include other investment-related topics specific to the particular plan. We may also provide additional types of pension consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

Either party to the pension consulting agreement may terminate the agreement upon written notice to the other party in accordance with the terms of the agreement for services. The pension consulting fees will be prorated for the quarter in which the termination notice is given and any unearned fees will be refunded to the client.

FINANCIAL PLANNING SERVICES

We provide our clients with an in-depth analysis of their current financial situation, as well as detailed recommendations relating to the client's financial goals. These services are provided on a non-discretionary basis. Financial planning services do not involve the active management of client accounts, but instead focus on a client's overall financial situation. Financial planning can be described as helping individual to determine and set their long-term financial goals through investments, tax planning, asset allocation, risk management, retirement planning, and other areas. The role of the financial planner is to find ways to help the client understand their overall financial situation and help the client set financial objectives.

Our financial planning service may include the following:

- Retirement Planning
- Eldercare/Medicaid Planning
- Asset Allocation/ Portfolio Appraisal
- Risk Management/Insurance Analysis
- Debt Optimization
- Tax Preparation and filing
- Estate and Legacy Planning
- Tax Planning
- College Funding
- Cash Flow Management
- Employee Benefits Evaluation
- Divorce Financial Analysis

Planning or consulting service clients are required to sign a Financial Planning and Consulting Service Agreement with the Firm. This agreement outlines the nature and level of financial planning and/or consulting services to be provided, without requiring the direct management of the client's assets.

For financial planning clients, information regarding a client's personal and financial situation and objectives is collected by the advisor through a confidential interview process. This data is analyzed and a written financial plan, with specific recommendations, is presented to clients if and when appropriate to do so.

The financial plan may include, but is not limited to a net worth statement, a cash flow statement, a review of investment accounts including reviewing past asset allocations, providing asset repositioning recommendations, strategic tax planning, education planning with funding recommendations, a review of retirement accounts and plans including recommendations and one or more retirement scenarios, a review of insurance policies and recommendations for changes, if necessary and an estate planning review and recommendations.

Neither the Firm, nor any of its representatives, serves as an attorney or accountant and no portion of the Firm's services should be construed as legal or tax advice. To the extent requested by the client, the Firm may recommend the services of other professionals for certain non-investment implementation purposes (e.g., attorneys, accountants,). 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 the Firm.

An inherent conflict exists between the interests of PWM and the interests of the client. The client is under no obligation to act upon PWM's recommendations. Should the client elect to act on any recommendation made by PWM, the client is under no obligation to affect the transaction through the Firm.

THIRD-PARTY INVESTMENT ADVISOR PROGRAMS

Third Party Investment Advisory (TPIA) programs are offered through PWM for use by the Firm to manage client assets. These programs are sponsored by the TPIAs and are offered through selling agreements, solicitor/referral arrangements and other types of agreements between PWM and the TPIAs. Many of these TPIAs sponsor a broad range of investment programs.

PWM's management and due diligence personnel review these TPIAs. Dependent on the agreement between PWM and the TPIA and based on the information provided by the client, the Firm will refer clients to or assist the client in selecting a TPIA who offers products and services that demonstrate an investment philosophy and style that align with the needs of the client. The Firm assists the client in determining their risk tolerance, investment goals, and other relevant guidelines based upon detailed financial information provided by the client. There can be no guarantee that the client's goals or investment objectives will be achieved by any specific program. Clients should always refer to the TPIA's Form ADV Part 2, or equivalent brochure, for a full description of their products and services and all related terms, conditions fees and expenses.

The Firm will provide initial and continuing education and information regarding the program selected. The firm will also explain rebalancing guidelines utilized within the program and meet with the client periodically to discuss changes to the client's financial circumstances. Clients should always refer to the TPIA's Form ADV Part 2, or equivalent brochure, for a full description of the terms and conditions of their services and fees. Each client is provided a copy of applicable disclosure documents and Form ADV Part 2 prior to, or at the time of entering, into an advisory contract.

Solicitor or referral arrangements between PWM and TPIAs are formed through written solicitation agreements stating PWM and the firm will conduct activities as a solicitor in compliance with the requirements of applicable state regulations and SEC Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended and in each state where applicable. Each client is given a copy of the Solicitor Disclosure Document and Form ADV Part 2 prior to, or at the time of entering, into an advisory contract. The firm will not actively participate in the execution of any securities transactions for a client's TPIA account and will have no authority to determine, without obtaining specific client consent, the securities to be bought or sold, the amount of the securities

to be bought or sold, or the broker/dealer to be used for the purchase or sale of securities in the client's TPIA account. Such decisions are made in accordance with the terms of the investment advisory agreement executed between the client and the chosen TPIA. The TPIA or its designee may have discretionary authority over the client's account. Clients should refer to the TPIA's Form ADV Part 2, or equivalent brochure, for a full description of the terms and conditions of their services and fees. Some of the TPIAs selected may participate in or sponsor a wrap fee program. In these cases, you will receive a copy of the third-party money manager's Form ADV, Part 2, Appendix 1.

A complete list of TPIAs available through PWM is available upon request.

DIVORCE CONSULTING SERVICES

PWM provides financial advice and litigation support as well as court documentation for couples undergoing divorce or separation. Additionally, those advisers who are also enrolled agents will fully evaluate the tax implications and the financial impact of various settlement options for dividing marital property and retirement accounts.

C. TAILORED RELATIONSHIPS

PWM offers the same suite of services to all of its clients. When applicable, this service may include retirement planning, investment planning, planning of major purchases, education planning, distribution planning, income and survivor income planning, net worth analysis and other needs such as disability, long-term care, estate planning and coordination of funding, etc. When applicable, specific client financial plans and their implementation are dependent upon each client's current situation (income, tax levels, and risk tolerance levels). Recommendation developed by your investment adviser representative are based upon his or her professional judgement. The Firm cannot guarantee the results of any of the recommendations made.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

D. WRAP FEE PROGRAMS

PWM does not participate in and is not a sponsor of wrap fee programs. However, some of the TPIAs selected may participate in or sponsor a wrap fee program. In these cases, the client will receive a copy of the third-party money manager's Form ADV, Part 2, Appendix 1.

Wrap Fee Programs are arrangements between broker-dealers, investment advisers, banks and other financial institutions, and affiliated and unaffiliated investment advisers through which the clients of such firms receive discretionary investment advisory, execution, clearing and custodial services in a "bundled" form. In exchange for these "bundled" services, the clients pay an all-inclusive (or "wrap") fee determined as a percentage of the assets held in the wrap account.

E. ASSETS UNDER MANAGEMENT

When calculating regulatory assets under management, an investment adviser must include the value of any advisory account over which it exercises continuous and regular advisory or management services. As of December 31, 2020, PWM reports \$238,260,888 in client assets on a discretionary basis and \$13,550,450 on a non-discretionary basis.

ITEM 5: FEES AND COMPENSATION

A. FEE SCHEDULE

INVESTMENT MANAGEMENT SERVICES

The investment management fee is an annual fee based on a percentage of the market value of the client's assets under management at the end of the preceding quarter, including all cash and other assets in the account (the "Account Value"). PWM's fee ranges from 0.3% to 1.6%, depending on a variety of factors, including but not limited to, the amount of assets under management, complexity of the portfolio and investment strategies undertaken.

PWM's Standard Asset Management Service – PWM will manage client assets by utilizing index mutual funds and/or ETFs, under the direct supervision of the Firm's Investment Committee, with input from the client and IAR. Accounts may be managed on either a discretionary or non-discretionary basis with fees based upon PWM's standard cascading advisory fee schedule. All components of the Firm's advisory services are provided to clients based solely on the fee schedule established in the Firm's Investment Management Agreement.

Knightbridge Capital Management Service - Clients may elect to have their portfolios managed on a stand-alone basis utilizing this platform. It allows clients to elect specialized portfolio management strategies based upon the investment recommendations of their PWM IAR, coupled with the investment management expertise of Knightbridge's in-house portfolio manager. Each specialized option may entail an additional fee above PWM's standard management fee, billed separately, which is outlined in their advisory agreement. A Knightbridge election allows clients to choose from the following specialized management fee options for their portfolio:

- **Stand-Alone Asset Allocation Fee**– Clients may select from one of PWM's standard asset allocation models for the singular purpose of managing their assets according to the principles of asset allocation, without seeking additional advisory services from the Firm. These models are structured, maintained and continuously reviewed for consistency with each model's stated objective by Knightbridge's CIO. The objective is typically met by utilizing mutual funds, ETFs and/or CEFs. While the CIO may select the types of securities utilized in the models, no individual securities are held in these accounts in the names of individual clients. Clients are charged a standard, fixed percentage management fee against assets under management within this portfolio, as specified in their advisory agreement.
- **Stand-Alone Hybrid Portfolio Fee** – The CIO, at his discretion, selects the securities to be held in the individual client's portfolio consistent with the portfolio objective specified by

the client. Portfolios may contain stocks, bonds, mutual funds, ETFs and/or options which, may be held in the client's name within their respective portfolio but will be traded solely at the discretion of the CIO. As with the Asset Allocation option above, clients are charged a standard, fixed percentage management fee against assets under management within this portfolio, as specified in their advisory agreement.

- Stand-Alone Equity Portfolio Fee – Based on the client's specific investment parameters, the CIO structures a specialized client-specific portfolio consisting of stocks, bonds and options contracts. This represents a highly customized portfolio for clients seeking a tailored portfolio experience. As above, this option is charged a standard, fixed percentage management fee against assets under management within this portfolio, as specified in their advisory agreement.

Fees for the Knightbridge portfolio management options are fixed percentages but may be negotiable, at the discretion of the Firm's Managing Partner or Investment Committee. The Stand-Alone Equity Portfolio option requires a minimum account size of \$100,000. Fees are billed quarterly in advance and automatically deducted from the clients' advisory accounts. Clients receive a quarterly statement or invoice from the account custodian(s) which identifies the account balance, fees charged and the manner in which the fees were calculated.

Clients electing to utilize the Knightbridge portfolio management services, in addition to PWM's standard advisory services, will be billed additionally and separately according to the following fee schedule:

1. Cash Portfolios
 - a. Cash Management – 0.20%
2. Stand-Alone Asset Allocation Portfolios
 - a. Strategic Asset Allocation – 0.35%
 - b. Tactical Asset Allocation – 0.50%
3. Stand-Alone Hybrid Portfolios
 - a. Alpha Beta and Alpha– 0.75%
4. Stand-Alone Equity Portfolios
 - a. Alpha– 0.85% to 1.00%

FINANCIAL PLANNING SERVICES

PWM's financial planning services are offered on a flat fee basis and determined by the scope and complexity of each individual client, as well as their financial situation and objectives. Our financial planning fees range from \$250 to \$25,000. Fees are payable upon completion of the financial analysis phase of the financial plan.

DIVORCE CONSULTING SERVICES

PWM's consulting service fee is provided on an hourly basis at a rate of \$300 per hour. The fee may be waived or reduced at the sole discretion of the Advisor.

B. PAYMENT OF FEES

INVESTMENT ADVISORY SERVICES
&
INVESTMENT ADVISORY SERVICES FOR BUSINESS RETIREMENT PLANS

Unless other specified, fees are charged quarterly in arrears. The client's first billing cycle will be prorated based on the number of days the client's account was open and how much was funded into the account during their first month or quarter. Fees are automatically deducted from the client's account.

FINANCIAL PLANNING SERVICES

PWM will bill the client for their financial planning services based on the scope of services rendered. Payment must be remitted in full within ten (10) days from receipt of invoice.

CONSULTING SERVICES

PWM will bill the client for their consulting services based on the scope of services rendered. Payment must be remitted within ten (10) days from receipt of invoice.

C. OTHER FEES AND PAYMENTS

There may be additional fees or charges that result from the maintenance of or trading within a client's account. These are fees that are imposed by third parties in connection with investments made through a client's account, such as custodial and investment fees. Please see *Item 12* of this brochure regarding broker/dealers and brokerage fees.

D. PREPAYMENT OF FEES

INVESTMENT ADVISORY SERVICES

If the client does not receive this Brochure at least forty-eight (48) hours prior to signing the IMA with PWM, the client may terminate the agreement within five (5) business days of signing the IMA without incurring any penalties. The client and PWM may voluntarily terminate the engaged advisory services for any reason with thirty (30) days written notice to the other party delivered by certified or registered mail. The date of receipt of the written notice will be the effective date of termination.

FINANCIAL PLANNING SERVICES

Either party may terminate the financial planning services engagement prior to the completion of the engaged services with 30-days prior written notice to the other party. PWM will prorate the financial planning services fee and will issue an invoice for any outstanding fees as of the effective date of termination.

DIVORCE CONSULTING SERVICES

Either party may terminate the consulting services engagement prior to the completion of the engaged services with 30-days prior written notice to the other party. PWM will prorate the consulting services fee and will issue a refund for any unearned fees as of the effective date of termination.

E. OTHER COMPENSATION

Clients should be aware that the compensation to the Firm and your adviser will differ according to the specific advisory program chosen. PWM and its investment advisers may also receive additional compensation from mutual fund and insurance companies that is not related to individual transactions or assets held in the accounts. This money is paid, in accordance with regulatory rules, to offset up to 100% of costs of training and education of the advisers and employees. If you attend a training or educational meeting with your investment adviser representative, you should assume that they have paid all or a portion of the costs of the meeting or event.

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

A. PERFORMANCE BASED COMPENSATION

PWM does not assess Performance Fees.

B. SIDE-BY-SIDE MANAGEMENT

PWM does provide Side-By-Side Management.

“Side-by-Side Management” refers to a situation in which the same adviser manages accounts that are billed based only on a percentage of assets under management and at the same time manages other accounts for which fees are performance-based.

ITEM 7: TYPES OF CLIENTS

PWM generally provides investment advisory services to individuals, high net-worth individuals, pension plans, profit-sharing plans, trusts, charitable organizations and small businesses.

The Firm does not require a minimum account balance to open or maintain an account with us, though we may reduce or waive this requirement in our sole discretion.

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

A. METHODS OF ANALYSIS

PWM may utilize one or more of the following methods of analysis when providing investment advice to its clients:

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. It involves analyzing its financial statements and health, its management and competitive advantages and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives: to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions and to calculate its credit risk. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis is a method of evaluating securities by relying on the assumption that market data, such as charts of price, volume and open interest can help predict future (usually short-term) market trends. It attempts to predict a future stock price or direction based on market trends. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall. Technical analysis methods employ software and other financial data management tools to assess various aspects of the marketplace. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

B. INVESTMENT STRATEGIES

Our approach to investment management is derived from the beliefs that hard work is rewarded, a clear mind makes the best decisions, and that people are deeper than their pockets. We know our clients and they know us. It is a bond of mutual trust and appreciation - something we do not take for granted. We strive to minimize fees and tax implications but recognize that the ultimate goal for our clients is not the mitigation of costs, but the overall growth of their assets. We focus on what has been proven, over time, to produce results. We believe the most effective means of outperforming the market is to use creative analysis, to research our investments diligently, and to exercise cautious decisiveness.

PWM TRADING STRATEGY

Standard Asset Management— PWM will manage client assets by utilizing index mutual funds and/or ETFs.

KNIGHTBRIDGE TRADING STRATEGY

Stand-Alone Asset Allocation— Clients may select from one of PWM's standard asset allocation models for the singular purpose of managing their assets according to the principles of asset allocation, without seeking additional advisory services from the Firm. These models are structured, maintained and continuously reviewed for consistency with each model's stated

objective by Knightbridge's CIO. The objective is typically met by utilizing mutual funds, ETFs and/or CEFs. While the CIO may select the types of securities utilized in the models, no individual securities are held in these accounts in the names of individual clients.

Stand-Alone Hybrid Portfolio– The CIO, at his discretion, selects the securities to be held in the individual client's portfolio consistent with the portfolio objective specified by the client. Portfolios may contain stocks, bonds, mutual funds, ETFs and/or options which, may be held in the client's name within their respective portfolio but will be traded solely at the discretion of the CIO.

Stand-Alone Equity Portfolio – Based on the client's specific investment parameters, the CIO structures a specialized client-specific portfolio consisting of stocks, bonds and options contracts. This represents a highly customized portfolio for clients seeking a tailored portfolio experience. As above, this option is charged a standard, fixed percentage management fee against assets under management within this portfolio, as specified in their advisory agreement

C. RISK OF LOSS

Clients need to be aware that investing in securities involves risk of loss of the principal.

Every method of analysis has its own inherent risks. To perform an accurate market analysis PWM must have access to current/new market information. PWM has no control over the dissemination rate of market information; therefore, unbeknownst to PWM, certain analyses may be compiled with outdated market information, severely limiting the value of PWM's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

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 PWM) will be profitable or equal any specific performance level(s). PWM does not represent, warrant, or imply that its services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. Notwithstanding PWM's method of analysis or investment strategy, the assets within the client's portfolio are subject to risk of devaluation or loss. The client should be aware that there are many different events that can affect the value of the client's assets or portfolio including, but not limited to, changes in financial status of companies, market fluctuations, changes in exchange rates, trading suspensions and delays, economic reports, and natural disasters.

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **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.

- **Market Risk:** The price of a 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, political, economic, and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar will be worth more today than a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Prepayment Risk:** The returns on the collateral for the deal can change dramatically at times if the debtors prepay the loans earlier than scheduled.
- **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:** This risk is associated with a particular industry or a particular company within an industry.
- **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.

Risk Factors relevant to specific securities utilized include:

- **Equity Securities:** The value of the equity securities is subject to market risk, including changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities. While offering greater potential for long-term growth, equity securities are more volatile and riskier than some other forms of investment.
- **Exchange Traded Funds ("ETF"):** ETFs are a recently developed type of investment security, representing an interest in a passively managed portfolio of securities selected to replicate a securities index, such as the S&P 500 Index or the Dow Jones Industrial Average, or to represent exposure to a particular industry or sector. Unlike open-end mutual funds, the shares of ETFs and closed-end investment companies are not purchased and redeemed by investors directly with the fund, but instead are purchased and sold through broker-dealers in transactions on a stock exchange. Because ETF and closed-end fund shares are traded on an exchange, they may trade at a discount from or a premium to the net asset value per share of the underlying portfolio of securities. In addition to bearing the risks related to investments in equity securities, investors in ETFs intended to replicate a securities index bear the risk that the ETF's performance may not correctly replicate the performance of the index. Investors in ETFs, closed-end funds and other investment companies bear a proportionate share of the expenses of those funds, including management fees, custodial and accounting costs, and other expenses. Trading in ETF and closed-end fund shares also entails payment of brokerage commissions and other transaction costs.
- **Mutual Fund Shares:** Some of the risks of investing in mutual fund shares include: (i) the price to invest in mutual fund shares is the fund's per share net asset value (NAV) plus any shareholder fees that the fund imposes at the time of purchase (such as sales loads), (ii)

investors must pay sales charges, annual fees, and other expenses regardless of how the fund performs, and (iii) investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.

- **Real Estate Related Securities Risk:** Investing in real estate related securities includes, among others, the following risks: possible declines in the value of real estate; risks related to general and local economic conditions, including increases in the rate of inflation; possible lack of availability of mortgage funds; overbuilding; extending vacancies of properties; increases in competition, property taxes and operating expenses; changes in zoning laws; costs resulting from cleanup of, and liability to third parties for damages resulting from environmental problems; casualty or condemnation losses; uninsured damages from floods, earth quakes or other natural disasters; limitations on and variations in rents; and changes in interest rates. Investing in Real Estate Investment Trusts ("REITs") involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. REITs are dependent upon management skills, are not diversified, and are subject to heavy cash flow dependency, default by borrowers and self-liquidation.
- **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.
- **Fixed Income Securities Risk:** Prices of fixed income securities tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect fixed income security prices. The longer the effective maturity and duration of the client's portfolio, the more the portfolio's value is likely to react to interest rates. For example, securities with longer maturities sometimes offer higher yields, but are subject to greater price shifts as a result of interest rate changes than debt securities with shorter maturities. Some fixed income securities give the issuer the option to call, or redeem, the securities before their maturity dates. If an issuer calls its security during a time of declining interest rates, we might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates. During periods of market illiquidity or rising interest rates, prices of callable issues are subject to increased price fluctuation.
- **Interval Mutual Funds:** While interval mutual funds may provide limited liquidity to shareholders by offering to repurchase a limited amount of shares on a periodic basis, there is no guarantee that clients will be able to sell all of their shares in any specific repurchase offer. Also, the offer to repurchase shares may be suspended or postponed by the investment sponsor. An investment in an interval fund involves a considerable amount of risk and it is possible to lose the total investment amount. An investment in a closed-ended

interval mutual fund is suitable only for investors who can bear the risks associated with the limited liquidity of the shares and should be viewed as a long-term investment.

While this information provides a synopsis of the events that may affect a client's investments, this listing is not exhaustive. Although PWM's methods of analysis and investment strategies do not present any significant or unusual risks, all investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Clients should understand that there are inherent risks associated with investing and depending on the risk occurrence; clients may suffer LOSS OF ALL OR PART OF THE CLIENT'S PRINCIPAL INVESTMENT.

D. RECOMMENDATION OF SPECIFIC TYPES OF SECURITIES

PWM does not primarily recommend a particular type of security. Investments may include, but are not limited to, exchange listed securities, fixed-income securities, over-the-counter securities, foreign securities, options, alternative investments, bonds, derivatives, money market funds, and pooled investment vehicles, such as open and closed end mutual funds or ETFs.

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Neither PWM nor any of its management persons has been involved in legal or disciplinary events that are related to past or present investment clients.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. FINANCIAL INDUSTRY ACTIVITIES

PWM is not a registered broker-dealer and does not have an application pending to register as a broker-dealer. However, PWM's management or supervised persons are registered representatives of Cadaret, Grant & Co., Inc., a FINRA-member securities broker/dealer, and retain the option of selling commission-based products such as annuities, insurance, stocks, bonds, exchange traded funds, mutual funds and limited partnerships within brokerage accounts held by that broker/dealer.

B. FINANCIAL INDUSTRY AFFILIATIONS

PWM is not a registered Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor and does not have an application pending to register as such. Furthermore, PWM's management and supervised persons are not registered as and do not have an application pending to register as an associated person of the foregoing entities.

C. OTHER MATERIAL RELATIONSHIPS

PWM does not have any arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships other than those already disclosed herein.

However, PWM's management or supervised persons individually have insurance agency affiliations, through which they may sell various insurance products to PWM clients.

D. OTHER INVESTMENT ADVISORS

PWM does not have any material arrangements with other investment advisers. However, investment advisor representatives dually registered with Cadaret, Grant & Co., Inc. may elect to maintain some advisory client accounts with The Investment Management System ("TIMS") , which is a registered investment advisory subsidiary of Cadaret, Grant & Co., Inc.

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

A. DESCRIPTION OF CODE OF ETHICS

All employees of PWM must act in an ethical and professional manner. In view of the foregoing and applicable provisions of relevant law, PWM has adopted a Code of Ethics in its Employee Policies and Procedures Manual to specify and prohibit certain types of transactions deemed to create conflicts of interest (or the potential for or the appearance of such conflicts), and to establish reporting requirements and enforcement procedures relating to personal trading by PWM personnel. PWM Code of Ethics in its Employee Policies and Procedures Manual, which specifically deals with professional standards, insider trading, personal trading, gifts and entertainment, and fiduciary duties, establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

PWM places the utmost priority on maintaining high standards of integrity and professionalism by its associated persons in the conduct of its advisory business. The greatest asset held by this Firm is the trust and confidence placed in it by its clients. Since some of the advisers of the Firm have received the CFP® Certification from Certified Financial Planner Board of Standards, Inc., the Firm has incorporated into its Code of Ethics the following key principles of CFP Board's Code of Ethics and Professional Responsibility:

Principle 1 – Integrity: IARs, employees and officers of PWM will provide professional services with integrity. Integrity demands honesty and candor which must not be subordinated to personal gain or advantage. Certificants are placed in position of trust by clients and the ultimate source of that trust is the certificant's personal integrity. Allowance can be made for innocent error

and legitimate differences of opinion, but integrity cannot co-exist with deceit or subordination of one's principles.

Principle 2 – Objectivity: IARs, employees and officers of PWM will provide professional services objectively. Objectivity requires intellectual honesty and impartiality. Regardless of the particular service rendered or the capacity in which a certificant functions, certificants should protect the integrity of their work, maintain objectivity and avoid subordination of their judgment.

Principle 3 – Competence: IARs, employees and officers of PWM will maintain the knowledge and skills necessary to provide professional services competently. Competence means attaining and maintaining an adequate level of knowledge and skill, and application of that knowledge and skill in providing services to clients. Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation with other professionals is appropriate or referral to other professionals necessary. Certificants make a continuing commitment to learning and professional improvement.

Principle 4 – Fairness: IARs, employees and officers of PWM will be fair and reasonable in all professional relationships, and all conflicts of interest will be disclosed. Fairness requires impartiality, intellectual honesty and disclosure of material conflicts of interest. It involves a subordination of one's own feelings, prejudices and desires so as to achieve a proper balance of conflicting interest. Fairness is treating others in the same fashion that you would want to be treated.

Principle 5 – Confidentiality: IARs, employees and officers of PWM will protect the confidentiality of all client information. Confidentiality means ensuring that information is accessible only to those authorized to have access. A relationship of trust and confidence with the client can only be built upon the understanding that the client's information will remain confidential.

Principle 6 – Professionalism: IARs, employees and officers of PWM will act in a manner that demonstrates exemplary professional conduct. Professionalism requires behaving with dignity and courtesy to clients, fellow professionals, and others in business related activities. Certificants cooperate with fellow certificants to enhance and maintain the profession's public image and improve the quality of services.

Principle 7 – Diligence: IARs, employees and officers of PWM will provide professional services diligently. Diligence is the provision of services in a reasonably prompt and thorough manner, including the proper planning for, and supervision of, the rendering of professional services.

The Firm's Code of Ethics establishes ethical guidelines for its employees and advisors to adhere to relative to the following key areas of its advisory operations:

Compliance	Personal Securities Transactions
Insider Trading	Rumor Mongering
Conflicts of Interest	Outside Business Activities

B. PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

PWM does not recommend or effect transactions in securities in which any related person may have material financial interest.

C. PROPRIETARY/SIMULTANEOUS TRADING

At times, PWM or its affiliated persons may buy or sell securities for its own accounts that it has also recommended to clients. However, any purchase or sale of a security by PWM or a related person will be subject to PWM's fiduciary duty to client accounts. From time to time, representatives of PWM may buy or sell securities for themselves at or around the same time as PWM's client accounts. In any instance where similar securities are bought or sold, PWM will uphold its fiduciary duty by always transacting on behalf of the client before transacting for its own benefit. PWM will always document any transactions that could be construed as conflicts of interest. To mitigate or remedy any conflicts of interest or perceived conflicts of interest, PWM will monitor its proprietary and personal trading reports for adherence to its Code of Ethics.

ITEM 12: BROKERAGE PRACTICES

A. SELECTION AND RECOMMENDATION

PWM seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that, overall, are most advantageous when compared to other available providers and their services.

PWM considers a wide range of factors in selecting a custodian/broker including, among others, the following:

- ✓ Timeliness of execution
- ✓ Clearance and settlement capabilities
- ✓ Ability to place trades in difficult market environments
- ✓ Timeliness and accuracy of trade confirmations
- ✓ Quality of account statements
- ✓ Research, execution facilitation, record keeping, custody and other "value-added" services provided
- ✓ Frequency and correction of trading errors
- ✓ Financial condition and willingness to commit capital
- ✓ Business reputation and integrity
- ✓ PWM's prior experience with the custodian/broker

To this end, PWM has established a brokerage and custodian relationship with TD Ameritrade, Inc. and Charles Schwab (each a “Custodian”), members FINRA and SIPC. PWM is independently owned and operated and is not affiliated with the Custodians. The Custodians will hold client assets in an account and buy and sell securities only when PWM or the client instructs them to.

Advisors dually registered with Cadaret, Grant & Co., Inc. may elect to maintain some advisory client accounts with TIMS. TIMS utilizes Pershing Limited, a subsidiary of The Bank of New York Mellon Corporation (“Pershing”), as custodian for advisory accounts placed with them.

Custodian recommendations are based on the client’s account size, investment objectives, trading frequency and overall portfolio strategy. PWM has determined that having TD Ameritrade, Inc., Charles Schwab and Pershing execute trades is consistent with our duty to seek “best execution” of client trades.

B. RESEARCH AND OTHER SOFT DOLLAR BENEFITS

PWM does not currently receive “soft dollars.”

Under “soft dollar” arrangements, one or more of the brokerage firms would provide or pay the costs of certain services, equipment, or other items. These soft dollar benefits are attributed to the investment advisor by reducing its expenses; however, the amount of the fee paid to the investment advisor by the client would not be reduced. Making allocations to brokerage businesses with soft dollar arrangements could enhance the ability to obtain research, optimal execution and other benefits on behalf of clients.

C. BROKERAGE FOR CLIENT REFERRALS

PWM does not receive client referrals from third parties for recommending the use of specific broker-dealer brokerage services.

D. DIRECTED BROKERAGE

The Custodians offers to independent investment advisers services which include custody of securities, trade execution, clearance and settlement of transactions. These arrangements are designed to maximize efficiency and to be cost effective for PWM’s clients. By requiring clients to use this specific custodian, which PWM has approved, PWM seeks to achieve “best execution” of client transactions.

PWM does not permit clients to direct the use of a particular brokerage firm.

E. ORDER AGGREGATION

PWM may, at times, aggregate sale and purchase orders of securities (“block trading”) for advisory accounts with similar orders in order to obtain the best pricing averages and minimize trading costs. This practice is reasonably likely to result in administrative convenience or an overall economic

benefit to the client. Clients also benefit relatively from better purchase or sale execution prices, lower commission expenses or beneficial timing of transactions or a combination of these and other factors. Aggregate orders will be allocated to client accounts in a systematic non-preferential manner. PWM may aggregate or “bunch” transactions for a client’s account with those of other clients in an effort to obtain the best execution under the circumstances.

F. TRADE ERROR POLICY

PWM maintains a record of any trading errors that occur in connection with investment activities of its clients. In accordance with SEC recommendations, PWM will bear any losses due to trading errors and any gains due to trading errors will be administered according the Custodian’s policies.

ITEM 13: REVIEW OF ACCOUNTS

A. PERIODIC REVIEWS

PWM monitors its clients’ account activity on a daily basis. PWM conducts periodic reviews to monitor various things, such as, managed account investment performances and asset allocations. The reviews also consist of determining whether a client’s investment goals and objectives are aligned with PWM’s investment strategies. Reviews are conducted at least annually, those volatility in the markets, significant global events and changes in client circumstances may require that more frequent reviews are conducted.

B. INTERMITTENT REVIEW FACTORS

Intermittent reviews may be triggered by substantial market fluctuation, economic or political events, or changes in the client’s financial status (such as retirement, termination of employment, relocation, inheritance, etc.). Clients are advised to notify PWM promptly if there are any material changes in their financial situation, investment objectives, or in the event they wish to place restrictions on their account.

C. REPORTS

Clients may receive confirmations of purchases and sales in their accounts and will receive, at least quarterly, statements containing account information such as account value, transactions, and other relevant information. Confirmations and statements are prepared and delivered by the Custodian.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. ECONOMIC BENEFITS FROM OTHERS

PWM does not receive an economic benefit (such as sales awards or other prizes) from any third party for providing investment advice or other advisory services to its clients. PWM may receive fees as a solicitor for TPIA programs offered by other firms.

B. COMPENSATION TO UNAFFILIATED THIRD PARTIES

PWM does compensate any unaffiliated third parties in exchange for client referrals.

ITEM 15: CUSTODY

A. CUSTODIAN OF ASSETS

Custody means holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them.

PWM has custody due to its authority to deduct advisory fees from client accounts and because it can, subject to a standing letter of authorization, dispose of client funds or securities. PWM will not maintain physical possession of client funds and securities.

Instead, client's funds and securities are held by an PWM preferred, qualified custodian.

While PWM does not have physical custody of client funds or securities, payments of fees may be paid by the custodian from the custodial brokerage account that holds client funds pursuant to the client's account application. Prior to permitting direct debit of fees, each client provides written authorization permitting fees to be paid directly from the custodian.

From time to time, PWM may receive standing letters of authorization from a client ("SLOA") whereby the client instructs its custodian to accept instruction from PWM to direct funds from the client's account to specific accounts of the client ("First Party SLOA") or to third parties unrelated to PWM and its investment adviser representatives ("Third Party SLOA"). PWM will review each SLOA prior to acceptance to ensure it meets these requirements. It will also periodically review the SLOAs it has from clients to ensure it meets these criteria.

First Party Standing Letters of Authorization. Under applicable SEC guidance, PWM may accept First Party SLOAs without being deemed to have custody if the First Party SLOAs meet the following criteria:

- (a) It is authorized by the client.
- (b) A copy of the authorization is provided to the qualified custodians.
- (c) It clearly specifies the name and account numbers (including ABA routing numbers) on the sending and receiving accounts and the qualified custodian holding each of those accounts.
- (d) It identifies the accounts as belonging to the client.

Third-Party Standing Letters of Authorization. In the case of Third-Party SLOAs, PWM may be deemed to have custody of such client's funds under applicable federal law. Under applicable

SEC guidance, PWM may accept such custody without the requirement to obtain an annual surprise audit examination if the SLOAs meet the criteria set forth below.

- (a) The Client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- (b) The client authorizes PWM, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- (c) The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- (d) The client has the ability to terminate or change the instruction to the client's qualified custodian.
- (e) PWM and its investment adviser representatives have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- (f) PWM maintains records showing that the third party is not a related party of the investment advisor or located at the same address as the investment advisor.
- (g) The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

B. ACCOUNT STATEMENTS

Although PWM is the client's adviser, the client's statements will be mailed or made available electronically by the broker-dealer or custodian. When the client receives these statements, they should be reviewed carefully. Clients should compare asset values, holdings, and fees on the statement to that in the account statement issued the previous period.

ITEM 16: INVESTMENT DISCRETION

It is PWM's customary procedure to have full discretionary authority in order to supervise and direct the investments of a client's accounts. Clients grant this authority upon execution of PWM's IMA. This authority is for the purpose of making and implementing investment decisions, without the client's prior consultation. All investment decisions are made in accordance with the client's stated investment objectives. Other than management fees due to PWM, which PWM will receive directly from the custodian, PWM's discretionary authority does not give authority to take or have possession of any assets in the client's account or to direct delivery of any securities or payment of any funds held in the account to PWM. Furthermore, PWM's discretionary authority by agreement does not allow it to direct the disposition of such securities or funds to anyone except the account owner.

ITEM 17: VOTING CLIENT SECURITIES

PWM will not vote proxies which are solicited for securities held in client accounts. PWM will not be required to render any advice with respect to the voting of proxies solicited by or with respect to the issuers of securities in which assets of the client's account may be invested in occasionally. Furthermore, PWM will not take any action or render any advice with respect to any securities held in any client's accounts that are named in or subject to class action lawsuits. PWM will however, forward to the client any information received by PWM regarding class action legal matters involving any security held in the client's account.

ITEM 18: FINANCIAL INFORMATION

A. BALANCE SHEET REQUIREMENT

PWM is not the qualified custodian for client funds or securities and does not require prepayment of fees of more than \$1,200 per client, six (6) months or more in advance.

B. FINANCIAL CONDITION

PWM does not have any financial impairment that would preclude the Firm from meeting contractual commitments to clients.

C. BANKRUPTCY PETITION

PWM has not been the subject of a bankruptcy petition at any time during the last 10 years.

PRIVACY POLICY

An important part of the relationship we have with our clients is the information they share with us. We want each client to know how we treat their private information.

We keep personal information such as Social Security Numbers and account balances confidential. We take steps to safeguard this data from anyone who should not have access to it. We do not sell this information to anyone.

In dealing with Prentice Wealth Management, LLC, clients can expect that we will take the steps outlined below to keep all their information confidential and secure.

OUR PRIVACY POLICY

In providing financial services and products to our clients, we collect certain non-public information about them. Our policy is to keep this information confidential and strictly safeguarded, and to use or disclose it only as needed to provide services to our clients, or as permitted by law. Protecting your privacy is important to us.

INFORMATION WE COLLECT

The non-public personal information we have about clients includes what they give us when opening an account or communicating with us. This could include:

- Name and address
- Social Security Number
- Investment objectives and experience
- Financial circumstances
- Employment history
- Account balance and account transactions

INFORMATION WE DISCLOSE

We do not disclose personal information about our clients to third parties. We may disclose anonymous information that cannot be linked to an individual client on occasion, but only to companies that we hire to help us provide products and services to our clients, or as required by law, or as authorized by the client personally.

We do not sell personal client information to anyone.

HOW INFORMATION IS USED

We use information about our clients to provide our asset management services to them, such as managing their investment account. We may disclose this information to third parties as permitted by law, including the outside broker-dealers, custodians, administrators, transfer agents, accountants or attorneys that we need to use to provide our services to clients. From time to time, we must give information about our business to regulatory authorities. This may, or may not, include personal information about our clients and their accounts.

HOW INFORMATION IS SAFEGUARDED

We have procedures in place that we believe are reasonably designed to protect the security and confidentiality of client information. These include confidentiality agreements with companies we hire to help us provide services to clients, password-protected user access to our computer files, and strict confidentiality policies that apply to all PWM personnel, vendors and contractors.