



Part 2A of Form ADV: Firm Brochure  
**FORM ADV PART 2 UNIFORM**  
**APPLICATION FOR INVESTMENT ADVISOR**  
**REGISTRATION FOR**  
**WHITE LIGHTHOUSE MANAGEMENT, S.A.R.L.**

Av D'Ouchy 29

1006 Lausanne, Switzerland

Contact: Jonathan Lachowitz – Owner and Chief Compliance Officer – +41 22 548 1431

This brochure provides information about the qualifications and business practices of White Lighthouse Investment Management, SARL. If you have any questions about the contents of this brochure, please contact us at the above phone number. 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. Additional information about White Lighthouse Investment Management is also available on the SEC's website at <https://www.adviserinfo.sec.gov/> and at the White Lighthouse website at [www.white-lighthouse.com](http://www.white-lighthouse.com).

By the fact that White Lighthouse Investment Management is a Registered Investment Advisor does not in itself imply a certain level of skill or training.

There are no material changes since the last annual update of this brochure in 2020.

**Table of Contents**

Page 3. Advisory Business (Assets under Management)

Page 4. Fees and Compensation

Page 6. Performance Based Fees and Side-By-Side Management

Page 6. Types of Clients

Page 6. Methods of Analysis, Investment Strategies and Risk of Loss

Page 7. Disciplinary Information

Page 7. Other Financial Industry Activities and Affiliations

Page 8. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Page 9. Brokerage Practices

Page 9. Review of Accounts

Page 10. Client Referrals and Other Compensation

Page 10. Custody

Page 10. Investment Discretion

Page 11. Voting Client Securities

Page 11. Financial Information

**Advisory Business (Assets Under Management)**

As of December 31, 2020, the firm had approximately \$69,300,000 of discretionary assets under management and approximately \$6,100,000 of non-discretionary assets for a total of approximately \$75,400,000 under management calculated in the manner that the SEC recommends. Jonathan Lachowitz is the owner of WLIM SARL. The firm provides investment management services for clients.

**Investment Management Services**

For investment management clients, the firm conducts a discovery process to understand the clients' income and net worth, their goals, risk tolerance and other factors that inform the investment policy that guides the design and management of clients' portfolios. We create diversified portfolios with a custom designed asset allocation mostly composed of low-to-moderate cost, high quality, liquid investments, mostly in the form of Exchange Traded Funds from companies like Vanguard, BlackRock (iShares) and others though we may use or retain individual securities and mutual funds.

**Financial Planning and Comprehensive Wealth Management Services**

We provide financial planning services such as tax, retirement and estate planning, with a focus on US cross-border issues, either on project basis for clients who we do not manage assets, or on an ongoing basis for investment management clients and wealth management clients. Examples of specialized financial planning include outbound and inbound US planning due to international relocations; business planning for professionals and owners with operations in multiple countries; rental real estate planning in and outside the USA; expatriation (surrendering US citizenship or green cards) and naturalization planning; estate and tax planning for beneficiaries of foreign trusts or complex structures and tax compliance review, including IRS international compliance programs.

## **Fees and Compensation**

We offer three engagement options, an investment management-based engagement option, a comprehensive wealth management engagement option and an hourly or project-based financial planning.

### **Investment Management Based Engagement**

Clients pay both a fixed fee and a variable Assets Under Management (AUM) fee, paid quarterly in arrears, with 5,000 CHF annual minimum that covers both investment management and standard financial planning such as tax and retirement planning, estate planning and insurance needs analysis. Fees are calculated based on assets under management per the following schedule:

	<b><u>Assets under Management</u></b>	<b><u>%</u></b>
	0 CHF – 2,000,000 CHF	1.00%
on the next	2,000,001 CHF to 5,000,000 CHF	0.80%
on the next	5,000,001 CHF and above	negotiable

In addition to our fees, fees are charged by the Swiss banks for securities trades. Swiss banks may also charge fees for custody of assets, cash transfers, foreign exchange, stamp tax, tax reports, holding of physical assets, administration, etc. A typical charge by a Swiss bank can range from 25 CHF to over 1000 CHF per trade. We strongly encourage clients to use a low-cost bank. In all cases WLIM SARL never receives payment back from the bank or any investment funds for trading or other fees; these are known as retrocessions in trading that varies among funds, we do not receive any commissions from trading or holding mutual funds for clients. There is also a fee in most mutual funds and exchange traded funds ranging from less than 1% to over 2% during the year for fund expenses (managers, advertising, report generation, etc.). As fee-only financial planners we are only compensated by our clients.

## **Comprehensive Wealth Management Engagement**

Clients pay a comprehensive wealth management fee, paid quarterly, with a minimum annual fee of 15,000 CHF. The fee is based on several factors including client advisory needs, complexity of their situation, number of countries and types of assets involved, levels of income and net worth, business interests, multiple citizenships or foreign country nexus and others. This fee maybe adjusted annually by up to 3% or CPI or higher and reviewed every three years or more often if changes in the clients' situation demands it. Due to the intensity of up-front work part or all the first-year fee may be non-refundable, and a 50% deposit may be required.

Comprehensive wealth management clients receive premium services in addition to ongoing investment management and standard financial planning. Premium services include close coordination with their attorneys, accountants, insurance agents and other advisors, complex US cross-border financial planning services and concierge level services that proactively assist with their anticipated tax and financial planning needs.

For both Investment Management and Comprehensive Wealth Management engagements, fees are deducted quarterly in arrears, directly from client accounts. At the discretion of the firm, we may agree to bill for these services separately, in which case a previously agreed on administrative fee may apply and when billed in advance will generally be non-refundable.

As additional safeguards to our clients, we send all invoiced amounts to the custodian, before they are posted to the client accounts. A copy of the invoice amount charged to the client is sent to each client as part of the quarterly reports received by each client. The custodian also provides monthly reports and online real-time access to account activity. The client may also call the custodian at any time to terminate our ability to trade in and deduct fees from their accounts. Clients must authorize the custodian to allow us to deduct their management fees. Please note above that brokerage transactions may include fees other than those charged directly by White Lighthouse Investment Management.

## **Hourly or Project Based Financial Planning Consultations**

Clients may engage us on hourly or a project-based fixed fee basis, agreed upon in advance based on the scope and complexity of the project. The minimum fee for this type of engagement

depends on the advisor, but it is generally 1,000 CHF or higher. A non-refundable 50% deposit is required at the time of the agreement of the scope of the engagement and applicable fees, and the balance is due upon delivery of the project-based services.

For all engagement types, fee minimums and deposit requirements may be higher, reduced, or waived at the discretion of the individual advisor or the firm.

### **Performance Based Fees and Side-by-Side Management**

We currently do not charge any performance-based fees. Side-by-side management is when one manages accounts in which some are charged by assets under management and some are charged by performance. Since we do not charge by performance, we therefore do not tend to favor one account charged one way over another account charged the other way.

### **Types of Clients**

Our clients include individuals, families and in some cases their adult children. We work with several high net worth individuals, many of whom have their assets (that we manage) in trusts or other legal structures. We also do some work for small corporations in managing individuals' retirement accounts such as SEP IRAs.

Our current minimum account size for new clients is 500,000 CHF, though at our discretion we may accept clients below this minimum or refuse clients above this level.

Some individual advisors at our firm will have higher minimum account size/annual fee to obtain their services and all advisors are empowered to accept clients at amounts lower than our published minimum or on a pro-bono basis.

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

We manage each client's portfolio(s) based on their individual circumstances. This generally includes their risk profile, their age, their income needs from the portfolio, their time horizon and a number of other factors that pertain specifically to each client. Asset allocation over several investment classes is done in order to build well diversified portfolios. Based on macro-

economic factors and our own analysis we may decide to include or exclude specific investment classes or under or over weigh specific sectors.

It should be noted that investing in securities involves the potential loss of invested capital and clients should be prepared to bear this loss. We try to tailor the account based on a client's risk profile in order to keep losses in line with risk tolerance.

All investments and investment strategies contain risk of loss. Based on our understanding of our clients' risk profiles we endeavor to create well diversified portfolios using primarily index ETFs, mutual funds, and other individual securities that are highly liquid. Historically well-diversified portfolios using the concepts of modern portfolio theory have produced lower volatility returns for a given level of risk, though past performance may not be indicative of future performance.

We encourage clients to take a long-term investment horizon since equity and fixed income investments are known historically to be prone to volatility, which can at times be extreme. We also request clients to let us know of any changes in their circumstances and any cash needs, so we can plan accordingly.

Other risks that client portfolios are subject to are inflation, regulatory, systemic, currency changes, interest rates and the overall macro-economic environment in the United States and globally. Every investment strategy has risk of loss and our client portfolios and our strategy may result in clients losing money.

### **Disciplinary Information**

There have been no disciplinary events against White Lighthouse Investment Management SARL or any of its advisory personnel.

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

Jonathan Lachowitz was formerly [2011 – 2016] on the board and is currently a member of the SFPO (Swiss Financial Planning Organization). SFPO is, authorized by the FPSB (Financial Planning Standards Board) in Washington, DC to grant the CFP(R) marks in Switzerland. Jonathan

resigned from the board voluntarily due to time constraints and remains a member of SFPO in good standing.

WHITE LIGHTHOUSE INVESTMENT MANAGEMENT S.A.R.L., is registered in Switzerland with the financial authorities and registered with the SEC. Business is conducted from an office in Lausanne, Switzerland. Jonathan Lachowitz is the primary business owner of WHITE LIGHTHOUSE INVESTMENT MANAGEMENT S.A.R.L.

In 2014, Jonathan Lachowitz joined the Advisory Board of OnShore Wealth S.A.; a Swiss Registered Independent Asset Management Firm. In January 2019, OnShore Wealth S.A. was renamed OnSa Advisors SA. Jonathan receives no compensation for this role.

From 2014 – 2016, Jonathan wrote numerous personal financial articles for The Wall Street Journal and in 2019 started writing for Bloomberg on an unpaid basis.

Jonathan teaches occasionally at IMD Business School in Lausanne and for ESCP, a French Business School with several campuses in Europe. The material presented is generally of a financial planning nature.

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

We have never participated or had an interest in trades to or from a client account or between existing client accounts. Trades are made on the open markets. While we do personal trading, our portfolios consist primarily of mutual funds, ETFs and large capitalization stocks (e.g. Johnson & Johnson, Microsoft, etc.). Our personal trades, other than mutual funds, are documented and reviewed periodically.

We may buy or sell the same securities as those owned by our clients. These are generally widely held stocks, mutual funds or ETFs and based on the size of the trades in both client and our personal accounts we don't believe we can have any influence over pricing and the markets.

White Lighthouse Investment Management, Inc. has its own written code of ethics which includes the complete CFP (R) Board's Standards of Professional Conduct. A copy of this is available upon request by any client or prospective client.



Investing in the same securities as clients' accounts is a potential conflict of interest but we feel that since we generally invest in either high capitalization securities, mutual funds or ETFs the conflict is minimal at most.

### **Brokerage Practices**

While we may try to work with any bank or broker that a client either already has an account with or wishes to establish an account with, many Swiss banks refuse to work with independent investment advisors who don't bring a minimum amount of assets to the bank. Many Swiss Banks have also chosen not to work with advisors or clients who have US Citizenship. Additionally, many Swiss banks engage in excessive pricing or discriminatory practices with respect to the national origin of the potential client. Banks often pay a percentage of their bank fees back to the investment advisor, a practice that WLIM SARL does not engage. Based on these complications, we work together with the clients to try and find a bank or brokerage firm that will accept the client, us as an independent investment advisor, and also provide transparent pricing and online access to both the clients and the advisor. We do not receive any products or services from any banks or brokerage firms that would not fall under the safe-harbor rules. The banks do provide some minimal research that we can access, such as performance statistics on investment funds.

### **Review of Accounts**

All client accounts are reviewed by Jonathan Lachowitz or another advisor at White Lighthouse Investment Management SARL on at least a quarterly basis. Accounts may also be reviewed more frequently based on market conditions or significant changes in client profile or large cash deposits or withdrawals.

Client reports are available to each client (using their password) on a quarterly basis and include account holdings, performance reports, and a billing statement. Reports consist of: account summary showing beginning and end values and interest and dividends received. Performance review showing relationship-to-date, 5yr, 3yr, 1 year and quarter performance with ROI information.

Portfolio statements show in graph format the classes of assets held, followed by a specific breakdown of securities held, including cost basis and current market value. A report showing the management fees broken down by the client's individual accounts and a total is included, followed by a comprehensive performance report for each security held in the client accounts.

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

We gladly accept client referrals from existing clients and other professionals. WLIM SARL currently, in 2021, does not pay for any referrals.

We pay for referrals on a limited basis to OnSa Advisor S.A. in Switzerland. This is generally for high net worth clients with complex international situations where White Lighthouse will serve as the Investment Manager.

We do not get compensated by any institution or individual for any client's referrals we may make to them.

### **Custody**

White Lighthouse, upon the written authorization of each client, can and does request its management fees from the bank where the client accounts are held in custody. This power to request fees is limited custody and does not, according to the SEC, require an annual audit.

Clients receive statements from us on a quarterly basis and from the custodian either monthly or quarterly. It is recommended that clients review and compare these reports and notify us of any discrepancies. All clients also can access their accounts, statements and transactions at any time online at the custodians.

### **Investment Discretion**

The firm has investment discretion for almost all the accounts that we manage, with a limited power of attorney to buy and sell on the client's behalf, in accounts titled in the name of the clients or for their benefit. Investment management fees are a percent of assets under management and can include ancillary financial planning advice generally related to the financial and investment goals of the client.

Occasionally, investment advice is given to clients for accounts that are not managed by us. This advice is in the context of general financial planning and may include investment selection in client retirement accounts not able to be managed by us, or more general investment allocation recommendations. No individual securities are recommended (outside of client's retirement accounts) where we do not have discretionary management over the client's investments.

Financial planning advisory takes place on an hourly basis where we are not responsible for managing the clients' accounts, or before clients decide to have us manage their investments. Generally, clients' questions and needs are identified first, a firm range of time and cost to deliver services is given and then financial planning analysis is performed and delivered.

Analysis consists generally of investment/asset allocation across a number of different investment classes based on the client's risk tolerance, which is formulated based on client interviews, goals and objectives and a risk profiling questionnaire.

Decision makers in investment allocation must have a CFP(R) qualification or comparable experience and licensing to make investment trades for clients.

### **Voting Client Securities**

We do not vote client securities.

### **Financial Information**

Since we do not have the ability to withdraw client assets our financial situation would not have any impact on our clients' contractual obligations. While we do have discretionary authority over our clients' accounts, there are no incidences in which our financial condition would impact their trading activities. Therefore, we do not believe it is necessary for us to report on any of our financial information.

We do not require or solicit prepayments of more than 500 CHF for investment management services. We may require a non-refundable fee in advance for financial planning projects.