

# TATE

PRIVATE WEALTH ADVISERS

**Tate Wealth Management, Inc.**  
**dba**  
**Tate Private Wealth Advisers**

1545 River Park Drive, Suite 375  
Sacramento, California 95815

Telephone: (916) 573-1735  
Email: [mtate@tateadvisers.com](mailto:mtate@tateadvisers.com)  
Web Address: <http://tategrp.com/>

**Form ADV Part 2A Brochure**

**March 29, 2022**

This brochure provides information about the qualifications and business practices of Tate Private Wealth Advisers. If you have any questions about the contents of this brochure, please contact us at (916) 573-1735 or [mtate@tateadvisers.com](mailto:mtate@tateadvisers.com). 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 Tate Private Wealth Advisers also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 120938.

## Material Changes - Item 2

Our Firm Brochure provides you with a summary of Tate Private Wealth Advisers' advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other important disclosures. This Item is used to provide our Clients with a summary of new and/or updated information.

Should a material change in our operations occur, depending on its nature we will promptly communicate this change to Clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a Client's full understanding of who we are, how to find us, and how we do business.

The following updates have been made to our Firm Brochure:

1. Annual Update: We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE). On March 29, 2022, we submitted our annual updating amendment filing for fiscal year 2021. We amended Item 5, Fees and Compensation, to disclose our policy of billing on cash and billing during periods of portfolio inactivity. Additional material investment risks were added under Item 8 pertaining to cybersecurity, pandemics, and the recommendation of third-party advisers.

If you would like to receive a complete copy of our current brochure free of charge at any time, please contact us at (916) 573-1735.

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#### **Advisory Business - Item 4**

Tate Private Wealth Advisers is a SEC-registered investment adviser with its principal place of business located in Sacramento, California. Tate Private Wealth Advisers began conducting business in 2005.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Michael Robert Tate, President, Chief Compliance Officer
- Robert L. Tate Jr., Vice President

Tate Private Wealth Advisers offers the following advisory services to our Clients:

##### **Individual Portfolio Management**

Our firm provides continuous asset management of Client funds based on the individual needs of the Client. Through personal discussions in which goals and objectives based on the Client's particular circumstances are established, we develop the Client's personal investment policy. We create and manage a portfolio based on that policy. During our data-gathering process, we determine the Client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we may also review and discuss a Client's prior investment history, as well as family composition and background.

As of December 31, 2021, we manage approximately \$300,120,064 in client assets on a discretionary basis and approximately \$99,166,025 in client assets on a non-discretionary basis. Account supervision is guided by the Client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Once the Client's portfolio has been established, we review the portfolio daily, and if necessary, rebalance the portfolio as needed, based on the Client's individual needs. Our portfolio management services are provided on a discretionary basis. Discretionary portfolio management means we will make investment decisions and place buy or sell orders in your account without contacting you for prior approval of each transaction. These decisions would be made based upon your stated investment objectives. If you wish, you may limit our discretionary authority by placing reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Simply provide us with your restrictions or guidelines in writing.

Our investment recommendations primarily consist of mutual funds and exchange traded funds. We may also provide advice regarding exchange-listed securities, securities traded over-the-counter, certificates of deposit, municipal securities, United States governmental securities, and other existing investments you may hold at the inception of the advisory relationship or on other types of investments for which you ask advice.

Because some types of investments involve certain additional degrees of risk, they will only be recommended when consistent with the Client's stated investment objectives, tolerance for risk, liquidity, and suitability.

**Sub-Advisory Relationships:** As part of our overall portfolio management strategy, we may recommend sub advisers to manage all or a portion of your account. All sub advisers recommended by our firm must either be registered as investment advisers or exempt from registration requirements. These sub advisers may specialize in traditional or alternative investments. Factors that we take into consideration when making our recommendations include, but are not limited to, the following: the sub adviser's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. Once a sub advisory account has been established, we will provide all administrative and clerical duties that are required to service your account. The sub adviser will have little or no direct contact with you. Our responsibility to you will be to: (i) continuously evaluate

the performance of your portfolio to ensure the sub adviser selected adheres to your asset allocation guidelines; (ii) make recommendations regarding the sub adviser as market factors and your personal goals dictate, (iii) assume discretionary authority to hire or fire the sub adviser where such action is deemed to be in your best interest.

**Outsourcing of Certain Investment Operations:** Tate Private Wealth Advisers works with various third party service providers, including, among others, Tamarac to help support the operational needs of managing and servicing Client accounts. Authority provided to the outsourced service providers may include, but is not limited to placing transactions with broker-dealers at the direction of Tate Private Wealth Advisers, opening accounts with Client's account custodian, and facilitating operational requests on the Client's behalf based on instructions provided by associated persons of Tate Private Wealth Advisers. When providing these services, the third party service provider is acting as an agent of Tate Private Wealth Advisers.

#### **Fees and Compensation - Item 5**

Each Client will enter into an agreement that describes Tate Private Wealth Advisers services and the costs ("Agreement"). The following Cost of Services schedule provides information about how Tate Private Wealth Advisers charges for its services.

<b>COST OF SERVICES SCHEDULE</b>	
<b>Client Assets Under Management</b>	<b>Cost for Financial Management</b>
\$0 to \$2,000,000	1.00%
\$2,000,001 to \$5,000,000	0.85%
\$5,000,001 to \$10,000,000	0.875%
Greater than \$10,000,000	Negotiable

Tate Private Wealth Advisers requires a minimum annual fee of \$5,000 for portfolio management services. At our sole determination, the minimum fee may be reduced or waived on a case-by-case basis depending on the facts and circumstances of the services provided.

#### **Negotiated Costs**

The amount and method for calculating Tate Private Wealth Advisers' Investment Management costs as referenced in the Cost of Services schedule are negotiated with each Client and confirmed in the Client's Agreement, or if the schedule has changed since the initial agreement the Client signed, then through supporting documentation. We allow Associated Persons servicing the account to negotiate the exact investment management fees within the range disclosed in our Form ADV Part 2A Brochure. As a result, the Associated Person servicing your account may charge more or less for the same service than another Associated Person of our firm. Further, our annual investment management fee may be higher than that charged by other investment advisors offering similar services/programs. While the Investment Management costs are typically assessed as a percentage of the Client's assets under Tate Private Wealth Advisers' management, it may also be assessed as a flat dollar amount. The Client is subject to the fee rate that is agreed to in their Client agreement, which may vary from the fee schedule noted above.

Tate Private Wealth Advisers considers a number of variables when analyzing the specific services to be provided to the Client and when determining the appropriate cost for those services. Factors that determine the Cost of Services include, but are not limited to:

- the services expected to be performed;
- the Client's wealth counseling and investment needs;
- the amount of investable assets;
- the Client's net worth; and,
- the amount of time anticipated to be spent servicing the Client.

The Client's advisory representative will determine the Cost of Service after carefully balancing the consultative and the implemented portions of the Client relationship. As a result, similar Clients may be charged different costs for similar services and the actual Cost of Services may vary from the rates noted in the above schedule.

Tate Private Wealth Advisers typically combines the assets from "related accounts" to reduce the combined rate charged to Clients, this is also known as "house holding." The Client's Adviser reserves the right to determine whether Client accounts are "related" for purposes of aggregation. A determination of the related accounts is part of the Cost of Services negotiation between the Client and Adviser.

In those instances where the majority of a Client's account is invested in fixed income securities, the Client's Adviser reserves the right to offer a reduced Cost of Services.

#### **Billing on Cash Positions**

The firm treats cash and cash equivalents as an asset class. Accordingly, unless otherwise agreed in writing, all cash and cash equivalent positions (e.g., money market funds, etc.) are included as part of assets under management for purposes of calculating the firm's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the firm may maintain cash and/or cash equivalent positions for defensive, liquidity, or other purposes. While assets are maintained in cash or cash equivalents, such amounts could miss market advances and, depending upon current yields, at any point in time, the firm's advisory fee could exceed the interest paid by the client's cash or cash equivalent positions.

#### **Periods of Portfolio Inactivity**

The firm has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, the firm will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when the firm determines that changes to a client's portfolio are neither necessary nor prudent. Notwithstanding, unless otherwise agreed in writing, the firm's annual investment advisory fee will continue to apply during these periods, and there can be no assurance that investment decisions made by the firm will be profitable or equal any specific performance level(s).

#### **Terminated Accounts**

If Tate Private Wealth Advisers' management services are terminated by written notice by either party, any unearned pre-paid costs will be refunded to the Client on a pro-rata basis. Tate Private Wealth Advisers will begin the process of removing itself from access to the account upon notification by or to the Client; however, a reasonable amount of time will be needed to liquidate and/or transfer assets, including time for required recordkeeping, and processing, and the rules and conditions imposed by mutual fund companies, stock exchanges, or securities issuers.

#### **Investment Management Costs**

Tate Private Wealth Advisers charges its Clients an annual management Cost of Services based on an agreed upon percentage of the Client's assets under management. These investment management costs are payable quarterly,

in advance, based on the value of the assets in the Client's account at the end of the previous quarter.

For new accounts and for new assets added after the start of a quarter, accounts will either be billed when the assets are available to be managed by Tate Private Wealth Advisers, or in arrears, after the end of the quarter.

#### **Investment Management Fee Payment**

For payment to Tate Private Wealth Advisers for its management services, Tate Private Wealth Advisers sends the custodian an invoice for quarterly cost debits, or Clients submit payment by check. Clients will receive a quarterly statement from the custodian showing the amount of management costs that have been debited from their account. By signing the Tate Private Wealth Advisers agreement, Clients are authorizing the debit of both the initial pro-rata fee and on-going quarterly costs.

#### **Mutual Fund and ETF Costs**

All fees paid to Tate Private Wealth Advisers for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a Client may pay an initial or deferred sales charge. A Client could invest in a mutual fund directly, without our services. In that case, the Client would not receive the services provided by our firm which are designed, among other things, to assist the Client in determining which mutual fund or funds are most appropriate to each Client's financial condition and objectives. Accordingly, the Client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the Client and to thereby evaluate the advisory services being provided.

#### **Other Costs**

For custodial services, Tate Private Wealth Advisers utilizes the services of a number of firms to meet its Clients' needs. Custodial costs (for transactions executed through the custodian's broker-dealer) may be paid by the Client or by Tate Private Wealth Advisers as negotiated and stated in the Tate Private Wealth Advisers Client Agreement. Custodial and brokerage/transaction costs include custodial and clearing agent services for Client accounts, maintenance of portfolio accounting systems, preparation and mailing of Client statements, account processing, systematic withdrawals, redemptions, retirement account custodial services (except for the retirement account termination cost), maintenance of a Client inquiry system, as well as execution of securities transactions in the Client's account.

#### **Advisory Fees in General**

Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees, in excess of \$1,200, six or more months in advance.

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

Performance-based fees are based on a share of capital gains on or capital appreciation of the Client's assets. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. We do not accept performance-based fees or participate in side-by-side management. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account(s).

#### Types of Clients - Item 7

We generally offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, and business entities.

We generally require a minimum account size of \$100,000 for advisory accounts. However, from time-to-time, in its sole discretion, we may accept smaller accounts based on various criteria, such as anticipated future assets, related accounts, and other individual Client circumstances. We generally require a minimum annual fee of \$5,000 for portfolio management services. At our sole determination, the minimum fee may be reduced or waived on a case-by-case basis depending on the facts and circumstances of the services provided

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

We obtain research from unaffiliated third parties such as BlackRock, Inc. and Dimensional Fund Advisors L.P. BlackRock, Inc. provides us with model ETF portfolios and Dimensional Fund Advisors L.P. provides us research about mutual fund portfolios. We also use in house mutual fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the Client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the Client may purchase the same security, increasing the risk to the Client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the Client's portfolio.

We do not represent, warrant, or imply that any analysis method employed by our firm can or will successfully identify market tops or bottoms. No analysis method has been proven to insulate Clients from losses due to market fluctuations, corrections, or declines.

We may use one or more of the following investment strategies when advising you on investments:

- *Long-Term Purchases* – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.
- *Short-Term Purchases* – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. Using a short-term purchase strategy generally assumes that we can predict how financial



markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but that may have a smaller impact over longer periods of times.

**Investing in securities involves risk of loss that Clients should be prepared to bear.**

The investment advice provided along with the strategies suggested by us will vary depending on each Client's specific financial situation and goals. This brief statement does not disclose all of the risks and other significant aspects of investing in financial markets. In light of the risks, you should fully understand the nature of the contractual relationship(s) into which you are entering and the extent of your exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed would be appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

**General Investment Risk:** All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments in which you intend to invest.

**Loss of Value:** There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and governmental economic or monetary policies.

**Interest Rate Risk:** Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes.

**Credit Risk:** Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

**Risks Associated with Investing in Mutual Funds:** Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. In addition, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns.

**Risks Associated with Investing in Exchange Traded Funds (ETF):** Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

**Cybersecurity Risks:** Our firm and our service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes, and practices designed to protect networks, systems, computers, programs, and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate; however, unintentional events may have similar effects. Cyber-attacks may cause losses to clients by interfering with the processing of transactions, affecting the ability to calculate net asset value or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose our firm to civil liability as well as regulatory inquiry and/or action. In addition, clients could be exposed to additional losses as a result of unauthorized use of their personal information. While our firm has established a business continuity plan and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities, investment companies and other investment advisers in which we invest, which could result in material adverse consequences for such entities and may cause a client's investment in such entities to lose value.

**Pandemic Risk:** Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption. It is difficult to predict the long-term impact of such events because they are dependent on a variety of factors including the global response of regulators and governments to address and mitigate the worldwide effects of such events. Workforce reductions, travel restrictions, governmental responses and policies and macroeconomic factors will negatively impact investment returns.

**Recommendation of Other Advisers:** In the event we recommend a third-party investment adviser to manage all or a portion of your assets, we will advise you on how to allocate your assets among various classes of securities or third-party investment managers, programs, or managed model portfolios. As such, we will primarily rely on investment model portfolios and strategies developed by the third-party investment advisers and their portfolio managers. If there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark, we may recommend changing models or replacing a third-party investment adviser. The primary risks associated with investing with a third party is that while a particular third party may have demonstrated a certain level of success in the past; it may not be able to replicate that success in future markets. In addition, as we do not control the underlying investments in third party model portfolios, there is also a risk that a third party may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. To mitigate this risk, we seek third parties with proven track records that have demonstrated a consistent level of performance and success over time. A third party's past performance is not a guarantee of future results and certain market and economic risks exist that may adversely affect an account's performance that could result in capital losses in your account. Please refer to the third-party investment adviser's advisory agreements, Form ADV Brochure, and associated disclosure documents for details on their specific investment strategies, methods of analysis, and associated risks.

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

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or of the integrity of our management. Neither our firm nor our management persons have a history of reportable material legal or disciplinary events.

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

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

Management personnel of our firm are also partners in the accounting firm of Tate Associates, LLP, where they are individually licensed, and practicing Certified Public Accountants providing accounting services for separate and typical compensation.

Tate Associates, LLP typically recommends Tate Private Wealth Advisers to accounting Clients in need of advisory services. Conversely, Tate Private Wealth Advisers typically recommends Tate Associates, LLP to advisory Clients in need of accounting services. Accounting services provided by Tate Associates, LLP are separate and distinct from our advisory services, and are provided for separate and typical compensation. There are no referral fee arrangements between our firms for these recommendations. No Tate Private Wealth Advisers Client is obligated to use Tate Associates, LLP for any accounting services and conversely, no accounting Client is obligated to use the advisory services provided by us. Tate Associates, LLP's accounting services do not include the authority to sign checks or otherwise disburse funds on any of our advisory Client's behalf.

Some individuals associated with Tate Private Wealth Advisers will spend the majority of their time on their accounting practice.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct, including compliance with applicable federal securities laws, that we require of our employees.

Tate Private Wealth Advisers and our personnel owe a duty of loyalty, fairness, and good faith towards our Clients; and, we have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement, and recordkeeping provisions.

Tate Private Wealth Advisers' Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to material non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory Clients and prospective Clients. You may request a copy by email sent to [mtate@tateadvisers.com](mailto:mtate@tateadvisers.com).

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical

to or different from those recommended to our Clients. In addition, any related persons may have an interest or position in a certain securities that may also be recommended to a Client. We and individuals associated with our firm will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to Client trades. We will not violate our fiduciary responsibilities to our Clients. Front running (trading shortly ahead of Clients) is prohibited. Should a conflict occur because of materiality (e.g., a thinly traded stock), disclosure will be made to the Client(s) at the time of trading. Incidental trading not deemed to be a conflict (e.g., a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

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

Tate Private Wealth Advisers recommends and requests Clients to implement trades and maintain custody of assets through National Financial Services LLC/Fidelity Brokerage Services, LLC ("Fidelity"), and/or Schwab Advisor Services, a division of Charles Schwab & Co., Inc. ("Schwab"). Fidelity and Schwab are registered broker-dealers and members of FINRA and the SIPC. We are independently owned and operated and not affiliated with Fidelity or Schwab. Fidelity and/or Schwab will hold your assets in a brokerage account and will buy and sell securities in your account(s) upon our instructions. While we recommend that you use Fidelity and/or Schwab as custodian/broker, you will decide whether to do so and you will open your account with Fidelity and/or Schwab by entering into an account agreement directly with them. We do not open the account for you.

#### **Research and Other Soft Dollar Benefits**

Fidelity and Schwab provide our firm with access to their institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them. These services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Fidelity and Schwab also makes available to us other products and services that benefit our firm but may not benefit our Clients' accounts. Some of these other products and services assist us in managing and administering Clients' accounts. These include software and other technology that provide access to Client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple Client accounts); provide research, pricing information and other market data; facilitate the deduction and payment of our fees from Clients' accounts; and assist with back-office functions, recordkeeping and Client reporting. Many of these services generally may be used to service all or a substantial number of our firm's Clients' accounts, including accounts not maintained at Fidelity or Schwab.

Fidelity and Schwab also make available to us other services intended to help us manage and further develop our business. These services may include consulting, publications, conferences, information technology, business succession, regulatory compliance, and marketing. In addition, Fidelity or Schwab may make available, arrange, and/or pay for these types of services rendered to us by independent third parties. Fidelity and Schwab may discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us.

While we endeavor to act in our Clients' best interests, our recommendation that Clients maintain their assets in accounts at Fidelity or Schwab may be based in part on the additional benefits we receive and not solely on the nature, cost, or quality of custody and brokerage services provided by Fidelity or Schwab. This creates a potential conflict of interest. In suggesting a broker dealer, we will endeavor to select those brokers or dealers that will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive commission rates,

volume discounts, execution price negotiations, the broker's reputation, experience, and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions.

Best execution is not measured solely by reference to commission rates. Paying a broker a higher commission rate than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered. In addition, we may cause the account to pay a higher commission in recognition of the value of "research services" and additional brokerage products and services a broker-dealer has provided or is willing to provide.

#### **Brokerage for Client Referrals**

We do not receive Client referrals from broker-dealers and custodians. Also, we do not receive other benefits from a broker-dealer in exchange for Client referrals.

#### **Directed Brokerage**

Tate Private Wealth Advisers does not allow the Client to direct brokerage to broker/dealers other than those recommended by us.

#### **Trade Aggregation**

While individual Client advice is provided to each account, Client trades may be executed as a block trade. Only accounts in the custody of Fidelity or Schwab would have the opportunity to participate in aggregated securities transactions. Trades using Fidelity or Schwab may be aggregated and executed in Tate Private Wealth Advisers' name. The executing broker will be informed that the trades are for the accounts of our Clients and not for our firm. No advisory account within the block trade will be favored over any other advisory account, and thus, each account will participate in an aggregated order at the average share price and receive the same commission rate. The aggregation should, on average, reduce slightly the costs of execution, and we will not aggregate a Client's order if in a particular instance we believe that aggregation would cause the Client's cost of execution to be increased. The executing broker will be notified of the amount of each trade for each account. Tate Private Wealth Advisers and/or its Advisory Representatives may participate in block trades with Clients, and may also participate on a pro rata basis for partial fills, but only after the determination has been made that Clients will receive fair and equitable treatment.

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

**Reviews:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed quarterly. Accounts are reviewed in the context of each Client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the Client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by Michael Tate, CEO and Chief Compliance Officer or the Associated Person managing the account.

**Reports:** In addition to the monthly statements and confirmations of transactions that Portfolio Management Services Clients receive from their broker-dealer, Tate Private Wealth Advisers will provide quarterly reports summarizing account performance, balances, and holdings.

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

Tate Private Wealth Advisers has brokerage and clearing arrangements with Schwab and Fidelity and the firm receives additional benefits from them. These additional benefits are listed under Item 12 above. It is our policy not to accept or allow our related persons to accept any form of additional compensation, including cash, sales awards, or other prizes, from a non-Client in conjunction with the advisory services we provide to our Clients.

Tate Private Wealth Advisers does not currently have any Client referral or compensation agreements with outside parties for domestic accounts as defined by Rule 206(4)-3 of the Investment Advisers Act of 1940 or similar state statute.

### Custody - Item 15

Related persons of Tate Private Wealth Advisers may serve as trustees to certain accounts for which we provide investment advisory services. This capacity gives us custody over the advisory accounts for which our related persons serve as trustees. These accounts will be held with a bank, broker-dealer, or other independent, qualified custodian. We comply with all requirements set forth under the Investment Advisers Act of 1940, including the requirement to engage an independent certified public accountant to verify by actual examination, the client funds and securities of which Tate Private Wealth Advisers has custody, on at least an annual basis.

We previously disclosed in the "Fees and Compensation" section (Item 3) of this Brochure that our firm directly debits advisory fees from Client accounts. As part of this billing process, the Client's custodian is advised of the amount of the fee to be deducted from that Client's account. On at least a quarterly basis, the custodian is required to send to the Client a statement showing all transactions within the account during the reporting period. Because the custodian does not calculate the amount of the fee to be deducted, it is important for Clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that Clients receive directly from their custodians, we also send account statements directly to our Clients on a quarterly basis. We urge our Clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings, and values are correct and current.

We are generally considered to have custody of Clients' funds or securities when we debit fees from Client accounts and when Clients have standing authorizations with their custodian to move money from a Client's account to a third-party ("SLOA") in which we may have some discretion in transferring the funds on behalf of the Client. These SLOAs have been put in place upon the Client's written request and signature. For instance, the amount or timing of the transfers may not be on the SLOA submitted to the custodian; however, at a future date, a Client will contact us requesting that we submit instructions to the custodian to remit a specific dollar amount from the account to the designated third party (both of which are identified in the SLOA that is on file). We meet the seven conditions the SEC has set forth that are intended to protect Client assets in such situations.

### Investment Discretion - Item 16

Clients hire us to provide discretionary asset management services, in which case we place trades in a Client's account without contacting the Client prior to each trade to obtain the Client's permission. Our discretionary authority includes the ability to do the following without contacting the Client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again giving us written instructions.

#### Voting Client Securities - Item 17

Tate Private Wealth Advisers does not vote proxies. It is the Client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

#### Financial Information - Item 18

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per Client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement with this brochure.

As an advisory firm that maintains discretionary authority for Client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations to its Clients. Tate Private Wealth Advisers has no such financial condition to report.

Tate Private Wealth Advisers has not been the subject of a bankruptcy petition at any time during the past ten years.

#### Requirements of State-Registered Advisers - Item 19

**This section is not applicable because our firm is SEC registered.**