

# Waldron Private Wealth

ADV Part 2A, Firm Brochure

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**This Brochure provides information about the qualifications and business practices of Waldron Private Wealth (CRD# 131063) (the “Registrant”). If you have any questions about the contents of this Brochure, please contact us at (412) 221-1005 or [mhelfrich@waldronpw.com](mailto:mhelfrich@waldronpw.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 Waldron Private Wealth is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**References herein to Waldron Private Wealth as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.**

## Item 2           Material Changes

There have been no material changes made to this disclosure Brochure since last year's Annual Amendment filing on March 19, 2021.

**Registrant's Chief Compliance Officer, Matthew Helfrich, remains available to address any questions that a client or prospective client may have about any disclosures and arrangements described in this ADV Part 2A, Firm Brochure.**

## Item 3           Table of Contents

Item 1	Cover Page.....	1
Item 2	Material Changes.....	2
Item 3	Table of Contents.....	2
Item 4	Advisory Business .....	3
Item 5	Fees and Compensation .....	9
Item 6	Performance-Based Fees and Side-by-Side Management .....	10
Item 7	Types of Clients.....	10
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss.....	10
Item 9	Disciplinary Information .....	13
Item 10	Other Financial Industry Activities and Affiliations .....	13
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	14
Item 12	Brokerage Practices .....	15
Item 13	Review of Accounts.....	18
Item 14	Client Referrals and Other Compensation .....	18
Item 15	Custody.....	20
Item 16	Investment Discretion.....	21
Item 17	Voting Client Securities.....	21
Item 18	Financial Information .....	22

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

- A. Waldron Private Wealth, LLC (the “Registrant”) is a limited liability company, initially formed as a limited partnership in 2004 in the Commonwealth of Pennsylvania, as the result of an entity conversion. The Registrant became registered as an Investment Adviser in October 2004. The Registrant is principally owned by John Waldron, the Registrant’s Managing Member.
- B.

##### **INVESTMENT MANAGEMENT SERVICES**

The Registrant provides discretionary and/or non-discretionary investment management services to clients on a *fee* basis. The Registrant’s annual investment management fee shall vary (up to 1.50% of the total assets placed under the Registrant’s management/advisement) and shall be based upon various objective and subjective factors. *See also* Fee Differential discussion below.

##### **INVESTMENT CONSULTING/MONITORING**

Registrant provide non-discretionary portfolio review/monitoring services on a stand-alone basis relative to those client assets that are not part of the investment assets subject to the Registrant’s investment management services discussed above. The terms and conditions of such an engagement may be set forth in our existing *Wealth Management and Planning Agreement*.

These additional client investment assets are generally investment assets that are managed directly by the client or by other investment professionals engaged by the client. The Registrant’s portfolio review service is limited to periodic review of information pertaining to these assets as may be provided to the Registrant by the client, the other investment professional(s), and/or the account custodian, and does not include discretionary investment advisory services.

Regardless of whether the Registrant provides the portfolio review/monitoring services as part of the *Wealth Management and Planning Agreement* services or on a stand-alone basis, the client (and/or the investment professionals engaged by the client with respect to such assets), and not the Registrant, shall be exclusively responsible for the investment performance of these assets.

##### **WEALTH PLANNING AND CONSULTING SERVICES**

The Registrant provides financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis.

Prior to engaging the Registrant to provide planning or consulting services, clients are generally required to enter into a *Wealth Management and Planning Agreement* with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Registrant commencing services.

If requested by the client, Registrant may recommend the services of other professionals for implementation purposes, including certain of the Registrant's representatives, in their individual capacities as licensed insurance agents. 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 Registrant.

If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

It remains the client's responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations and/or services.

## **MISCELLANEOUS**

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** As indicated above, to the extent requested by a client, Registrant may provide financial planning and related consulting services. Neither the Registrant nor its investment adviser representatives assist clients with the implementation of any financial plan, unless they have agreed to do so in writing. The Registrant does not monitor a client's financial plan, and it is the client's responsibility to revisit the financial plan with the Registrant, if desired.

Furthermore, although the Registrant may provide recommendations regarding non-investment related matters, such as estate planning, tax planning and insurance, the Registrant does not serve as a law firm, accounting firm, or insurance agency, and no portion of Registrant's services should be construed as legal, accounting, or insurance implementation services. Accordingly, the Registrant does not prepare estate planning documents, tax returns or sell insurance products.

To the extent requested by a client, Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.), including representatives of Registrant in their separate individual capacities as licensed insurance agents.

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 Registrant and/or its representatives.

If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

**Family Dynamics, Governance, and Wealth Counseling Service.** The Registrant offers Family Dynamics, Governance and Wealth Counseling services to its clients on a separate fee basis generally ranging from \$5,000 to \$50,000 on a project basis (depending upon the level and scope of the service(s) required and the professional(s) rendering the services), on hourly rate basis of \$500, or for a monthly retainer of approximately

\$5,000. The Registrant shall provide this service in conjunction with the Registrant's engagement of an unaffiliated industry professional. The terms and conditions, including the scope of the consulting service and corresponding fee, shall be set forth in writing between the Registrant and the client.

**Independent Managers/Sub-Advisers.** The Registrant may also allocate a portion of client assets by and/or among certain independent investment manager(s) (the "*Independent Manager(s)*"), consistent with the stated investment objectives of the client. The Registrant may also engage sub-advisers to assist it with the management of the fixed income portfolios for a limited number of client accounts. The Registrant shall continue to render advisory services to the client relative to the ongoing monitoring and reviewing of account performance, for which Registrant shall receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated *Independent Manager(s)* or allocated to the sub-advisers. Factors which the Registrant shall consider in allocating client assets among *Independent Manager(s)* and/or sub-advisers include the client's stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated *Independent Manager(s)* and/or sub-adviser, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, are exclusive of, and in addition to, Registrant's investment advisory fee set forth above.

**Unaffiliated Private Investment Funds.** Registrant may provide investment advice regarding unaffiliated private investment funds. Registrant, on a non-discretionary basis, may also recommend that certain qualified clients consider an investment in unaffiliated private investment funds. Registrant's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of Registrant calculating its investment advisory fee. Registrant's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may own, private investment funds do not provide daily liquidity or pricing. Each prospective client will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

#### **Valuation**

In the event that Registrant references private investment funds owned by the client on any supplemental account reports prepared by Registrant, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. If no subsequent valuation post-purchase is provided by the Fund Sponsor, then the valuation shall reflect the initial purchase price (and/or a value as of a previous date), or the current value(s) (either the initial purchase price and/or the most recent valuation provided by the fund sponsor). If the valuation reflects initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent

ascertainable) could be significantly more or less than original purchase price. The client's advisory fee shall be based upon reflected fund value(s). The Registrant's Chief Compliance Officer, Matthew Helfrich, remains available to address any questions regarding this conflict of interest.

**Non-Discretionary Service Limitations.** Clients that determine to engage Registrant on a non-discretionary investment advisory basis must be willing to accept that Registrant cannot effect any account transactions without obtaining prior consent to such transaction(s) from the client. Therefore, in the event that Registrant would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, the Registrant will be unable to effect the account transaction(s) (as it would for its discretionary clients) without first obtaining the client's consent.

**Use of Mutual and Exchange Traded Funds:** Most mutual funds and exchange traded funds are available directly to the public. Therefore, a prospective client can obtain many of the funds that may be utilized by Registrant independent of engaging Registrant as an investment advisor. However, if a prospective client determines to do so, they will not receive the Registrant's initial and ongoing investment advisory services.

In addition to Registrant's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

**Interval Funds.** When consistent with a client's investment objectives, Registrant may allocate investment assets to "interval funds." Investment companies structured as "interval funds" are generally designed for long-term investors that do not require daily liquidity. Shares in interval funds typically do not trade on the secondary market. Instead, their shares are subject to periodic redemption offers by the fund at a price based on net asset value. Accordingly, interval funds are subject to liquidity constraints. Interval funds investing in securities of companies with smaller market capitalizations, derivatives, or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Registrant's clients are under no obligation to use interval funds and may restrict the Registrants use of interval funds accordingly.

**Portfolio Activity.** Registrant has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Registrant 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, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Registrant determines that changes to a client's portfolio are neither necessary nor prudent. Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity.

**Retirement Plan Rollovers – No Obligation.** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"),

or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). Although the Registrant may assist a client with completing a rollover, the Registrant does not provide recommendations on rollovers. No client is under any obligation to roll over retirement plan assets to an account managed by Registrant.

**Account Data Aggregation / Reporting Services.** Registrant, in conjunction with the services provided by ByAllAccounts, Inc., eMoney, Black Diamond and Quovo may also provide periodic comprehensive reporting services which can incorporate all of the client's investment assets, including those investment assets that are not part of the assets managed by Registrant (the "Excluded Assets"). The client and/or their other advisors that maintain trading authority, and not Registrant, shall be exclusively responsible for the investment performance of the Excluded Assets.

Unless otherwise specifically agreed to, in writing, Registrant's service relative to the Excluded Assets is limited to reporting only. The sole exception to the above shall be if Registrant is specifically engaged to monitor and/or allocate the assets within the client's 401(k) account maintained away at the custodian directed by the client's employer. As such, except with respect to the client's 401(k) account (if applicable), Registrant does not maintain any trading authority for the Excluded Assets. Rather, the client and/or the client's designated other investment professional(s) maintain supervision, monitoring and trading authority for the Excluded Assets.

If Registrant were asked to make a recommendation as to any Excluded Assets, the client is under no obligation to accept the recommendation, and Registrant shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. In the event the client desires that Registrant provide investment management services for the Excluded Assets, the client may engage the Registrant to do so pursuant to the terms and conditions of the *Wealth Management and Planning Agreement* between Registrant and the client.

**Socially Responsible Investing Limitations.** Socially Responsible Investing involves the incorporation of Environmental, Social and Governance ("ESG" considerations into the investment due diligence process. There are potential limitations associated with allocating a portion of an investment portfolio in ESG securities (i.e., securities that have a mandate to avoid, when possible, investments in such products as alcohol, tobacco, firearms, oil drilling, gambling, etc.). The number of these securities may be limited when compared to those that do not maintain such a mandate. ESG securities could underperform broad market indices. Investors must accept these limitations, including potential for underperformance. Correspondingly, the number of ESG mutual funds and exchange traded funds are limited when compared to those that do not maintain such a mandate. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by Registrant), there can be no assurance that investment in ESG securities or funds will be profitable, or prove successful.

**Cryptocurrency.** For clients who want exposure to cryptocurrencies, including Bitcoin, the Registrant, will advise the client to consider a potential investment in corresponding exchange traded securities, or an allocation to separate account managers and/or private funds that provide cryptocurrency exposure. Crypto is a digital currency that can be used to buy goods and services, but uses an online ledger with strong cryptography (i.e., a method of protecting information and communications through the use of codes) to

secure online transactions. Unlike conventional currencies issued by a monetary authority, cryptocurrencies are generally not controlled or regulated and their price is determined by the supply and demand of their market. Because cryptocurrency is currently considered to be a speculative investment, the Registrant will not exercise discretionary authority to purchase a cryptocurrency investment for client accounts. Rather, a client must expressly authorize the purchase of the cryptocurrency investment.

The Registrant does not recommend or advocate the purchase of, or investment in, cryptocurrencies. The Registrant considers such an investment to be speculative. Clients who authorize the purchase of a cryptocurrency investment must be prepared for the potential for liquidity constraints, extreme price volatility and complete loss of principal.

**Cash Positions.** Registrant treats cash as an asset class. As such, unless determined to the contrary by the Registrant, all cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating Registrant'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), Registrant may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Registrant's advisory fee could exceed the interest paid by the client's money market fund.

**Client Obligations.** In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other designated professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations and/or services.

**Disclosure Statement.** A copy of Registrant's written disclosure statement and Client Relationship Summary, as set forth on Part 2 of Form ADV and Form CRS respectively, shall be provided to each client prior to, or contemporaneously with, the execution of the *Wealth Management and Planning Agreement*.

- C. The Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on the Registrant's services.
- D. Registrant does not offer a wrap fee program for its investment advisory services.
- E. As of December 31, 2021, the Registrant had \$4,037,332,744 in assets under management on a discretionary basis, and \$100,524,666 on a non-discretionary basis for a total of \$4,137,857,410.



## Item 5 Fees and Compensation

A.

### INVESTMENT MANAGEMENT SERVICES

The Registrant's annual investment management fee shall vary (up to 1.50% of the total assets placed under the Registrant's management/advisement) and shall be based upon various objective and subjective factors, including, but not limited to, the amount of the assets placed under the Registrant's direct management, the amount of the assets placed under the Registrant's advisement (assets that are generally managed directly by the client or by other investment professionals engaged by the client, for which the Registrant provides review/monitoring services, but does not have trading authority – See *Investment Consulting/Monitoring* discussion below), the complexity of the engagement, and the level and scope of the overall investment advisory services to be rendered.

**Fee Differentials.** As a result, similarly situated clients could pay diverse fees, and the services to be provided by the Registrant to any particular client could be available from other advisers at lower fees.

### INVESTMENT CONSULTING/MONITORING

Registrant provides non-discretionary portfolio review/monitoring services on a stand-alone basis relative to those client assets that are not part of the investment assets subject to the Registrant's investment management services discussed above.

The Registrant shall price these services based upon various objective and subjective factors. As a result, Registrant's clients could pay diverse fees based upon the market value of their assets, the complexity of the engagement, and the level and scope of the overall investment advisory and/or consulting services to be rendered. Furthermore, the services to be provided by the Registrant to any particular client could be available from other advisers at lower fees.

### WEALTH PLANNING AND CONSULTING SERVICES

The Registrant provides financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Registrant's planning and consulting fees are negotiable, but generally range from \$2,000 to \$250,000 on a fixed fee basis, and from \$75.00 to \$500.00 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

- B. The Registrant's advisory and wealth planning and consulting fees shall be deducted from the Client's custodial account. Both Registrant's *Wealth Management and Planning Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.

- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend that Fidelity Investments, LLC ("*Fidelity*"), Bryn Mawr Trust ("*Bryn Mawr*"), TD Ameritrade Institutional ("*TD*") and/or National Advisors Holdings, Inc. ("*NATC*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Fidelity*, *Bryn Mawr*, *TD* and *NATC* charge brokerage commissions and/or transaction fees for effecting certain securities transactions. In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).
- D. Registrant's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the value of the assets on the last business day of the previous quarter. The Registrant relies on a third party service to calculate its advisory fees. This service incorporates the value of any accrued interest due to the account at the time of account valuation.
- The *Wealth Management and Planning Agreement* between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Wealth Management and Planning Agreement*. Upon termination, the Registrant shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.
- E. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

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

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

## **Item 7            Types of Clients**

The Registrant's clients shall generally include individuals, business entities, pension and profit sharing plans, trusts, estates and charitable organizations. The Registrant does not generally require an annual minimum fee. The Registrant may reduce its investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

- A. The Registrant may utilize the following methods of security analysis:
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)

The Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)

Registrant's investment strategies are primarily driven by two components: allocation and behavior. In this context, Registrant's goal is to construct investment allocations that will achieve client investment objectives after careful consideration of: time horizon, tax status, cash flow, risk aversion, and related concerns. Registrant works with its clients to set strategic asset allocation policies of the six main asset classes: domestic equity, international equity, alternatives, real assets, fixed income, and cash. After establishing strategic allocations, Registrant creates the sub-asset allocations. Registrant then seeks to select the most appropriate external, independent investment managers to manage each component of its clients' allocations. Registrant monitors its clients' accounts regularly, and rebalances the accounts when it deems appropriate.

**Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear. 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 the Registrant) will be profitable or equal any specific performance level(s).

Investors generally face the following types of 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 may be caused by external factors independent of the fund's specific investments as well as due to the fund's specific investments. Additionally, each security's price will fluctuate based on market movement and emotion, which may, or may not be due to the security's operations or changes in its true value. For example, political, economic and social conditions may trigger market events which are temporarily negative, or temporarily positive.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- 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.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

- B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant'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.

The Registrant's primary investment strategies, Long Term Purchases and/or Short Term Purchases are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

Without limiting the above, when consistent with client investment objectives as a replacement for high yield bonds and to gain additional portfolio diversification, the Registrant may also allocate a portion of client investment assets to mutual funds comprised mainly of catastrophe bonds. These mutual funds invest the majority of their assets to event-linked securities tied to natural events (i.e. hurricanes, tornadoes, earthquakes). In the event one or more catastrophes related to these mutual funds transpire, the funds could incur substantial losses resulting in adverse account performance, thereby creating potentially significant and unusual risks to clients.

Further, as indicated in Item 4 above, Registrant may provide investment advice regarding unaffiliated private investment funds. Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration.

**Borrowing Against Assets/Risks.** A client who has a need to borrow funds, could determine to do so by using:

- **Margin**-The account custodian lends money to the client. The custodian charges the client interest for the right to borrow money, and uses the assets in the client's brokerage account as collateral; and,
- **Pledged Assets Loan**- In consideration for a lender (i.e., a bank, etc.) to make a loan to the client, the client pledges its investment assets held at the account custodian as collateral.

The above-collateralized loans are generally utilized because they provide favorable interest rates. These types of loans can assist with a pending home purchase, permit the retirement of more expensive debt, or enable borrowing in lieu of liquidating existing account positions and incurring capital gains taxes. However, such loans are not without potential material risk to the client's investment assets. The lender (i.e. custodian, bank,

etc.) will have recourse against the client's investment assets in the event of loan default or if the assets fall below a certain level. For this reason, the Registrant does not recommend such borrowing unless it is for specific short-term purposes (i.e. a bridge loan to purchase a new residence). The Registrant does not recommend such borrowing for investment purposes (i.e. to invest borrowed funds in the market). Regardless, if the client was to determine to utilize margin or a pledged assets loan, the following potential economic benefits could inure to the Registrant:

- by taking the loan rather than liquidating assets in the client's account, Registrant continues to earn a fee on such Account assets; and,
- if the client invests any portion of the loan proceeds in an account to be managed by Registrant, Registrant will receive an advisory fee on the invested amount; and,
- if Registrant's advisory fee is based upon the higher margined account value, Registrant will earn a correspondingly higher advisory fee. This could provide Registrant with a disincentive to encourage the client to discontinue the use of margin.

The Client must accept the above risks and potential corresponding consequences associated with the use of margin or a pledged assets loans.

- C. Currently, the Registrant primarily allocates client investment assets among various, mutual funds, and/or exchange traded funds, alternative investments and *Independent Manager(s)* on a discretionary basis in accordance with the client's designated investment objective(s).

## **Item 9           Disciplinary Information**

The Registrant has not been the subject of any disciplinary actions.

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

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Licensed Insurance Agents.** The Registrant's Chief Executive Officer and certain of the Registrant's representatives, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. Clients can engage these individuals to effect insurance transactions on a commission basis.

**Conflict of Interest:** The recommendation by Registrant's representatives that a client purchase an insurance commission product presents a conflict of interest, as the receipt of commissions provides an incentive to recommend insurance products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any insurance commission products from Registrant's

representatives. Clients are reminded that they may purchase insurance products recommended by Registrant through other, non-affiliated licensed insurance agents. **The Registrant's Chief Compliance Officer, Matthew Helfrich, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

- D. The Registrant does not recommend or select other investment advisors for its clients from which the Registrant receives compensation.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.
- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons". The Registrant's securities transaction policy requires that an Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above in Item 11.C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

## **Item 12 Brokerage Practices**

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at *Fidelity*, *TD*, *Bryn Mawr*, and/or *NATC*. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal *Wealth Management and Planning Agreement* with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/ custodian.

Factors that the Registrant considers in recommending *Fidelity*, *TD*, *Bryn Mawr*, and/or *NATC* (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to seek best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

### **1. Non-Soft Dollar Research and Additional Benefits**

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant may receive from *Fidelity*, *TD*, *Bryn Mawr* and/or *NATC* (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, mutual fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at

conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

There is no corresponding commitment made by the Registrant to *Fidelity, TD, Bryn Mawr*, and/or *NATC* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

TD Ameritrade Institutional Program

The Registrant participates in the TD Ameritrade Institutional Program. TD is a division of TD Ameritrade, Inc., member FINRA/SIPC. TD is an independent and unaffiliated SEC-registered broker-dealer. TD offers services to independent investment advisors which include custody of securities, trade execution, clearance and settlement of transactions. The Registrant receives some benefits from TD through its participation in the program. (Please see the disclosure under Item 14 below.)

**The Registrant's Chief Compliance Officer, Matthew Helfrich, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest presented.**

2. Fidelity Wealth Advisor Solutions® Program

The Registrant participates in the Fidelity Wealth Advisor Solutions® Program (the "WAS Program"), through which Registrant receives referrals from Fidelity Personal and Workplace Advisors LLC ("FPWA"), a registered investment adviser and Fidelity Investments company. Registrant is independent and not affiliated with FPWA or any Fidelity Investments company. FPWA does not supervise or control Registrant, and FPWA has no responsibility or oversight for Registrant's provision of investment management or other advisory services.

Under the WAS Program, FPWA acts as a solicitor for Registrant, and Registrant pays referral fees to FPWA for each referral received based on Registrant's assets under management attributable to each client referred by FPWA or members of each client's household. The WAS Program is designed to help investors find an independent investment advisor, and any referral from FPWA to Registrant does not constitute a recommendation or endorsement by FPWA of Registrant's particular investment management services or strategies. More specifically, Registrant pays the following amounts to FPWA for referrals: for referrals made prior to April 1, 2017, an annual percentage of 0.20% of any and all assets in client accounts; for referrals made after April 1, 2017, the sum of (i) an annual percentage of 0.10% of any and all assets in client accounts where such assets are identified as "fixed income" assets by FPWA and (ii) an annual percentage of 0.25% of all other assets held in client accounts. The increased referral fee for all assets that are not identified as "fixed income" presents a conflict of interest, because Registrant is incentivized under that



schedule to allocate assets to “fixed income” assets. For referrals made prior to April 1, 2017, these fees are payable for a maximum of seven years. Fees with respect to referrals made after that date are not subject to the seven year limitation. In addition, Registrant has agreed to pay FPWA a minimum annual fee amount in connection with its participation in the WAS Program. These referral fees are paid by Registrant and not the client.

To receive referrals from the WAS Program, Registrant must meet certain minimum participation criteria, but Registrant may have been selected for participation in the WAS Program as a result of its other business relationships with FPWA and its affiliates, including Fidelity Brokerage Services, LLC (“FBS”). As a result of its participation in the WAS Program, Registrant has a conflict of interest with respect to its decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for certain client accounts, and Registrant has incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to Registrant as part of the WAS Program. Under an agreement with FPWA, Registrant has agreed that it will not charge clients more than the standard range of advisory fees disclosed in this Form ADV 2A Brochure to cover solicitation fees paid to FPWA as part of the WAS Program. Pursuant to these arrangements, Registrant has agreed not to solicit clients to transfer their brokerage accounts from affiliates of FPWA or establish brokerage accounts at other custodians for referred clients other than when Registrant’s fiduciary duties would so require, and Registrant has agreed to pay FPWA a one-time fee equal to 0.75% of the assets in a client account that is transferred from FPWA’s affiliates to another custodian; therefore, Registrant has an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of FPWA, which presents a conflict of interest. However, participation in the WAS Program does not limit Registrant’s duty to select brokers on the basis of best execution.

3. The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to “batch” the client’s transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that the client directs Registrant to effect securities transactions for the client’s accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant. Higher transaction costs adversely impact account performance.

Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

- B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or “bunch” such orders to seek best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

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

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on a quarterly basis by the Registrant’s Principal and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.
- B. The Registrant may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

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

- A. As referenced in Item 12.A.1 above, the Registrant receives economic benefits from *Fidelity*, *TD*, *Bryn Mawr*, and/or *NATC* including support services and/or products without cost (and/or at a discount). There is no corresponding commitment made by the Registrant to *Fidelity*, *TD*, *Bryn Mawr*, and/or *NATC* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**The Registrant’s Chief Compliance Officer, Matthew Helfrich, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest presented.**

- B. If a client is introduced to the Registrant by either an unaffiliated or an affiliated solicitor, Registrant *may* pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the Registrant’s investment management fee, and shall not result in any additional charge to

the client. If the client is introduced to the Registrant by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of the Registrant's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between the Registrant and the solicitor, including the compensation to be received by the solicitor from the Registrant.

Without limiting the foregoing, please also refer to Item 12.A.2. Regarding Registrant's participation in the WAS Program, the compensation paid under that arrangement, and the conflicts of interest that arise under that arrangement.

### **Additional Services**

As disclosed under Item 12 and 14 A. above, Registrant participates in the TD Ameritrade Institutional Program ("Program") and Registrant may recommend TD to clients for custody and brokerage services. There is no direct link between Registrant's participation in the Program and the investment advice it gives to its clients, although Registrant's receives economic benefits through its participation in the Program that are typically not available to TD retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Registrant's clients; access to "bunched trading" (which provides the ability to aggregate securities transaction for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Registrant by third party vendors. TD may also have paid for business consulting and professional services received by Registrant's related persons. Some of the products and services made available by TD through the Program may benefit Registrant but may not benefit its client accounts. These products or services may assist Registrant in managing and administering client accounts, including accounts not maintained TD. Other services made available by TD are intended to help Registrant manage and further develop its business enterprise. The benefits received by Registrant or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD. As part of its fiduciary duties to Investors, Registrant endeavors, at all times, to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Registrant or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Registrant's choice of TD for custody and brokerage services.

The Registrant also receives from TD certain additional economic benefits ("Additional Benefits") from TD that may or may not be offered to any other independent investment advisors. Specifically, the Additional Benefits include \$75,000, payable over the next year, to pay for products and services, specifically, licenses for client relationship management software, provided by Salesforce. TD provides the Additional Benefits in its sole discretion and at its own expense, and Registrant does not pay any fees to TD for the Additional Benefits.

Registrant's receipt of the Additional Benefits raises potential conflicts of interest. In providing Additional Benefits to Registrant, TD most likely considers the amount and profitability to TD of the assets in, and trades placed for, Registrant's client accounts maintained with TD. Consequently, in order to continue to obtain the Additional Benefits from TD, Registrant may have an incentive to recommend to its clients that the assets under management by Registrant be held in custody with TD and to place transactions for client accounts with TD. Registrant's receipt of Additional Benefits does not diminish its duty to act in the best interests of its client, including the best execution of trades for client accounts.

**The Registrant's Chief Compliance Officer, Matthew Helfrich, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest presented.**

Registrant may also receive additional services which may include products and services. Without this arrangement, Registrant might be compelled to purchase the same or similar services at its own expense.

As a result of receiving such services for no additional cost, Registrant may have an incentive to continue to use or expand the use of Fidelity's services. Registrant examined this potential conflict of interest when it chose to enter into the Agreement with Fidelity and has determined that the relationship is in the best interests of Registrant's clients and satisfies its client obligations, including its duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, to the benefit of all clients, it may not necessarily obtain the lowest possible commission rates for specific client transactions. Although the investment research products and services that may be obtained by Registrant will generally be used to service all of Registrant's clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. Registrant and Fidelity are not affiliates, and no broker-dealer affiliated with Registrant is involved in the relationship between Registrant and Fidelity.

**The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding custody-related issues.**

## **Item 15      Custody**

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian.

The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

The Registrant also engages in other practices and/or services on behalf of its clients that require disclosure at ADV Part 1, Item 9. Some of such practices and/or services are subject to an annual surprise CPA examination in accordance with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940.

**The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding custody-related issues.**

## **Item 16 Investment Discretion**

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, the client shall be required to execute an *Wealth Management and Planning Agreement*, naming the Registrant as the client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at any time, impose restrictions, in writing, on the Registrant's discretionary authority. (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

## **Item 17 Voting Client Securities**

- A. Except for assets managed by independent investment managers (for which the independent investment managers shall generally retain proxy voting responsibility), clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. The Registrant and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

**Item 18      Financial Information**

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

**The Registrant's Chief Compliance Officer, Matthew Helfrich, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**