

Item 1 – Cover Page



**Form ADV Part 2A, Appendix 1**  
**Wrap Fee Program Brochure**

March 18, 2022

**This Brochure provides information about the qualifications and business practices of Orca Wealth Management, LLC. You should review this brochure to understand your relationship with our firm and help you determine to hire or retain us as your investment adviser. If you have any questions about the contents of this brochure, please contact us at (727) 938-1600. The information in this Brochure has not been approved or verified by the United States of America Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Additional information about Orca Wealth Management also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by our firm name or by using a unique identifying number, known as a CRD number. The CRD number for Orca Wealth Management is 310053.**

**Orca Wealth Management is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.**

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## Item 2 – Material Changes

This section of the Wrap Fee Program Brochure discusses specific material changes that have been made to the brochure since the firm's last annual update in March 2021.

- **Item 4: Third-Party Asset Managers**

In March 2022, we updated our disclosures related to third-party asset managers available through the Adhesion turnkey asset management platform. We added important disclosures related to this service offering and associated fees in Item 4 of this brochure.

We will provide you with a Summary of Material Changes made to this brochure annually at no cost. You may receive an updated copy of this brochure at any time by contacting us at (727) 938-1600.

### Item 3 – Table of Contents

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## Item 4 – Services, Fees and Compensation

### Our Services

Orca Wealth Management, LLC (“Orca Wealth Management”) is a registered investment adviser that provides investment management and financial advisory services to individual investors to help them achieve their financial needs and goals. Founded in 202, the firm is solely owned by Kenneth Ouellette.

Our firm takes pride in providing personalized service to our clients and acknowledges that it is held to a fiduciary standard of care.

Orca Wealth Management offers portfolio management services through a wrap fee program. A bundled or “wrap fee” program is an advisory fee program under which you pay one bundled fee to compensate Orca Wealth Management for portfolio management and trade execution. A wrap fee program may not be the lowest cost option if you would like to restrict your investments to open-end mutual funds or other long-term investment products.

### Fees and Compensation

Fees for portfolio management services are based on assets under management and are payable quarterly in advance. Orca Wealth Management may negotiate advisory fees at our sole discretion. We may negotiate a fee rate that differs from our standard fee schedule for certain clients or in situations where Orca Wealth Management provides advice with respect to certain client holdings (e.g., held-away assets, 529 plans, etc.).

Our graduated fee schedule for discretionary wrap program accounts is as follows:

| Assets Under Management       | Annual Advisory Fee |
|-------------------------------|---------------------|
| \$1 - \$1,000,000             | 0.90%               |
| \$1,000,000.01 - \$2,000,000  | 0.85%               |
| \$2,000,000.01 - \$5,000,000  | 0.80%               |
| \$5,000,000.01 - \$10,000,000 | 0.70%               |
| Above \$10,000,000            | 0.65%               |

This fee schedule may be based on cumulative household assets under management. However, certain ERISA rules prevent householding corporate plans with personal assets for fee reductions. You should refer to your advisory agreement for your specific fee rate(s).

### Selection of Independent Managers

Fees for Independent Managers are set forth by the Independent Manager and may be included in or be in addition to Orca Wealth Management’s fees. You should refer to the Independent Manager’s

investment management agreement and Form ADV Part 2A Brochure for information on their fees and compensation.

#### Programs Offered Through Wells Fargo

Fees for advisory programs offered through Wells Fargo are inclusive of Orca Wealth Management's and Wells Fargo's advisory fees and are as follows:

| Program                              | Program Type            | Maximum Annual Advisory Fee |
|--------------------------------------|-------------------------|-----------------------------|
| Personalized Unified Managed Account | Unified Managed Account | 2.5%                        |

You should refer to your advisory agreement for your specific fee rate(s).

Wells Fargo will calculate and directly debit advisory fees from the clients' accounts for assets within their programs. The value of assets held in any Wells Fargo program is excluded from the amount of total household assets used to determine Orca Wealth Management's advisory fees for other assets of a client that are managed by Orca Wealth Management.

#### Programs Offered Through Adhesion

Fees for the programs offered through Adhesion are inclusive of Orca Wealth Management's advisory fees, the third-party asset manager's advisory fees and Adhesion's overlay/platform fee. You should refer to your investment management agreement for your specific fee rate(s).

### **Costs of Our Program**

Fees for our portfolio management services may be higher than fees charged by other advisers who sponsor similar programs, or if you paid separately for investment advice and other services. Fees for our wrap fee program include clearing and custodial costs and our portfolio management fee. You may be charged different fees than similarly situated clients for the same services. Your specific wrap fee is described in your investment management agreement. You should carefully review this brochure to understand the fees and other sources of compensation we receive prior to entering into an investment advisory contract with our firm.

### **Other Types of Fees You May Incur**

You may incur additional charges imposed by custodians, broker-dealers, investment companies and other third parties, such as Independent Manager fees, account maintenance fees, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on securities transactions. Such charges and fees are exclusive of and in addition to Orca Wealth Management's fees. You are responsible for payment of any and all taxes that may be due as a result of any transactions in your account.

In addition to advisory fees, you are responsible for paying any management and other fund-related expenses for any mutual funds in which your account assets are invested. This includes redemption

fees imposed by the mutual fund or custodian as a result of a transaction-related request you initiate (such as a partial or complete liquidation of your account). Distribution or “12b-1” fees paid by any mutual funds in which your account assets are invested are credited back to your account for your benefit.

### **Our Compensation for Your Participation in the Program**

Orca Wealth Management generally acts as both the sponsor and portfolio manager of the wrap fee program. This means we receive compensation as a result of your participation in the program, which gives us an incentive to recommend the program over other programs or services. The amount of this compensation may be more than what we would receive if you paid separately for investment advice, brokerage, and other services. We encourage you to consider your anticipated level of trading activity and compare the costs you may incur in the program versus an unbundled portfolio management program.

## **Item 5- Account Requirements and Types of Clients**

Orca Wealth Management provides portfolio management services to individuals, high net worth individuals and families, pension and profit-sharing plans, trusts, estates, charitable institutions, foundations, corporations, and other business entities.

Orca Wealth Management generally does not require a minimum initial investment for investment management services. The firm, in its sole discretion, may accept clients with smaller portfolios based upon each client’s particular circumstances.

## **Item 6 – Portfolio Manager Selection and Evaluation**

### **Selection and Review of Portfolio Managers**

Orca Wealth Management generally acts as both the sponsor and portfolio manager of the wrap fee program. We may also utilize a third-party money manager to manage all or a portion of a client’s account.

In an effort to mitigate any potential conflicts of interest, we have the ability to effect a large amount of trades within the wrap program with institutional pricing. This mitigates the incentive to recommend fewer trades in your account. The cost of trading is not material to our investment recommendations. It is our policy to always act in the best interests of our clients.

### **Types of Advisory Services We Offer**

Orca Wealth Management offers portfolio management and wealth management services, as well as financial planning and consulting, to individuals, high net worth individuals, trusts, businesses, and corporations. We work with our clients to determine their investment objectives and risk profile and develop a customized investment plan based on their individual needs and goals. Orca Wealth Management will utilize the financial information provided by the client to analyze and develop strategies and solutions to assist the client in meeting their financial goals.

Prior to Orca Wealth Management rendering any of the foregoing services, clients are required to enter into one or more written advisory agreements with Orca Wealth Management setting forth the relevant terms and conditions of the advisory relationship.

### **Investment and Wealth Management Services**

Orca Wealth Management manages our clients' portfolios on a discretionary and, in limited circumstances, non-discretionary basis. Our portfolio and wealth management services are tailored to the needs of our clients and are based on a comprehensive understanding of each client's current situation, past experiences, and future goals. With this acquired knowledge we create, analyze, strategize, and implement goal-oriented investment solutions. These solutions become our clients' investment policy. This policy and our matched strategies are designed to be risk appropriate, cost effective and tax efficient.

Our wealth management services generally include a broad range of comprehensive financial planning and/or consulting services, as well as discretionary or, in limited circumstances, non-discretionary management of investment portfolios.

Client assets are generally allocated among individual equity and debt securities in accordance with the client's stated investment objective and risk/volatility parameters. Where appropriate, Orca Wealth Management may also provide advice about many types of legacy positions or other investments held in client portfolios. Clients may also engage Orca Wealth Management to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts (to the extent permissible without an insurance license) and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Orca Wealth Management will direct or make recommendations on a non-discretionary basis for the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or custodian for the plan trustee or administrator and clients retain responsibility for effecting trades in these accounts.

Clients may also retain Orca Wealth Management to provide advisory services for their retirement plan account. When providing these services, the firm acts as an ERISA 3(21) fiduciary and is required to act under the standard of care in ERISA that is generally a higher standard than imposed on our firm under the Investment Advisers Act of 1940. Advisory services available to plan participants include:

- Non-discretionary investment advice
- Asset allocation models
- Strategic investment allocations
- Investment performance reporting

Orca Wealth Management consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the

management of their portfolios. You should promptly notify us if there are changes in your financial situation or if you wish to place any limitations on the management of your account. You may impose reasonable restrictions or mandates on the management of your account if Orca Wealth Management determines, in our sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the firm's management efforts.

### **Selection of Independent Managers**

Orca Wealth Management may select certain Independent Managers to actively manage a portion of its clients' assets. Pursuant to the terms of the investment advisory agreement, Orca Wealth Management shall have the discretion to appoint and terminate these third-party advisers. The specific terms and conditions under which a client engages an Independent Manager may also be set forth in a separate written agreement with the designated Independent Manager. In addition to this brochure, clients will also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets. Orca Wealth Management evaluates a variety of information about Independent Managers, which may include the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, Orca Wealth Management seeks to assess the Independent Managers' investment strategies, past performance, and risk results in relation to its clients' individual portfolio allocations and risk exposure. Orca Wealth Management also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing, and research capabilities, among other factors.

Orca Wealth Management continues to provide services relative to the discretionary or non-discretionary selection of the Independent Managers. On an ongoing basis, Orca Wealth Management monitors the performance of those accounts being managed by Independent Managers. Orca Wealth Management seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

### **Financial Planning and Consulting Services**

Orca Wealth Management offers different levels of financial planning and consulting services to help our clients identify, prioritize and work towards their goals and objectives. Our consulting services give our clients the ability to receive a broad range of financial advice and services, including specific security recommendations, for the duration of the advisory agreement.

Our process starts with an extensive review of a client's family situation, which includes assets and liabilities as well as estate, tax, and insurance needs. We then employ a risk tolerance and risk capacity-focused simulation to get a detailed cash flow analysis and proposed asset allocation. Together, this information is analyzed to develop a proposed financial plan, which is designed to be dynamic in nature, ever-evolving due to life changes, along with changes in cash flow needs, risk tolerance, time horizon, or investment objectives.



Orca Wealth Management's financial planning and consulting services may include any or all of the following topics:

- Cash Flow Analysis
- Financial Record Organizing
- Estate Planning
- Charitable Giving
- Education Planning
- Business Planning
- Concentrated Stock
- Federal Benefits & Health Care
- Death & Disability
- Divorce Planning
- Liability Management
- Investment Consulting
- Tax Planning
- Insurance Review
- Family Governance
- Retirement Plan Consulting and Employee Benefits Analysis

While each of these services is available on a stand-alone basis, certain of them may also be rendered in conjunction with investment portfolio management services, as part of a comprehensive wealth management engagement. In performing these services, Orca Wealth Management is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.), and is expressly authorized to rely on such information. Orca Wealth Management may recommend clients engage the firm for additional related services, or we may recommend other professionals to implement our recommendations. These additional services by Orca Wealth Management or another professional are provided at an additional cost to you, which is based on the nature, extent, complexity, and other characteristics of the services. This creates a conflict of interest because the firm will have an incentive to recommend additional services based on the compensation to be received, rather than solely based on your needs, and in some cases, based on the prospect of cross-referrals of advisory clients from the other professional or his or her firm. Implementation of financial planning recommendations is entirely at your discretion. You have complete freedom in selecting a financial adviser to assist you with implementing the recommendations made in your financial plan and are under no obligation to act on the advice of Orca Wealth Management. Financial planning recommendations are of a generic nature and are not limited to any specific product or service offered by a broker dealer or insurance company. Should you choose to implement the recommendations contained in the plan, Orca Wealth Management suggests you work closely with your attorney, accountant and/or insurance agent.

Orca Wealth Management will act solely in its capacity as a registered investment adviser and does not provide any legal, accounting or tax advice. You should seek the counsel of a qualified accountant and/or attorney when necessary. As part of our advisory services, we may assist clients

with tax harvesting and will work with the client's tax specialist to answer any questions related to the client's portfolio.

### **Fiduciary and Non-Fiduciary Services for Plan Sponsors**

Retirement plan sponsors may retain our firm to provide advisory and consulting services for plan assets. Fiduciary services available to plan sponsors include:

- Reviewing and assisting in the establishment of investment policies and objectives on behalf of the plan
- Assistance with development of an Investment Policy Statement
- Recommending core investments to be offered to plan participants for selection by the plan sponsor
- Recommending investment managers, within the meaning of ERISA Section 3(38), on behalf of the plan, to be offered as investment options for plan participants
- Monitoring of the plan's investments or investment managers in accordance with the plan's Investment Policy Statement or other relevant guidelines

Non-fiduciary consulting services available to plan sponsors include:

- Educating plan participants on investment options available within the plan
- Preparation of periodic performance reports for the plan's investments
- Assistance with monitoring the reasonableness of the fees and expenses of the plan's investments or investment managers in accordance with the plan's Investment Policy Statement or other relevant guidelines
- Benchmarking existing plan service providers to industry peers, and where appropriate, conducting a search for new providers for the plan sponsor's consideration and providing our recommendation.

### **Portfolio Management Services for Wrap Fee Program**

Orca Wealth Management offers portfolio management services through a wrap program. A bundled or "wrap fee" program is an advisory fee program under which you pay one bundled fee to compensate Orca Wealth Management for portfolio management and trade execution. A wrap fee program may not be the lowest cost option if you would like to restrict your investments to open-end mutual funds or other long-term investment products.

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

Orca Wealth Management does not charge any performance-based fees or participate in side-by-side management.

## **Methods of Analysis and Investment Strategies**

Orca Wealth Management carefully constructs a risk-adjusted, tax-efficient, and cost-effective asset allocation strategy based on a client's unique cash flow needs, stated return and risk profile. Security selection is based on qualitative, quantitative, technical, and relative strength metrics. Portfolio holdings are constantly monitored and adjusted as market conditions and our clients' circumstances dictate. Clients may hold or retain other types of assets as well, and Orca Wealth Management may offer advice regarding those various assets as part of our services. Advice regarding such assets generally will not involve portfolio management services.

Orca Wealth Management predominantly utilizes a combination of active and passive strategies to allocate client assets primarily among publicly traded securities, such as stocks, bonds, and ETFs, mutual funds, and/or separately managed portfolios. Nevertheless, individual client circumstances may dictate the use of other types of securities, actively managed portfolios, or alternative investments. Depending upon the client's financial needs, strategies implemented might include long term purchases (securities held at least a year), short term purchases (securities sold within a year), short sales, margin transactions, option writing, including covered options, uncovered options or spreading strategies, and other securities transactions.

## **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. All investments present the risk of loss of principal – the risk that the value of securities (e.g., stocks, mutual funds, ETFs, bonds, etc.), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment. There is no guarantee that investment recommendations made by Orca Wealth Management will be accurate. We cannot assure that your account will increase, preserve capital, or generate income, nor can we assure that your investment objectives will be realized. Although all investments involve risk, our investment advice seeks to limit risk through diversification among various asset classes.

We may recommend a variety of security types for your account in an effort to achieve your individual needs and goals. This may include, but is not limited to, stocks, bonds, open-end and closed-end mutual funds, ETFs, hedge funds, private equity funds, venture capital funds, advisory accounts, real estate investment trusts, or other private alternative or other investment funds. An investment in such other funds or managers may present risks specific to the particular investment vehicle, such as long-term illiquidity, redemption notice periods or other restrictions on redemptions, capital calls, or periodic taxable income distribution.

Described below are the material risks associated with investing in the types of securities we generally use in client accounts:

## **Equity Securities**

In general, prices of equity securities (common, convertible preferred stocks and other securities whose values are tied to the price of stocks, such as rights, warrants and convertible debt securities) are more volatile than those of fixed-income securities. The prices of equity securities could decline in value if the issuer's financial condition declines or in response to overall market and economic conditions. Investments in smaller companies and mid-size companies may involve greater risk and price volatility than investments in larger, more mature companies.

## **Fixed-Income Securities**

The return and principal value of bonds fluctuate with changes in market conditions. Fixed-income securities are subject to interest rate risk and credit quality risk. The market value of fixed-income securities generally declines when interest rates rise, and an issuer of fixed-income securities could default on its payment obligations. Changes in interest rates generally have a greater effect on bonds with longer maturities than on those with shorter maturities. If bonds are not held to maturity, they may be worth more or less than their original value. Credit risk refers to the possibility that the issuer of a bond will not be able to make principal and/or interest payments. High yield bonds, also known as "junk bonds," carry higher risk of loss of principal and income than higher rated investment grade bonds.

## **Mutual Funds**

Mutual funds may invest in different types of securities, such as value or growth stocks, real estate investment trusts, corporate bonds, or U.S. government bonds. There are risks associated with each asset class.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. Although money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund. Redemption is at the current net asset value, which may be more or less than the original cost. Aggressive growth funds are most suitable for investors willing to accept price per share volatility since many companies that demonstrate high growth potential can also be high risk. Income from tax-free mutual funds may be subject to local, state and/or the alternative minimum tax.

Because each mutual fund owns different types of investments, performance will be affected by a variety of factors. The value of your investment in a mutual fund will vary from day to day as the values of the underlying investments in a fund vary. Such variations generally reflect changes in interest rates, market conditions and other company and economic news. These risks may become magnified depending on how much a fund invests or uses certain strategies. A fund's principal market segment(s), such as large-cap, mid-cap or small-cap stocks, or growth or value stocks may underperform other market segments or the equity markets as a whole.

You can find additional information regarding these risks in the fund's prospectus.

### **Exchange-Traded Funds (ETFs)**

ETFs are typically investment companies that are legally classified as open-end mutual funds or unit investment trusts. ETFs differ from traditional mutual funds in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Liquidity risks are higher for ETFs with a large spread. ETFs may be closed and liquidated at the discretion of the issuing company.

### **International Investing**

The risks of investing in foreign securities include loss of value as a result of political or economic instability; nationalization, expropriation or confiscatory taxation; changes in foreign exchange rates and foreign exchange restrictions; settlement delays; and limited government regulation (including less stringent reporting, accounting, and disclosure standards than are required of U.S. companies). These risks may be greater with investments in emerging markets. Certain investments utilized by Orca Wealth Management may also contain international securities.

### **Cash and Cash Equivalents**

A portion of your assets may be invested in cash or cash equivalents to achieve your investment objective, provide ongoing distributions, and/or take a defensive position. Cash holdings may result in a loss of market exposure.

### **Alternative Investments**

Alternative investments are illiquid investments and do not trade on a national securities exchange. Alternative investments typically include investments in direct participation program securities (partnerships, limited liability companies, business development companies or real estate investment trusts), commodity pools, private equity, private debt, or hedge funds. Alternative investments are subject to various risks, such as illiquidity and property devaluation based on adverse economic and/or real estate market conditions.

Alternative investments are not suitable for all investors. Investors considering an investment strategy utilizing alternative investments should understand that alternative investments are generally considered speculative in nature and may involve a high degree of risk, particularly if concentrating investments in one or few alternative investments. These risks are potentially greater and substantially different than those associated with traditional equity or fixed income investments.

Additional information regarding these risks can be found in the product's prospectus or offering documents.

### **Voting Client Securities**

As a general policy, Orca Wealth Management will retain proxy voting authority for clients that have given us the authority to do so. In such cases, we will follow the proxy voting guidelines outlined in our Proxy Voting Policies and Procedures. You may obtain a copy of our Proxy Voting Policies and Procedures and/or a record of ballots voted upon by contacting us at (727) 938-1600. In certain situations, the Independent Manager may be responsible for the voting of client proxies.

## **Item 7 – Client Information Provided to Portfolio Managers**

If an Independent Manager is used to manage all or a portion of your account, Orca Wealth Management will share certain information needed by the third-party portfolio manager to effectively manage your account, such as your risk tolerance, investment objectives or other investment policy information.

## **Item 8 – Client Contact with Portfolio Managers**

Orca Wealth Management is your primary contact for account-related questions. You may contact us directly at (727) 938-1600 to discuss your account.

## **Item 9 – Additional information**

### **Disciplinary Information**

As a registered investment adviser, Orca Wealth Management is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our management. Orca Wealth Management has no disciplinary information to report.

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

Orca Wealth Management has no other financial industry activities or affiliations. Certain Supervised Persons of Orca Wealth Management are licensed insurance agents and receive additional compensation in the form of advisory fees for fee-based annuities.

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

### **Our Code of Ethics**

Orca Wealth Management is committed to providing investment advice with the utmost professionalism and integrity. Our firm strives to identify manage and/or mitigate conflicts of interest and has adopted policies, procedures, and oversight mechanisms to address conflicts of interest. We have adopted a Code of Ethics that emphasizes our fiduciary obligation to put client interests first and is designed to ensure personal securities transactions, activities, and interests of employees will not interfere with the responsibilities to make decisions in the best interest of clients. All supervised persons of our firm must acknowledge and comply with our Code of Ethics.

You may request a copy of our Code of Ethics by contacting us at (727) 938-1600.

### **Participation in Client Transactions**

Orca Wealth Management does not affect principal or agency cross securities transactions for client accounts. Orca Wealth Management also does not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells a security to an advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

### **Employee Personal Trading**

Supervised persons of Orca Wealth Management may purchase or sell the same security that we recommend for investment in client accounts. This creates a conflict of interest as there is a possibility that employees of our firm might benefit from market activity by a client in a security held by the employee. Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Orca Wealth Management will not interfere with making decisions in the best interest of advisory clients and implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of Orca Wealth Management's clients. Our Code of Ethics also places restrictions on our employees' personal trading activities. These restrictions include, but are not limited to, a prohibition on trading based on non-public information and pre-clearance requirements for certain types of transactions. Employee trading is continually monitored under the Code of Ethics in an effort to prevent conflicts of interest between Orca Wealth Management and our clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Orca Wealth Management's obligation of best execution. In such

circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Orca Wealth Management will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

## **Review of Accounts**

Accounts at Orca Wealth Management are reviewed on a periodic basis. This informal review includes assessing client goals and objectives, monitoring the account, and addressing the need to rebalance, as necessary. Individual securities held in client accounts are periodically monitored by the firm, while any selected third-party managers are monitored on a quarterly basis. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes to a client's individual circumstances, market conditions, or the political or economic environment.

Orca Wealth Management may also review tax-planning needs, cash-flow needs, as well as charitable giving, insurance, and estate planning as part of our ongoing client reviews. Reviews are tailored to the services we provide to you, as well as your individual needs and goals. We encourage you to discuss your needs, goals, and objectives with us and keep us informed of any changes. If you engage our firm for ongoing investment advisory services, we will contact you at least annually to determine whether there have been any changes to your financial situation or investment objectives and whether you wish to impose any reasonable restrictions on the management of your account or reasonably modify any existing restrictions. At this time, we will advise you of any account changes we feel are necessary to help you stay on track with meeting your financial goals and consider whether the current services provided by our firm continue to be suitable for your needs.

As a convenience to our clients, in addition to reporting on clients' financial assets, at a client's request we may prepare a global consolidated report that also includes certain non-financial assets (e.g., real assets). In such instances, Orca Wealth Management relies on the client to provide current and accurate price or other valuation information for those assets to be included in the client's consolidated account report. In no instance are non-financial assets included in performance reporting. Orca Wealth Management does not independently verify, and expressly disclaims responsibility for, the accuracy of any non-financial asset values clients provided to us to include in their reporting.

## **Client Referrals and Other Compensation**

### **Other Compensation Arrangements**

Orca Wealth Management receives compensation from Trade-PMR, Inc., the broker-dealer used for your account, and your account custodian in the form of access to electronic systems that assist us in the management of client accounts, as well as research, software and other technology that provide access to client account data (such as trade confirmations and account statements), pricing



information and other market data, facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), and client reporting capabilities. Trade-PMR provided our firm with nominal funding to assist with startup expenses establishing our business entity. Your account custodian also offers Orca Wealth Management discounts for products and services offered by vendors and third-party service providers, such as software and technology solutions. These economic benefits create a conflict of interest in that it gives our firm an incentive to recommend one broker-dealer or custodian over another that does not provide similar electronic systems, support, or services. We address this conflict of interest by disclosing to our clients the types of compensation that our firm receives so clients can consider this when evaluating our firm. It is important that you consider the fees, level of service and investment strategies, among other factors, when selecting an investment manager.

### **Client Referrals**

Orca Wealth Management does not pay any referral fees to other individuals for referring clients to our firm.

### **Financial Information**

As a registered investment adviser, Orca Wealth Management is required to provide you with certain financial information about our firm.

### **Prepayment of Fees**

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

### **Our Financial Condition**

We do not have any financial commitment that is reasonably likely to impair our contractual commitments to our clients, nor has our firm ever been the subject of a bankruptcy proceeding.