



**Endowment Wealth Management, Inc.**

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March 30, 2023

**FORM ADV PART 2A**

**BROCHURE**

**This brochure provides information about the qualifications and business practices of Endowment Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact us at 920-785-6010. 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 Endowment Wealth Management, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Endowment Wealth Management, Inc. is 108652.**

**Endowment Wealth Management, Inc. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

## Item 2 Summary of Material Changes

EWM amends this Brochure at least annually. This Item of the Brochure will discuss material changes that are made to the Brochure and provide clients with a summary of such changes. We will provide you with a new Brochure as necessary based on changes or new information, without charge. Currently, a copy of our Brochure may be requested by contacting Robert Riedl, Chief Compliance Officer at (920) 785-6011.

Since EWM's last Annual Updating Amendment, dated March 31, 2022, Endowment Wealth Management, Inc. ("Endowment Wealth Management" or "EWM") has made the following material changes to this brochure:

**Item 4. *Suitability information.*** Clients are required to inform EWM when their suitability information changes.

**Item 4. *Insured cash program.*** Added language that describes the CF Cash insured cash program offered by StoneCastle Network, LLC. EWM receives an administrative fee from deposits placed in the program.

**Item 4 & 5. *Held away accounts.*** Added language with respect to order management services utilized when provided services to held-away accounts, including 401(k) accounts.

**Items 4 & 5. *Alternative Investments Billing.*** Amended and added language with respect to billing and refunds related to closed end interval and other alternative investment funds transitioning to a daily liquidity structure.

**Item 5. *Advisory Fee Schedule for 401(k) Plans.*** EWM has increased its fees for services to 401k Plans.

**Item 5K. *Account Termination.*** Added language consistent with EWM's Non-Discretionary Alternative Investment Advisory Agreement that EWM advisory fees for alternative investments survive termination of the Agreement through the life of the investment(s).

**Item 8. *Investment Risk.*** Add language on fund expenses, that the returns of ETFs targeting alternative asset classes may not generate representative returns of the targeted asset class, risk of loss of and price fluctuation of ETFs relative to net asset value, risks associated with the CF Cash Program administered by StoneCastle, risks of Delaware Statutory Trusts ("DSTs"), and risks associated with Qualified Opportunity Zones ("QOZs").

**Item 17 Proxy Voting.** EWM has modified its proxy voting policy.

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## Item 4 Advisory Business

### A. Description of Services and Fees

Endowment Wealth Management, Inc. is a fee-only registered investment adviser based in Appleton, Wisconsin. We are organized as a corporation under the laws of the State of Wisconsin. EWM was founded in 1996. In 2013, Robert Riedl and Prateek Mehrotra joined EWM, and the Firm was renamed and recapitalized under its current name, Endowment Wealth Management, Inc. Robert Riedl and Prateek Mehrotra are the two single largest shareholders and principal officers of EWM.

Currently, we offer the following investment advisory services, which are personalized to each Client:

- **Financial Planning Services**
- **Investment Advisory and Portfolio Management Services**
- **Advisory Consulting Services**
- **Alternative Investments Advisory Services**
- **Pension/401k Consulting Services**

The following paragraphs describe EWM's services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor EWM's advisory services to your individual needs. As used in this brochure, the words "EWM", "we", "our", and "us" refer to EWM and the words "you", "your" and "Client" refer to you as either a Client or prospective Client of EWM. Also, you may see the term Associated Person or Investment Adviser Representative throughout this brochure. As used in this brochure, EWM's Associated Persons or Investment Adviser Representatives are EWM's officers, employees, and all other individuals providing investment advice on behalf of EWM. The use of the terms "we", "us" and "our" throughout this disclosure brochure when referring to EWM is not intended to imply that there is more than one individual performing advisory services for EWM.

### B. Financial Planning Services

EWM prepares and provides individual financial plans for Clients. The financial plans that we prepare may or may not include estate and/or retirement planning, contingent upon the needs of the individual Client.

Financial planning is a process that focuses on ascertaining a person's or a family's financial goals and then developing a plan to help achieve those goals. A financial plan is a document or statement designed to carry the Client from his/her present financial position to the attainment of financial goals. The nature of a financial plan will depend upon a variety of variables as provided by the Client to EWM. Variables include, but are not limited to, amount and complexity of Client income sources, net worth and asset diversity, risk tolerances, retirement needs, estate transfer needs and tax planning needs. EWM charges an hourly or flat fee for EWM's financial planning services. The fee for financial planning will depend upon the nature and complexity of the plan.

In advance of engaging EWM to provide planning, investment advisory, or portfolio management services to you, we require that you enter into a Financial Planning Agreement with EWM to establish the terms and conditions, scope of services, and fees relative to your specific needs. EWM will then organize, review, and create a plan that considers a variety of factors that may include but is not limited to your investments, insurance, estate, education funding, retirement planning, multi-generational succession, cash flow management, philanthropy, and tax needs. In certain situations, in its sole discretion, EWM may waive the

requirement for you to enter into a Financial Planning Agreement prior to retaining EWM to provide advisory or portfolio management services to you.

In performing financial planning services, EWM may provide limited tax advice. However, EWM is not an accounting firm and you are encouraged to discuss any tax planning strategies with your professional tax consultant. We will consult with you and your accountant to integrate your tax planning goals in your financial Plan.

In performing financial planning services, EWM may provide limited estate planning advice. However, EWM is not an attorney and does not provide legal advice. We will consult with you and your estate planning attorney to assist in your estate planning process and incorporate your estate plan goals into your financial plan

### C. Investment Advisory and Portfolio Management Services

Individuals, corporations, or charitable organizations can engage EWM to manage their assets on a discretionary or non-discretionary basis. EWM primarily invests Clients' assets among exchange traded funds (ETFs), exchange traded notes, mutual funds, third party investment managers, publicly traded business development companies, or other publicly traded securities in accordance with the investment objectives of the Client. For investors that qualify, EWM may recommend, based on the stated objectives of the Client, allocations to more traditional assets such as stocks, bonds, ETFs, mutual funds, or other publicly traded, registered securities (the "Traditional Investments" or "Traditional Assets") and/or Alternative Investments (as defined below), which may or may not be managed by EWM.

While EWM will periodically poll Clients for any risk tolerance updates and make any corresponding recommendations, all Clients are required to notify EWM whenever there are any changes to their risk tolerance, financial circumstances or expected health expenditures that could potentially require a change in their portfolios.

#### *Use of Envestnet*

For most Clients, EWM recommends that Clients use Envestnet Advisory Corp. ("Envestnet") to assist in the management of traditional assets in Client accounts. Envestnet is a Turnkey Asset Management Platform that provides account services including access to separate account managers and models, account rebalancing, portfolio rebalancing, aggregated performance reporting, model management, and other services that help us manage Client accounts. Envestnet assesses a separate fee for their services under an agreement that Clients sign when establishing their accounts. EWM typically recommends that Clients use custodians with electronic links built into Envestnet, which currently include, but are not limited to, the custodians as listed in Item 12 of this Brochure. Custodial agreements differ by custodian and type of account (i.e., individual, joint, trust, IRA, SEP, corporate, etc.). EWM does not receive a share of fees that Envestnet receives for their services.

#### *Separately Managed Account Programs*

Many of EWM's discretionary Traditional Asset accounts are advised using a Separately Managed Account, or "SMA". In a separate account, funds are not pooled with the investments of other investors like they are, for example, in a mutual fund. Separate accounts offer a variety of approaches and offer flexibility to create portfolios oriented towards individual investment goals. Separate account managers may invest in public or private investments including equities, fixed income securities, and Alternative

Investments. Client accounts managed within an SMA investment program will be subject to program fees which may contain the platform fee and the investment manager's fee. SMA and Unified Managed Accounts (UMA) require custodial account agreements and are subject to custodial or brokerage fees.

The nature and type of separate account managers recommended by EWM is based upon the stated objectives of the Client. The number and type of separate accounts will vary by client needs, objectives and risk tolerance and may include one or more of the following:

- *Independent, third-party managers.* Third-party investment managers unaffiliated with EWM, accessed through the Envestnet platform, may be recommended for their expertise in active management or specialization in managing assets for a certain asset class (i.e., emerging market small-cap growth) on a discretionary basis.
- *Independent, third-party models.* This program, offered through Envestnet provides investors with the benefits of separately managed portfolios/accounts with lower required minimum account sizes than separate account managers typically require. Under this program, each Separate Account Manager manages a "Model". The Model guides Envestnet to make trades to balance the managed accounts to the Model. Models may contain stocks, bonds, ETFs, exchange-traded notes, mutual funds, business development companies, or other registered equity or fixed income securities managed on a discretionary basis.
- *EWM-managed models.* EWM may recommend or, at its own discretion, place Client assets into Models managed on a discretionary basis by EWM. EWM does not charge any additional fees (over and above its standard investment advisory fees) on assets placed into Models that it manages.
- *Affiliate-managed models.* Some or all the SMA models that EWM recommends to Clients may be constructed by EWM's affiliate, ETF Model Solutions<sup>®</sup>, LLC ("ETFMS") and licensed from ETFMS to EWM on a nondiscretionary basis. Under the license agreement, EWM maintains the investment discretion on where and how to implement the model allocations in Client accounts. In such cases where EWM recommends a Model (or Models) created by ETFMS, the Model(s) and related services are provided to EWM Clients inclusive of the existing EWM advisory fee.

#### *Unified Managed Accounts*

In the event multiple separate account managers are recommended, or when circumstances warrant, we may recommend a unified managed account (UMA) to manage all or a portion of your portfolio on a discretionary basis. A UMA offers a diversified, multi-asset portfolio in a single account, whose contents are designed to meet the needs of the account holder. EWM uses Envestnet's UMA platform to assist in the construction of customized portfolios, which allows us to use a combination of asset classes, separate account managers/third party strategists, ETFs, mutual funds, or other securities to create model portfolios tailored to the needs of EWM's Clients. In a UMA account, Envestnet acts as the overlay manager, placing trades, when necessary, when either EWM or the money managers EWM has selected update the investments in the Model or performing scheduled account rebalances.

#### *Alternative Investments*

For certain Clients who qualify, EWM may provide non-discretionary investment advice relative to prospective investments in alternative investments, which may include, but are not limited to private placements offered in accordance with rules governing the limited offer and sale of securities without registration, private equity funds, closed-end interval funds, private business development companies (BDCs), private Real Estate Investment Trusts (REITs), Securitized Real Estate, specifically Delaware Statutory Trusts related to 1031 exchanges, Qualified Opportunity Zone ("QOZ") investments, direct



private equity investments via secondary market purchases, real assets through private partnerships or private placements, debt instruments or investments (if not deemed a Traditional Asset, as defined above), debt funds, debt instruments, hedge funds, or similar investment structures all of which are non-registered or not publicly traded (the “Alternative Investments”). Many of these Alternative Investments may require that some or all investors in private placements be accredited, meaning they must meet certain income, net worth or otherwise be determined to be an institutional or professional investor. These Alternative Investments may be managed by independent (unaffiliated managers) or directly by EWM or an affiliate as described below. Clients have no obligation to invest in any Alternative Investment.

- **Alternative Investments- Private Funds and Partnerships Managed by Unaffiliated Managers.** EWM may recommend investment in private investment funds managed by unaffiliated advisors or general partners.
- **Alternative Investments- Secondary Market Private Equity and Direct Placements.** EWM may recommend or facilitate direct investments in private companies by purchasing their securities in the secondary market or otherwise. These investments primarily target late-stage venture funded and/or private equity companies.
- **Alternative Investments- Private Funds, and Partnerships Managed by EWM and/or its affiliate, Global Alternative Investment Management LLC.** EWM or its affiliate Global Alternative Investment Management LLC (“Global Alts”) serves as Managing Member for private investment vehicles (“SPV Funds”). EWM does not bill advisory fees for Client assets invested in these affiliated SPV Funds, as either EWM or Global Alts receive management fees with respect to the services they provide to the SPV Funds. All relevant information, terms, and conditions relative to the SPV Funds, including the remuneration and expense reimbursement to be received by EWM, the Managing Member, suitability, risk factors, and potential conflicts of interest, are set forth in each SPV Fund’s respective confidential private placement memorandum, the operating agreement, and other related documents or disclosures. Each investor in the respective SPV Fund is required to receive and sign these documents prior to being accepted as a member. EWM performs fund administration and accounting services for the SPV Funds managed by both EWM and Global Alts. EWM is compensated separately on an hourly fee basis for these services. This presents a conflict of interest as it creates an incentive for EWM and Global Alts to engage affiliates for services that could otherwise be obtained through an unaffiliated third-party service provider, potentially at a lower cost. Notwithstanding the foregoing, we believe the fees charged for these services are reasonable.

For details on the types of Alternative Investments we may recommend, along with the types of risk associated with investing in them, please see Item 8 of this Brochure.

#### *Individual Health Savings Account (HSA) Management*

Clients may elect to hire EWM to manage assets they hold in a Health Savings Account (“HSA”). An HSA is an individual account designed to work together with an HSA-eligible high-deductible health plan. EWM does not advise employer-sponsored HSA Accounts.

EWM manages Client assets in HSA accounts on a discretionary basis. Clients that wish to have EWM manage their HSA account are required to open an account via Fidelity’s HSA platform. EWM’s advisory solution with respect to assets managed in these accounts involves an evaluation of the Client’s overall risk tolerance and then matching that tolerance to a diversified, multi-asset asset allocation model, managed on a discretionary basis.

Fidelity does not currently require a minimum account size on HSA accounts. EWM is limited to the securities available on Fidelity's approved list when managing HSA account assets. There is currently no fee to open an HSA account with Fidelity, nor are there transaction fees for ETFs. However, Client accounts will be subject to other account fees, and potentially transaction fees for other securities, such as mutual funds (see [www.fidelity.com/commissions](http://www.fidelity.com/commissions)). EWM does not share in any of these fees.

#### *Individual Participant Retirement Plan Account Advisory Services*

For certain clients, EWM provides an additional service for client held-away accounts that are maintained at independent third-party custodians where EWM utilizes order management system to implement asset allocation or rebalancing strategies on behalf of the client for those held-away accounts. These are primarily 401(k) accounts but may involve 529 plans or other assets EWM does not directly manage and are maintained by the client. EWM regularly reviews the current holdings and available investment options in these held-away accounts, monitors the held-away accounts, rebalances, and implements the client's investment strategies, as necessary. Additional information regarding this service is contained within Item 5.

Clients may elect to hire EWM to advise them on assets they hold in their employer-sponsored 401(k) retirement Plan account. Clients may retain EWM to advise them on a discretionary or non-discretionary basis. (Note: The term "plan" or "Plan" is a general reference and not intended as a reference to any particular "Plan" unless the context reasonably refers to a specific "Plan".)

- **Discretionary advisory services to individual participant 401(k) accounts.** EWM's discretionary services to participants of an employer-sponsored 401(k) retirement plan account involve services to Clients who have elected to invest their Plan savings through a self-directed brokerage window, such as Fidelity's Brokerage Link platform. Brokerage windows such as Brokerage Link are self-directed platforms that allow participants in a 401(k) Plan to access other investments, such as individual stocks, ETFs, mutual funds, and other assets that are not part of their Plan's standard investment menu. Not all Plans offer their participants access to a brokerage window or Brokerage Link.

EWM's advisory solution with respect to assets managed in these accounts involves evaluating the Client's overall risk tolerance and recommending a diversified, multi-asset asset allocation model, managed on a discretionary basis that matches with the Client's risk tolerance. In certain instances, securities that we wish to include in the Model may be restricted by the Plan or unavailable on the brokerage window platform. In those instances, EWM will select a substitute security.

It is always in the Client's discretion to use Brokerage Link and to make the determination to hire EWM to manage their Plan assets on Brokerage Link. Clients are under no obligation to hire EWM to manage their assets on Brokerage Link. Clients that make the election to hire EWM will be subject to fees that they otherwise would not have to pay if they chose to invest their assets in one of the designated plan options provided by the Plan. The underlying investment costs in the managed solution provided by EWM in a brokerage window may be more expensive than the investment menu options provided by the Plan. There is no guarantee that the investment options recommended by EWM will outperform the investment menu options provided by the Plan.

- **Non-Discretionary investment advisory services to individual participant 401(k) accounts.** In certain circumstances, individual participants in an employer sponsored retirement plan (whether that plan is advised by EWM or another advisor) may hire EWM to provide personalized, non-

discretionary investment advice related to the investment selections within the retirement plan menu offered by their employer. In this arrangement, services offered to the individual may include evaluating the Client's Suitability Information (as defined below), comparing the available investment options provided to the participant through her employer's retirement plan, and making a recommendation with respect to asset allocation and investment decisions regarding the designated plan options that are provided by their employer's Plan.

As a part of this advisory service, provided the employer makes a self-directed brokerage window available as part of the company's retirement plan, or, if the Plan in which the employee is a participant provides access to Fidelity's Brokerage Link platform, EWM can assist the participant in creating a customized asset allocation from the available securities. EWM's non-discretionary advice to individual participants in these arrangements are provided subject to a direct agreement that the Client signs with EWM. The Client will be billed directly by EWM for EWM's services under this agreement. Clients who are participants in an employer-sponsored retirement plan may elect to hire EWM to provide them with non-discretionary advice with respect to asset allocation and investment decisions regarding the designated plan options that are provided by their employer's Plan.

- **Non-discretionary Alternative Investment Advisory Services to individual participant 401(k) accounts.** Clients that wish to include Alternative Investments may hire EWM to provide non-discretionary research and monitoring services on Alternative Investments with their retirement plan savings. Such services are subject to the terms of EWM's Non-discretionary Alternative Investments advisory agreement. EWM will charge an advisory fee for the services we provide to these accounts, subject to EWM's fee schedule, as disclosed in the Client agreement.

Alternative Investments available for 401(k) accounts are managed by independent managers. These managers may have investment minimums or accredited investor standards that the Client must meet to be eligible to invest. The independent, third-party alternative managers will assess management fees and operating expenses that will be borne by Clients. Clients should thoroughly read and understand the private placement memorandum, prospectus, subscription document and/or any other disclosure documents for suitability, risk factors, and potential conflicts of interest prior to making any investment. For more information, please refer to the "Alternative Investments" section of this brochure.

#### *Tailoring of Services to Client Objectives*

EWM's investment advice is tailored to meet Clients' needs and investment objectives. For Clients that retain EWM for portfolio management services, we will meet with them to determine their investment objectives, risk tolerance, and other relevant information (the "Suitability Information") at the beginning of EWM's advisory relationship. EWM will use the Suitability Information that we gather to develop a strategy that enables EWM to provide appropriate investment advice or to make investments on their behalf.

As part of EWM's portfolio management services, we may customize an investment portfolio for each Client consistent with their Suitability Information. Once we construct an investment portfolio for a Client, we will periodically monitor that portfolio's performance and will rebalance or adjust the portfolio to respond to market conditions and changes in the Client's Suitability Information when the Client informs us of such changes. Clients are required to inform EWM when there is a change in their Suitability Information.

EWM will periodically poll Clients for any risk tolerance updates and make any corresponding recommendations. When there is a change in a Client's Suitability Information, EWM seeks to evaluate EWM's previous recommendations for consideration of possible necessary revisions based upon the nature and scope of the change.

Clients wishing to impose reasonable restrictions upon EWM's management services, as may be mutually agreed upon, are advised to notify EWM of these restrictions. If a Client makes subsequent changes to these restrictions, they should immediately notify EWM.

For Clients that participate in EWM's discretionary advisory or portfolio management services, we require them to grant EWM discretionary authority to manage their account(s). Discretionary authorization will allow EWM to determine the specific securities and the amount of securities to be purchased or sold for each account without Client approval prior to each transaction. Discretionary authority is granted by the investment advisory agreement each Client signs with EWM, a power of attorney, trading authorization forms, or other written manner which authorizes the discretionary authority. Clients may limit EWM's discretionary authority (for example, limiting the types of securities that can be purchased for their account) by providing EWM with their desired restrictions and guidelines in writing.

In some cases, we will manage accounts on a non-discretionary basis. Such arrangements require the Client to sign a non-discretionary advisory agreement with EWM. EWM must obtain Client approval prior to executing transactions on behalf of any respective Client account that is managed under a non-discretionary agreement.

## D. Advisory Consulting Services

We offer consulting services which primarily involves advising Clients on specific financial-related topics. The topics we address may include, but are not limited to, risk assessment and management, investment planning, financial organization, or financial decision making and negotiation. EWM's advisory consulting services are limited to the scope of services agreed upon between EWM and the Client. No written plan will be provided to Clients that retain EWM for advisory consulting services.

## E. Retirement Plan Consulting Services

We offer retirement plan consulting services, including pension consulting, to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. *(Note: The term "plan" or "Plan" is a general reference and not intended as a reference to any particular "Plan" unless the context reasonably refers to a specific "Plan.")* In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing consulting. These retirement plan consulting services will be non-discretionary and advisory in nature. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

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

- Diversification
- Asset allocation
- Risk tolerance
- Investment time horizon

EWM's educational meetings may include other investment-related topics specific to the plan.

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

Each Party to the pension consulting agreement may terminate the agreement upon 30-days written notice to the other party. The retirement plan consulting fees will be prorated for the quarter in which the termination notice is given, and any unearned fees will be refunded to the Client.

## F. Pension, 401(k) and Retirement Plan Advisory Services

EWM provides retirement advisory services, including services to pension and 401(k) plans. EWM's 401(k) advisory services involve providing investment advice to the plan and its Trustees. These services are provided on a non-discretionary basis. In a non-discretionary role, EWM will provide information regarding the investment universe from which the plan selects investment choices to be offered to plan participants. In this capacity, subject to the terms of a non-discretionary investment advisory agreement, EWM provides its services and recommendations, while plan Trustees retain the discretionary authority to determine the specific investments to be offered as investment selections that are made available to plan participants. EWM may also assist the Plan Sponsors in selecting discretionary investment advisory services or other Plan service providers (third party administration, record keepers) for their Plan.

Endowment Wealth Management's affiliate, ETF Model Solutions, LLC is the investment manager for unitized investment models that are used as investment options in retirement plans. EWM may recommend that plan Sponsors/Trustees include the investment models managed by ETFMS within their plan's investment lineup. Recommending the ETFMS models to a plan by EWM could be construed as a conflict of interest, and plan Trustees are under no obligation to include the models within their plan. For EWM-advised plans that select one or more investment models as investment options within a plan, ETFMS' model management fees will be reimbursed or waived to avoid "double dipping" of fees, which is a prohibited transaction under the Employee Retirement Income Security Act (ERISA) and to avoid the conflict of interest or any appearance thereof. Plans that wish to include the ETFMS models within their plan sign a model management agreement that involves EWM, ETFMS and the plan sponsor as signing entities. ETFMS provides a description of the models, as well as risks and expenses to the plan sponsor via a 408(b)(2) disclosure document.

EWM's retirement plan advisory services are provided in conjunction with other services (independent of the advisory services provided by EWM) that are required to implement the plan. These other services, including third party administration (TPA) services, which include recordkeeping and regulatory filings, custody services, discretionary investment management, which may include mutual funds, ETFs, separate account models, or other investment products, are provided to the plan pursuant to separate agreements between those service providers and the plan(s). These service providers will assess separate fees for their respective services. EWM may coordinate efforts with other service providers to service plan Clients.

## G. General - Advisory Services to Retirement Plans

As disclosed above, EWM offers various levels of advisory and consulting services to employee benefit plans and to the participants of such plans. The services are meant to assist plan sponsors in meeting their

management and fiduciary obligations to participants under the Employee Retirement Income Securities Act (“ERISA”). Pursuant to adopted regulations of the U.S. Department of Labor, we are required to provide the plan’s responsible fiduciary (the person who has the authority to engage us as an investment adviser to the plan) with a written statement of the services we provide to the plan, the compensation we receive for providing those services, and EWM’s status (which is described below).

The services we provide to a plan and the compensation we receive for those services are described above and in the service agreement that plan sponsors sign with EWM. We do not reasonably expect to receive any other compensation, direct or indirect, for the services we provide to the plan or participants. Plan sponsors may direct us to deduct EWM’s fee from the plan or direct the plan record-keeper to issue payment out of plan assets. If we receive any compensation in addition to what is described herein for such services, we will: (i) offset the compensation against EWM’s stated fees, and (ii) promptly disclose to the plan sponsor the amount of such compensation, the services rendered for such compensation and the payer of such compensation.

## H. Fiduciary Status

EWM is a fiduciary under ERISA with respect to investment management services and investment advice provided to ERISA Clients, including ERISA plan participants. EWM is also a fiduciary under the Internal Revenue Code (the “IRC”) with respect to investment management services and investment advice provided to ERISA plans, ERISA plan participants, IRA owners and IRAs. As such, EWM is subject to specific duties and obligations under ERISA and the IRC that include, among other things, prohibited transaction rules which are intended to prohibit fiduciaries from acting on conflicts of interest. When a fiduciary gives advice in which it has a conflict of interest, the fiduciary must either avoid or eliminate the conflict or rely upon a prohibited transaction exemption.

A conflict of interest arises when EWM makes recommendations about ERISA plan distributions and rollovers (“rollover recommendations”) if it results in EWM receiving compensation that it would not have received absent the recommendation, for example, fees for advising a rollover IRA. EWM will manage this conflict through a process designed to develop an informed recommendation in the best interest of the client. No client is under any obligation to roll over ERISA plan or IRA assets to an account advised or managed by EWM. When EWM makes a rollover recommendation, it is fiduciary advice under both the Investment Advisers Act of 1940 and ERISA. In addition to being a conflict of interest, it is also a prohibited transaction under ERISA where EWM receives compensation from the rollover IRA that it would not have received absent the recommendation. In that circumstance, EWM will comply with the conditions of exceptions to the prohibited transaction rules (e.g., an applicable prohibited transaction exemption such as PTE 2020-02).

## I. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. EWM does not participate in or offer wrap fee programs.



## J. Insured Cash Program

Endowment Wealth Management makes available to clients the Cantor Fitzgerald Insured Cash Program (“CF Cash”) offered by StoneCastle Network, LLC (“StoneCastle”), an affiliate of StoneCastle Cash Management, LLC. The CF Cash program allows customers the ability to protect their money by placing it in deposit accounts at banks, savings institutions and credit unions (collectively, “Insured Depositories”) in a manner that maintains full insurance of the funds by the Federal Deposit Insurance Corporation (“FDIC”) or National Credit Union Administration (“NCUA”), whichever is applicable. Funds will be deposited within StoneCastle’s network of Insured Depositories (“Deposit Network”). Cantor Fitzgerald requires \$100,000.00 minimum deposit to open a CF Cash account. Endowment Wealth Management will assist clients in signing up for this program and facilitating the transfer of funds between the client’s like-named accounts. Endowment Wealth Management receives a 10 basis point administrative fee from StoneCastle based on client assets that participate in this program. This administrative fee received by EWM is based upon the client deposits placed in the program calculated and paid to EWM on a monthly basis at a rate of 1/12<sup>th</sup> of the annual fee rate.

StoneCastle Cash Management, LLC is an SEC registered investment advisor and is the program manager and administrator for CF Cash. StoneCastle has the responsibility and discretionary authority for the selection of the program banks and the allocation of deposits into these banks, while ensuring each account's deposits remain at or below the FDIC insurance limit per bank. Accounts are opened with U.S. Bank, StoneCastle's custodian bank. StoneCastle is not affiliated with Cantor Fitzgerald. Cantor Fitzgerald will receive a 4 basis point annual fee in connection with their introduction of this program to EWM. The administrative fees paid to Cantor and EWM will reduce the yield that clients receive on deposits in the CF Cash Program.

EWM will not place clients in the CF Cash program on a discretionary basis. Clients are responsible for making the determination to participate in the CF Cash program. Clients are encouraged to conduct their own due diligence and to read the Program Terms and Conditions prior to signing up for the program for complete information and governing terms of their CF Cash account. If clients have any cash at any depository institution that is in the network, then they may not receive full FDIC insurance coverage on their deposits at those institutions. Clients are responsible for reporting their current banking relationships to StoneCastle. For more information on StoneCastle Cash Management, LLC, please see its Form ADV Part 1 and 2A on file with the SEC at <https://adviserinfo.sec.gov/.Assets Under Management>

## K. Assets Under Management

As of 12/31/2022, we manage \$296,249,741 including \$264,192,554 in Client assets on a discretionary basis and \$32,057,187 in Client assets on a non-discretionary basis.

## Item 5 Fees and Compensation

Endowment Wealth Management, Inc. is a fee-only investment adviser.

EWM’s fee for advisory and portfolio management services is based on a percentage of a Client’s assets under management, as indicated in the fee schedules below. EWM does not charge performance-based fees or other fees based on share of capital gains or capital appreciation, except as discussed below (see Performance-Based Fees in Item 5.B).

## A. Financial Planning Fees

EWM's fee for financial planning is based upon the complexity of the plan design. Financial planning is performed at a rate of \$350 per hour with an estimated \$1,000 to \$5,000 project cost dependent on your specific needs. The fee is due upon completion of the services rendered. You are not obligated to hire EWM to implement the financial plan that we design for you. Financial planning fees are billed upon delivery of the financial plan to you. Clients are not obligated to pay the financial planning fee to EWM if they are not satisfied with the plan that we provide for them.

## B. Performance-Based Fees

EWM and Global Alts stand to receive performance-based fees with respect to the SPV Funds. Only accredited or qualified investors meeting certain income and/or net worth qualifications can participate in the SPV Funds. For details on performance-based fees and other fees with respect to the SPV Funds, refer to the respective fund's offering documents.

## C. Advisory Fee Schedules

### Advisory Fee Schedule for Non-Qualified (taxable) Assets: Traditional Investments

Non-qualifying accounts are those containing assets that do not qualify for any level of tax-deferred or tax-exempt status.

#### **Annual Fee on Assets Under Management for Traditional Investments in Non-Qualified (taxable) accounts**

<b>Assets Under Management (AUM)</b>	<b>Annual Fee Percentage</b>
\$0-\$1.0 million	1.00%
\$1.0 million to \$2.5 million	0.90%
\$2.5 million to \$5.0 million	0.80%
\$5.0 million to \$7.5 million	0.70%
\$7.5 million to \$10.0 million	0.60%
\$10.0 million to \$20.0 million	0.50%
\$20.0 million to \$30.0 million	0.40%
\$30.0 million and above	Negotiable

For Traditional Investments managed on the Envestnet Platform, see Item 5.E. "*Fee Billing for Traditional Investments Managed Through Envestnet*" for fee calculation and billing details.

Traditional assets not managed on the Envestnet Platform are subject to direct billing (See 5. F. "*Accounts Subject to Direct Billing*" below for fee calculation and billing details).



## Advisory Fee Schedule for Non-Qualified (taxable) Assets: Alternative Investments

EWM's advisory fee for Alternative Investments such as private placements or private partnerships held in a non-qualified (taxable) account is as follows:

Annual Management Fee	1.0%
Gain Share Fee	None

Alternative Assets are subject to direct billing (See 5. F. *"Accounts Subject to Direct Billing"* below for fee calculation and billing details).

## Advisory Fee Schedule for Qualified Accounts: Traditional and Alternative Assets

Qualified accounts are those accounts containing assets that qualify for tax-deferred or tax-exempt status. Examples of a qualified account would include, but may not be limited to, Individual Retirement Accounts ("IRAs" such as traditional IRAs, Roth IRAs, Sep IRAs), Individual 401(k) including individual 401(k) accounts that we advise directly that may be part of an employer's 401(k) Plan, and 403(b) accounts. Any assets, including traditional and Alternative Investments (including direct Alternative Investments managed by EWM or an independent manager) in a Qualified (non-taxable) account are subject to a level-fee structure. For policies relating to household aggregating of assets to reduce fees, please see Item 5.G. *"Account Aggregation (Householding) for Fee Discounts."*

### Annual Fee on Assets Under Management for Qualified (non-taxable) accounts

Assets Under Management (AUM)	Annual Fee Percentage
\$0-\$1.0 million	1.00%
\$1.0 million to \$2.5 million	0.90%
\$2.5 million to \$5.0 million	0.80%
\$5.0 million to \$7.5 million	0.70%
\$7.5 million to \$10.0 million	0.60%
\$10.0 million to \$20.0 million	0.50%
\$20.0 million to \$30.0 million	0.40%
\$30.0 million and above	Negotiable

For traditional assets managed on the Envestnet Platform, see Item 5.E. *"Fee Billing for Traditional Investments Managed Through Envestnet"* for fee calculation and billing details.

Alternative assets and traditional assets not managed through the Envestnet Platform are subject to direct billing (See 5. F. *"Accounts Subject to Direct Billing"* below for fee calculation and billing details).

## Advisory Fee Schedule for 401(k) Plans

\$0-\$1.0 million	1.00%
\$1.0 million to \$2.5 million	0.90%
\$2.5 million to \$5.0 million	0.80%
\$5.0 million to \$7.5 million	0.70%
\$7.5 million to \$10.0 million	0.60%
\$10.0 million to \$20.0 million	0.50%
\$20.0 million to \$30.0 million	0.40%
\$30.0 million and above	Negotiable

The fee schedule applies to all assets (traditional and alternative) managed in an employer-sponsored, multi-participant 401(k) Plan accounts. Multi-participant plan accounts are subject to direct billing. Fees are calculated in arrears based on the value of the account at the end of the quarter. Plans are billed quarterly through the Plan's third-party administrator.

## Advisory Fee Schedule for Public Charities & Non-Profits: Traditional Assets

### Annual Fee on Assets Under Management on Traditional Assets for Public Charities and Non-Profit Organizations

Assets Under Management (AUM)	Annual Fee Percentage
\$0-\$1.0 million	0.50%
\$1.0 million to \$2.5 million	0.45%
\$2.5 million to \$5.0 million	0.40%
\$5.0 million to \$7.5 million	0.35%
\$7.5 million to \$10.0 million	0.30%
\$10.0 million to \$20.0 million	0.25%
\$20 million to \$30.0 million	0.20%
\$30 million and above	Negotiable

For traditional assets managed on the Envestnet Platform, see Item 5.E. “*Fee Billing for Traditional Investments Managed Through Envestnet*” for fee calculation and billing details).

Traditional assets not managed on the Envestnet Platform are subject to direct billing (See 5. F. “*Accounts Subject to Direct Billing*” for fee calculation and billing details).

## Advisory Fee Schedule for Public Charities & Non-Profits: Alternative Investments

EWM's advisory fee for Alternative Investments such as private placements or private partnerships (including but not limited to direct investments into private placements managed by **unaffiliated managers**) held in charitable and non-profit organization accounts is as follows:

Annual Management Fee	1.0%
Gain share fee	None

Fees for Alternative Investment advisory services to Charities and Non-Profits are subject to Direct Billing (See 5. F. "Accounts Subject to Direct Billing" for fee calculation and billing details).

## Fee Schedule for SPV or Alternative Investment Funds Managed by EWM or Affiliates

EWM's standard fee schedules and billing practices for SPVs Funds are not reflected in this Brochure. The specific fees for each SPV Fund are detailed in each SPV Fund's respective private placement memorandum or other offering documents which may include the subscription agreement and operating agreement.

SPV Funds are subject to additional expenses, including accounting services (some of which are provided by and paid to EWM or its affiliate, Global Alts, if applicable), tax preparation, audit, and other fees and costs which are paid by the investors in the SPV Fund, which are described in each respective SPV Fund's private placement memorandum and related documents.

Alternative Investments are long-term in nature, often illiquid, subject to lockup periods, capital calls, and other terms that may limit or severely restrict redemption, control and marketability and be subject to management fees that are more than fees for Traditional Assets. In addition, private placements and limited partnership agreements may require that a percentage of profits be shared with the manager.

## D. Standard Billing Practices

*Quarterly Fee Rate.* The Annual Fee rate is divided by 4 to calculate the rate for quarterly billings.

*Fees are applied pro-rata.* EWM fees apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a Client for each respective investment or security held in your account.

*Fees deducted directly from Client Accounts.* EWM will deduct EWM's advisory fee from the account directly at the Custodian only when the following requirements are met:

- Clients provide EWM with written authorization permitting the fees to be paid directly from their account held by the qualified custodian; and
- The qualified custodian agrees to send Clients a statement, at least quarterly, indicating all amounts dispersed from the Client account including the amount of the advisory fee paid directly to EWM.

*Billing exception for assets held as result of SPV Distributions.* EWM does not assess intra-quarter pro-rata advisory fees on assets received into a traditional discretionary investment advisory brokerage account

advised by EWM if those assets were distributed from an EWM-advised SPV Fund in which advisory fees were assessed in advance for that quarter within the SPV Fund. EWM's advisory fees shall be applied at the start of the quarter subsequent to the distribution.

We generally treat closed-end interval funds and other alternative investment funds as alternative investments under our billing practices. From time to time, these funds may be registered by the sponsor and transition to a daily liquidity traditional asset structure, and therefore qualify as traditional assets under our billing practices. Closed-end interval or other alternative investment funds transitioning to traditional asset structure offering daily liquidity will be billed in arrears at the alternative investment rate until the issuer has transitioned the security to a daily liquidity vehicle. Fee credit, if applicable, for any rate differential for the quarter in which the transition occurred may be based on beginning, ending or average daily balance at our discretion.

## E. Held Away Account Fee Billing

For certain clients, Endowment Wealth Management charges an advisory fee for services provided to the held away accounts mentioned above in Item 4. This fee is deducted from an account under Endowment Wealth Management's management or paid directly by the client on a quarterly basis. Fees are typically based on the assets within these held away accounts and are calculated on the average daily balance of the account, billed at the end of each quarter in arrears. Fees will typically be based on the client's full portfolio value, including the held away accounts. The specific fee schedule charged by Endowment Wealth Management is established in a client's written agreement with Endowment Wealth Management. Client acknowledges that for the held away accounts, the current order management system utilized by Endowment Wealth Management is provided by Pontera (formerly FeeX).

## F. Fee Billing for Traditional Investments Managed Through Envestnet

EWM's services with respect to Traditional Assets (including managed models, separate account managers, or unified managed accounts on the Envestnet Platform) are billed quarterly in advance based on the reported value of your account on the last day of the immediately preceding quarter. Clients agree to allow the custodian to deduct EWM's fees from your account (*see Item 5. D. "Standard Billing Practices"*).

The fees for the first partial quarter upon the inception of your account or deposit of additional assets will be due, billed, and collected in advance.

## G. Accounts Subject to Direct Billing

Unless otherwise agreed upon in writing, asset-based advisory fees, portfolio management or other services that are not provided through the Envestnet Platform are subject to direct billing to the Client. Accounts subject to direct billing include, but not limited to:

- Advisory services to accounts holding traditional assets that are not managed through the Envestnet Platform
- Alternative Investments managed by **unaffiliated managers**
- Direct private placements managed by EWM
- Health Savings Account (HSA) accounts

- Individually advised 401(k) accounts, including those managed through Fidelity's Brokerage Link platform

Fees for accounts subject to direct billing are billed in arrears at the beginning of each quarter. Fees are calculated based upon the average daily balance of assets in your account for the immediately preceding calendar quarter.

EWM will send Clients an invoice for the payment of EWM's advisory fee, which may be paid directly from personal assets, or, if permissible and preferred by the Client, we will deduct EWM's fee directly from Client accounts through the qualified custodian holding your funds and securities (see *Standard Billing Practices* above). Payment is due upon receipt.

We encourage all Clients to reconcile EWM's invoices with the statement(s) they receive from the qualified custodian. If Clients find any inconsistent information between EWM's invoice and the statement(s) they receive from the qualified custodian, it is incumbent upon the Client to bring this to EWM's attention by calling EWM's head office number located on the cover page of this brochure.

## H. Account Aggregation (Householding) for Fee Discounts

EWM will aggregate or "household" the non-qualified account values of families (first degree) and affiliated groups (such as executives of a corporate management team) to determine fee levels according to the non-qualified account fee schedule (with respect to Traditional Assets). Those affiliated groups where the asset values are aggregated for purposes of fee determination will be agreed to in writing between EWM and the Clients prior to account value aggregation for fee calculation purposes. For instance, if a retired couple has \$2.0 million in assets in non-qualified accounts with EWM and their adult child living in a separate household has \$1.0 million in assets in non-qualified accounts with EWM, their fee rate for their traditional assets in their non-qualified accounts will be calculated using the 0.80% fee level.

For purposes of calculating a Client's fees on Traditional Assets, EWM will also consider including Alternative Investments (provided that these assets are held in non-qualified accounts only) that a Client has managed by EWM. For example, if a Client has \$2.0 million in Traditional Assets held in non-qualified accounts with EWM and \$1.0 Million of Alternative Investments held in non-qualified accounts with EWM, their fee rate for Traditional Assets will be calculated at the 0.80% rate. Clients' assets invested in EWM- or EWM-affiliate-managed SPV Funds are also included in the assets under management calculation. EWM cannot aggregate assets in your qualified (IRA, Roth IRA, 401(k)) accounts for purposes of reducing the fees in your taxable accounts.

EWM will aggregate taxable accounts by family (first degree), or organization or other affiliations, as reasonably approved by EWM, to determine fees as described above. Consideration of account aggregation is determined at the time of the account opening. Thereafter, we will review accounts eligible for aggregation at the Client's request. The aggregation of accounts shall be determined at EWM's sole discretion, based upon the Client and account circumstances. EWM will adjust fees for aggregation solely on a "forward" basis, and such adjustments will only be made at the start of a new quarter. EWM will not provide refunds or retroactive fee adjustments for account aggregation fee discounts.

Except for the specific circumstances described in this paragraph, EWM requires that the fee rate for qualified accounts be solely dependent on the assets held by each individual qualified account holder (i.e., by social security number). For example, for spouses that each have a traditional IRA and a Roth IRA, EWM will allow each spouse to combine the values of the traditional IRA and the Roth IRA (both qualified

accounts) to determine the fee rate in those two accounts in certain circumstances. If the client requests householding of qualified accounts, EWM requires the client to (1) consult with a qualified independent tax specialist to advise them on the potential tax consequences of the request and (2) agree to hold EWM harmless from adverse tax, legal, or regulatory consequences that may arise from the request.

Account assets not counted towards an aggregated or family fee rate:

- EWM cannot aggregate assets in qualified accounts (IRA, Roth IRA, and retirement/401(k) accounts) when aggregating or “householding” assets for fee discounts or traditional assets for non-qualified accounts.

## I. Cash Assets Billing Policies

EWM considers cash and cash equivalents to be an asset class when it is included in Separately or Unified Managed account allocations, within a model allocation or cash that is being held for liquidity purposes within a model. Cash balances in these instances are considered advised assets and will be billed according to our fee schedule. During times of low interest, our fee may exceed the money market yield.

EWM does not consider cash that is being held in a funding account intended for pending investments or distributions an advised asset. EWM does not bill advisory fees for cash held in funding accounts.

## J. Additional Fee Billing Disclosures for Alternative Investments

Fees for Alternative Investments are based upon either: (1) the managers last reported value to EWM as of the last day of the quarter (used to calculate the average daily balance) or (2) in the event a manager’s reported value is reasonably determined by EWM to not reflect fair value, EWM may apply an asset value consistent with EWM’s Valuation Policy, as amended periodically, to determine the quarterly fee.

Private placement investments are unique and, therefore, the structure of fees may be different for each such investment. EWM does not provide discounts for its fees on Alternative Investments, although EWM may negotiate (in its sole discretion) a unique fee structure for large individual Client investments (greater than \$10.0 million). Fee variances, if any, that differ from the standard fee schedule will be disclosed and agreed upon in a written agreement signed between EWM and the Client.

## K. Fee Negotiation Policy

All EWM Fees are negotiable at the sole discretion of EWM management.

## L. Termination

Clients (or EWM) may terminate the advisory and portfolio management agreements upon written notice to the other party. Clients will incur a pro rata charge for services rendered prior to the termination of the investment advisory and portfolio management agreement for Traditional Assets, which means Clients will incur advisory fees only in proportion to the number of days in the month quarter for which the Client received services from EWM or maintained assets in an EWM-advised account. If Clients have pre-paid advisory fees that EWM had not yet earned, they will receive a prorated refund of those fees. Termination of EWM’s Alternative Non-Discretionary Investment Advisory Agreements does not terminate EWM’s compensation with respect to specific Alternative Investments that have been made under the Agreement.

Clients agree to compensate EWM for the advisory fees related to the specific alternative investments throughout the life of the investment.

## M. Advisory Consulting Fees

We charge an hourly fee ranging from \$250 to \$500 per hour for advisory consulting services. EWM's fees are negotiable depending on the scope and complexity of the services to be rendered. The consulting fee is payable at the end of each consulting session.

## N. Family Office Services

We charge an hourly fee ranging from \$60.00 - \$100.00 per hour, subject to negotiation based upon the quantity and nature of the work performed, for Family Office Services which may include, but is not limited to, personal business, checkbook rebalancing, and other personal financial services related to EWM's Clients' personal finances and not directly related to managing the portfolio or financial assets. Fees for Family Office Services are billed quarterly in arrears.

## O. Additional Fees and Expenses

The fees that Clients pay to EWM for investment advisory services are separate and distinct from the fees and expenses charged by other service providers. For example, Clients investing in SMA or UMA accounts will incur a Platform fee assessed by Envestnet. ETFs or exchange traded notes, mutual funds and/or closed-end funds are subject to management fees and other expenses. Depending on the account type, custodian, and assets being custodied and transacted, accounts may incur transaction charges and/or an asset-based custody fee and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom Client account transactions are executed. To fully understand the total cost Clients will incur, Clients should review all the fees charged by mutual funds, ETFs, EWM, Envestnet and the custodian of the account. For information on EWM's brokerage practices, please refer to the "Brokerage Practices" section of this brochure.

For individuals that hire EWM to advise them regarding their participant-level investments in their employer-sponsored retirement plan, they will be responsible for all other plan fees, including third party administration, record keeping, underlying investment costs, custody, or transaction fees required to implement the retirement program through their employer-sponsored plan.

EWM does not share in third-party fees.

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

### A. Performance Based Fees

EWM Clients invested in SPV Funds managed by EWM or EWM's affiliate, Global Alts, will pay performance-based fees. These performance-based fees will be calculated as described in the private placement memorandum or operating agreement for each SPV Fund. Only Qualified Clients may be subjected to a performance-based fee.



### *Who is a “Qualified Client”?*

The Investment Advisers Act of 1940 (the “Advisers Act”), Rule 205-3(d)(1) defines a “Qualified Client” as one who is financially sophisticated and meets one or more of the following conditions:

- i. Client is a natural person who, or a company that, immediately after entering into the contract has at least \$1,100,000 under the management of the Advisor; or
- ii. Client is a natural person who, or a company that, immediately prior to entering into the contract, has a net worth (together, in the case of a natural person, with assets held jointly with a spouse and excluding any primary residence) of more than \$2,200,000 at the time the contract is entered.

## B. Side-by-Side Management

While EWM and Global Alts assess performance-based fees with respect to their management of SPV Funds, the SPV Funds are pooled investment vehicles and are not managed in the same way as individual accounts.

## Item 7 Types of Clients

We offer investment advisory services to individuals (non-accredited, accredited, qualified, and sophisticated), pension and profit-sharing plans, public charities, non-profit organizations, 401(k) plans, trusts, estates, endowments, foundations, corporations, and other business entities.

EWM provides advisory services to one or more pooled investment vehicles and private funds.

In general, we do not require a minimum dollar amount to open and maintain an advisory account.

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

EWM provides asset allocation and portfolio management services to its Clients that desire its advisory services.

### A. Methods of Analysis Utilized

Endowment Wealth Management’s methods of analysis may include charting analysis, cyclical analysis, fundamental analysis, modern portfolio theory, quantitative analysis (or modeling), and technical analysis.

- **Charting analysis** involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends.
- **Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security. *Cyclical Analysis* is a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty



in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

- **Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. It involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.
- **Modern Portfolio Theory** is a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets. Modern Portfolio Theory assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.
- **Quantitative Analysis** deals with measurable factors as distinguished from qualitative considerations, such as the character of management or the state of employee morale, or the value of assets, cost of capital, or historical projections of sales, and other factors. Quantitative modeling consists of searching for repeating patterns - persistent occurrences of a phenomenon, correlations among liquid assets or price-movement patterns.
- **Technical Analysis** involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks. The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.
- **Top-Down Analysis** emphasizes broad macroeconomic factors, it may ignore individual securities that may be undervalued or could provide higher potential returns.

Investing in securities, as well as private placements, involves risk of loss that you should be prepared to bear.

## B. Investment Strategies

Our 3D Endowment Investment Philosophy<sup>®</sup> (or “EIP”) expands the portfolio beyond simply stocks and bonds to include Alternative Investments such as hedge strategies, private equity, and real assets. The approach is a strategic, long-term approach that generally seeks to remain fully invested and does not seek to time the market.

We believe that most investors can achieve their financial goals by maintaining an investment allocation to growth, income, and risk managed investment segments:

Growth: This includes allocations to mostly liquid Global Equities (including Emerging and Frontier Markets). Equity investment generally refers to buying shares of stocks or interests in non-corporate entities in return for receiving a future payment of dividends or distributions and capital gains if the value of the investment increases. Equity may also include private assets, which help capture some of the illiquidity premium.

Income: This includes allocations to mostly fixed income securities that can provide a steady source of income. It could also include equity-type, higher yielding securities like master limited partnerships, business development companies, preferred stock, real estate investment trusts, convertible debt, private credit, private debt funds, and other fixed-income or related investments.

Risk Managed: This segment includes allocations to Alternative Investments with the goal of achieving equity-type returns with bond type volatility.

We implement the EIP for Clients primarily in two different ways (or a hybrid of both):

1) Liquid Investments. EWM can implement the EIP for Clients through liquid securities primarily using ETFs, exchange traded notes, closed end funds, mutual funds or other registered securities that trade on national securities exchanges or are otherwise liquid and accessible. In certain instances, we may construct portfolios using one or more separate account managers to manage equity, fixed income, or the alternative portion of the portfolio.

2) Private Placements. When appropriate, we may use illiquid Alternative Investments in the form of private placements to access equity, fixed income, or alternative strategies, including private equity, private debt, hedge funds and real assets.

With the EIP, we may use one or more of the following investment strategies when providing investment advice to Clients:

- **Active Management-Adaptive, Dynamic or Tactical Asset Allocation** involves relying upon a portfolio manager, co-managers or a team of managers who rely on analytical research, forecasts, their own judgement and experience, or the use of an algorithm to actively manage a fund’s portfolio with the objective of producing better returns than those of an index or a passively managed index fund.
- **Long Term Investing** involves the purchase of securities with the expectation that the value of those securities will be held over a relatively long period of time, generally greater than one year. Due to its nature, the long-term investment strategy can expose Clients to various types of risk that will typically surface at various intervals during the time the Client owns the investments. Long-term investing risks include but are not limited to inflation (purchasing power) risk, interest rate

risk, economic risk, market risk, and political/regulatory risk. Long-term purchases may also be affected by unforeseen long-term changes in the company in which you are invested or in the overall market. There can be no assurance that any securities purchased and held long term will be sold for a profit.

- **Margin Transactions** are securities transactions in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan. If the value of the shares drops sufficiently, the investor will be required to either deposit more cash into the account or sell a portion of the stock to maintain the margin requirements of the account. This is known as a “margin call.” An investor’s overall risk includes the amount of money invested plus the amount that was loaned to them.
- **Options** are complex securities that *involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss. It is recommended that you only invest in options with risk capital.* An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (the “expiration date”). The two types of options are calls and puts. A call gives the holder the right to buy an asset at a certain price within a specific period. Calls are like having a long position on a stock. Buyers of calls hope that the stock will increase substantially before the option expires. A put gives the holder the right to sell an asset at a certain price within a specific period. Puts are similar to having a short position on a stock. Buyers of puts hope that the price of the stock will fall before the option expires. Selling options is more complicated and can be even riskier.
- **Option Writing** is a securities transaction that involves selling an option. An option is the right, but not the obligation, to buy or sell a security at a specified price before the expiration date of the option. When an investor sells an option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. The seller pays the buyer a premium (the market price of the option at a particular time) in exchange for writing the option. Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor’s risk can be unlimited. Writing (selling) covered calls involves selling call options against existing holdings in an account seeking to boost investment income. Selling a covered call sells the right to someone else the right to own your security on or before the expiration date at a predetermined price called a strike price.
- **Passive Investing/Indexing** involves adjusting the weights of assets in an investment portfolio so that its performance seeks to match that of an index. Index or passive investing involves seeking purchasing the representative list of securities so that it matches the index. Index investing seeks to reduce overall investor costs through reduced management fees, as well as lower portfolio turnover and transaction costs. While indexing may reduce underperformance risk, a passive index seeks average returns and thus gives up the opportunity to generate significant outperformance.
- **Short Selling** is a securities transaction in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price, but if the price of the shares increase, the potential losses are unlimited. Short selling is very risky. Unlike a straightforward investment in stocks where you buy shares with the expectation that their price will increase so you can sell at a profit, in a “short sale” you borrow stocks from your brokerage firm and sell them immediately, hoping to buy them later at a lower price. Thus, a short seller hopes that the price of a stock will go down. A short seller thus uses declines in the market to his advantage. He makes money when the stock prices fall and loses when prices go up. The SEC has strict

regulations in place regarding short selling. There is no ceiling on how much a short seller can lose in a trade. The share price may keep going up and the short seller will have to pay whatever the prevailing stock price is to buy back the shares. However, his gains have a ceiling level because the stock price cannot fall below zero. A short seller must undertake to pay the earnings on the borrowed securities while the short position remains open. If the company declares huge dividends or issues bonus shares, the short seller will have to pay that amount to the lender. Any such occurrence can skew the entire short investment and make it unprofitable. The broker can use the funds in the short seller's margin account to buy back his loaned shares or issue a 'call away' to get the short seller to return the borrowed securities. If the broker makes this call when the stock price is much higher than the price at the time of the short sale, then the investor can end up making huge losses.

- **Short Term Purchases** are securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s) when we determine that it is suitable given your stated investment objectives and tolerance for risk. This may include buying and selling securities frequently seeking to capture significant market gains and avoid significant losses during a volatile market. However, frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes. Short-term trading involves more risk than long term trading due to market volatility over a short period of time.
- **Strategic Asset Allocation** involves incorporating asset classes with varying risk and return profiles to build a diversified portfolio with the long-term goal of generating a desired level of return for specific levels of risk. Asset allocation is a long-term investing strategy that does not involve active trading. Asset allocation and diversification do not assure a profit or protect against loss in a declining market. EWM may manage portfolios by allocating portfolio assets among various ETFs or mutual funds using one or more of its proprietary investment models. In so doing, EWM buys, sells, exchanges and/or transfers shares of ETFs, ETNs, or mutual funds based upon the investment strategy. Securities in the investment strategy are usually exchanged and/or transferred without regard to a Client's individual tax ramifications. Certain investment opportunities that become available to Clients may be limited.

Some or all of the above strategies may be employed directly, or within other investment vehicles, including mutual funds, ETFs, or in separate accounts by independent managers. EWM's strategies and investments may have unique and significant tax implications. When making investment recommendations, EWM may consider some or none of the tax implications in EWM's financial planning or investment advisory services, including Client tax rates, asset location, availability of qualified accounts, or tax loss harvesting investment advisory services. However, while it is part of EWM's advisory service to seek to optimize EWM's Client's after-tax returns, unless we specifically agree otherwise, and in writing, tax efficiency is never the primary consideration in the management of Client assets. Regardless of a Client's account size or any other factors, we strongly recommend that Clients continuously consult with a tax professional prior to, and throughout, their relationship with EWM.

## C. Material Risks Involved

### Risks of the Endowment Investment Philosophy®

All investing involves risk, including risk of loss that you, as a Client, should be prepared to bear. The additional diversification of a 3-dimensional EIP portfolio does not ensure a gain nor prevent a loss in a declining market. Alternative Investments often contain higher internal management and operational expense ratios than traditional stock-bond ETFs, which reduces your net portfolio returns. There is no guarantee that the performance of Alternative Investments will overcome these additional expenses, which could result in the 3-dimensional portfolio underperforming a two-dimensional portfolio of a similar risk profile.

Certain models implemented by EWM in Client accounts are based upon the allocation of the Endowment Index or are derived from its underlying holdings. The Endowment Index relies on proxy index ETFs to represent certain alternative asset class allocations. As a rules-based index, certain alternative investment asset classes (private equity and venture capital) utilize the same ETF, currently the Invesco Global Listed Private Equity ETF (PSP—NYSEArca) as their representative proxy. The Endowment Index target allocation to PSP as of this ADV filing date is 30.2%. The performance of a higher weighted ETF within a portfolio is a concentration risk as the performance of the position will influence overall portfolio returns to a greater extent (positive or negative) than positions with lesser weightings.

### Methods of Analysis Risk

**Charting Analysis** involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be assuming that past performance will be indicative of future performance, which may not be the case.

**Cyclical Analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns, and 2) if too many investors begin to implement this strategy, it changes the very cycles these investors are trying to exploit.

**Fundamental Analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Modern Portfolio Theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile (i.e., if for that level of risk an alternative portfolio exists which has better expected returns).

**Quantitative Models** may perform differently than expected because of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

**Technical Analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

**Top-Down Analysis** emphasizes broad macroeconomic factors, and it may ignore individual securities that may be undervalued or could provide higher potential returns.

## Investment Strategies Risks

**Asset Allocation and Diversification** do not assure a profit or protect against loss in a declining market.

**Long-term Investing** can expose Clients to various types of risk that will typically surface at various intervals throughout the economic cycle(s) during the time the Client owns the investments. These risks include, but are not limited to, inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Alternative Investments** possess risks that may be greater than the risks of traditional investments. The underlying investments contained within liquid alternatives securities may involve market risk, conflict of interest risk, higher fees, liquidity risk, less regulation, default risk, counter party risk, leverage risk, interest rate risk, manager risk, diversification risk, and foreign exchange risk. Alternative Investments may be more volatile than traditional investments such as stocks and bonds. The fees and expenses of Alternative Investments are often higher than those for traditional assets, which may reduce returns.

**Tactical/Dynamic Asset Allocation** may involve market timing risk, increased trading and investing costs or other factors that can reduce returns. Dynamic and Tactical Asset allocation strategies do not ensure a profit nor prevent losses in a declining market.

**Short Term Trading** risks include liquidity, economic stability, and inflation, in addition to the long-term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. EWM does not typically engage in short-term trading, but we may include within Client portfolios managers or funds that implement short-term trading strategies.

**Short Sales** entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward. While EWM does not typically engage in short-selling, we may include in EWM's portfolios funds or managers that implement short-selling strategies.

**Options Writing or Trading** involves a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value and the possibility of leveraged loss of trading capital due to the leveraged nature of stock options. EWM does not typically engage in options and other



derivatives transactions (such as **Futures Contracts**) but may include in EWM's Client portfolios managers or funds that implement such strategies.

We do not represent or guarantee that EWM's services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to market corrections or declines. You must accept and understand that investment recommendations made by the adviser for an investment account or other financial planning advice is subject to various market, interest rate, liquidity, marketability, currency, economic, political, legal, business and/or other risks. In addition, these known and unknown risks may adversely affect investment results and/or the ability to achieve your investment objectives. We cannot offer any guarantees or promises that EWM's recommendations will be profitable or that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

## D. Risks of Specific Securities Utilized and Underlying Fund Holdings

EWM recommends direct investments in funds (such as mutual funds or ETFs), private managers, and private placements that invest in a broad array of asset classes or otherwise implement various investment strategies. Clients should be aware that there is a material risk of loss using any investment strategy. The securities and investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency, may fluctuate in value, involve risk of loss and, at any given point in time, could be valued at more or less than the original investment.

The risks of each of the funds recommended or held in Client portfolios can be related to the risks of the underlying securities held within each respective fund or the strategies deployed by the respective fund manager. Funds that invest in or implement Alternative Investments, including, but not limited to, hedge fund strategies, private equity, or issuers of private equity, commodities, or futures strategies, or engage in short sales and options trading (including covered options, uncovered options, or spreading strategies) hold greater risk of capital loss. Funds charge fees and expenses which will lower investment returns.

**Alternative Investments** possess risks that may be greater than the risks of traditional investments. The underlying investments contained within liquid alternatives securities may involve market risk, conflict of interest risk, higher fees, liquidity risk, less regulation, default risk, counter party risk, leverage risk, interest rate risk, manager risk, diversification risk, and foreign exchange risk. Alternative Investments may be more volatile than traditional investments such as stocks and bonds.

**Mutual Funds.** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The various investment risks regarding securities held in mutual funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature (mentioned below), dependent upon the nature of the securities held in any respective mutual fund. The per-share net asset value (NAV) of a mutual fund is calculated at the end of each business day although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. Dividends or interest payments may also change as market conditions change. Fees and expenses vary from fund to fund. A fund with high costs must perform better than a low-cost fund to generate the same returns for you.

EWM may not always hold the lowest-cost mutual fund share class because other considerations may take precedent over cost. Considerations may include, but not be limited to a desire to gain exposure a particular fund or strategy, that the lowest cost share classes may have higher minimum dollar amounts that are not

likely to be met with an allocation to that security that is a lesser allocation within a model, or, when individual clients transferring higher cost funds into their account would face significant tax obligations if the fund or funds were sold. In certain instances, including with regards to our share class selection practices, we may select a security for purchase or sale that we deem to be appropriate for the model portfolio, which might not be the optimal decision for your specific account and financial circumstances.

**Exchange Traded Funds (ETFs)** are listed on securities exchanges and transacted at negotiated prices in the secondary market. ETF shares trade at or near their most recent NAV. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). All ETFs contain costs that lower investment returns.

Endowment Wealth Management targets ETFs that invest in or seek to replicate the return streams of equities, bonds, and Alternative Investments. There is no guarantee any ETF will be profitable or will be able to meet its investment objective. When investing in ETFs targeting alternative investments asset classes, including those that hold proxy investments, there is always a risk that the ETF may or may not provide representative returns relative to the targeted asset class. Alternative Investments may include, but are not limited to, real estate, hedge fund strategies, private equity or issuers of private equity, business development companies, distressed debt, commodities, precious metals, industrial metals, energy, infrastructure, master limited partnerships, digital (crypto) currencies, futures, options trading (including covered options, uncovered options, or spreading strategies), and short selling which holds greater risk of capital loss. The risks of each ETF can be related to the risks of the underlying securities held within the fund or strategies deployed by the fund manager.

Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Generally, ETF shares trade at or near their most recent net asset value ("NAV"). However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). All ETFs contain costs that lower investment returns. The price of Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) may be negatively impacted by several factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Exchange Traded Notes (ETNs)** are a type of debt security that trade on exchanges and seek a return linked to a market index or other benchmark. Unlike ETFs, ETNs do not buy or hold assets to replicate or approximate the performance of the underlying index. An ETN is a promise from the issuer to pay the return of an index, a promise that is not guaranteed by any underlying collateral. Thus, the ETN issuer has an unsecured debt obligation, which it often attempts to hedge by holding long positions in the assets underlying the ETN index. When the ETN grows, the issuer may find it difficult to hedge its obligations, and therefore may decide to cap the issuance of additional shares of ETNs. Given the complexity and associated risks, ETNs may not be suitable for all investors. The return on an ETN depends on price changes if the ETN is sold prior to maturity (as with stocks or ETFs) - or on the payment, if any, of a distribution if the ETN is held to maturity (as with some other structured products). An ETN's indicative value is computed by the issuer and is distinct from an ETN's market price, which is the price at which an ETN trades in the secondary market. Investors should understand that an ETN's market price can deviate, sometimes significantly, from its indicative value. ETNs charge fees that lower investment returns.



*Risks of Other Assets, Asset Classes, or Types of Securities*

**Bank Deposits (Checking Accounts/Savings Accounts)** are commonly used for accumulating or holding cash that will be needed for expenses in the short term. Savings and checking account deposits are not intended for accumulating high returns. Interest rates on such accounts are typically very low and inflation may erode the value of your deposits. Some banks may charge annual fees for such accounts which will reduce the return. Clients should always review the fees that may be assessed on any checking or savings account. Bank deposits are often insured by the Federal Depositors Insurance Corporation (FDIC). The FDIC is an independent agency of the United States government that protects you against the loss of your insured deposits if an FDIC-insured bank or savings association fails. FDIC insurance is backed by the full faith and credit of the United States government. The standard deposit insurance amount is \$250,000 per depositor, per FDIC-insured bank, per ownership category. Deposits more than this amount are not insured.

**Bank Deposits (administered through CF Cash management program).** StoneCastle Cash Management, LLC is the program Administrator. StoneCastle is not a bank, nor does it offer bank deposits and its service are not guaranteed or insured by the FDIC or any governmental agency. StoneCastle has represented that it has implemented internal controls and procedures reasonably designed to detect and reduce operational and other risks of CF Cash. Such risks exist with any financial instrument, and may arise from a number of factors, including, but not limited to, human error, misconduct, failed or inadequate processes, technology or systems failures or breaches, processing and communication errors, or failures to comply with applicable laws and regulations, in each case by StoneCastle, its custodian, or any of their respective employees, agents or service providers. The measures implemented by StoneCastle may not detect or fully address every possible risk or failure. Full insurance of the funds deposited in CF Cash may therefore not be available in the event any such failures impact or prevent the proper placement or allocation of funds into the insured depository institutions or StoneCastle's continued compliance with the requirements of FDIC or NCUA insurance coverage. EWM makes no assurances as to the effectiveness of such measures or the performance of StoneCastle, the custodian or their respective employees, agents, or service providers.

**Business Development Companies (BDCs)** are entities that lend to young, thinly traded, distressed firms, or firms with lower credit ratings that may not be able to access capital through other sources. The holdings within a BDC may involve credit/default risk, market risk, and liquidity risk. BDCs may assess higher fees which can eat into potential returns. BDCs may experience higher volatility than traditional investments. In addition, the publicly traded shares of BDCs may trade at a discount or premium to the underlying asset value of its holdings.

**Closed End Funds (CEFs)** are subject to market volatility and the risks of their underlying securities which might include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments. Investment return will vary and an investor's shares, when sold, might be worth more or less than their original cost. CEFs with complex or specialized investment strategies may experience increased market price volatility. The market price of a CEF may be significantly different than its NAV (a premium or a discount). CEFs commonly trade at a discount to NAV and there is no assurance a CEF will appreciate to its NAV.

**Commodities** are tangible assets ranging from agricultural products like wheat or orange juice to natural resources such as oil or metals used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

**Delaware Statutory Trusts or “DST”** are entities used to hold title to investment real estate to qualify for 1031 like-kind exchange property according to the IRS revenue ruling 2004-86. The risks of DSTs include the risks of investing in real estate (see Risks of Real Estate Funds), the use of leverage (borrowing), operator risk relating to property managers, and asset manager risk related to the quality of the DST managers. Potential distributions, potential returns and potential appreciation are not guaranteed.

**Digital (Crypto) Currencies.** Cryptocurrency is a digital representation of value that functions as a medium of exchange, a unit of account, or a store of value, but it does not have legal tender status. Cryptocurrencies are sometimes exchanged for U.S. dollars or other currencies around the world, but they are not backed or supported by any government or central bank. Their value is completely derived by market forces of supply and demand, and they may be more volatile than traditional currencies. The value of cryptocurrency may be derived from the continued willingness of market participants to exchange fiat currency for cryptocurrency, which may result in the potential for permanent and total loss of value of a particular cryptocurrency should the market for that cryptocurrency disappear. Cryptocurrencies are not covered by either FDIC or SIPC insurance. Legislative, regulatory, and tax changes or actions at the state, federal, or international level may adversely affect the use, transfer, exchange, and value of cryptocurrency. Purchasing cryptocurrencies comes with several risks, including volatile market price swings or flash crashes, liquidity risks, network security disruptions, hardware or software failures, market manipulation, and cybersecurity risks. In addition, cryptocurrency markets and exchanges are not regulated with the same controls or customer protections available in equity, option, futures, or foreign exchange investing. There is no assurance that a person who accepts a cryptocurrency as payment today will continue to do so in the future. Cryptocurrency ETFs can trade at a premium to their underlying value and are accompanied by high fees which can reduce an investor’s potential return.

**Emerging Markets.** Investments in stocks and bonds in emerging market countries subject investors to certain risks not present in domestic securities, including, but not limited to, foreign currency risk, sovereign investing risk, inefficient markets risk, liquidity risk, political risks.

**Equity Investments** generally refers to buying shares of stocks or acquiring interests in non-corporate entities in return for receiving a future payment of dividends or distributions and capital gains if the value of the investment increases. The value of equity securities may fluctuate in response to specific situations for each company, industry market conditions and general economic environments.

**Fixed Income** investments are bonds, notes or other instruments that pay a return on a fixed schedule, though the amount of the payments can vary and include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile, and fixed income securities carry interest rate risk. As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities. Fixed income securities also carry inflation risk, liquidity risk, call risk and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing.

**Futures Contracts** are standardized agreements between two parties to buy or sell a specified asset (such as equities, bonds, commodities, precious metals) of standardized quantity and quality for a price agreed upon today (the futures price) with delivery and payment occurring at a specified future date, the delivery date. The contracts are negotiated on a futures exchange, which acts as an intermediary between the two

parties. Futures involve risks including economic risk, market risk, commodities risk, and counterparty risk. Futures investing may involve a risk of loss greater than the initial investment, as futures trading often involves margin. Other risks may include economic risk, market risk, counterparty risk, or political/regulatory risk. Futures markets may involve higher than normal price volatility than more traditional investments such as equities or bonds.

**Hedge Funds** may be in the form of private placements (see private placements) or as a registered 1940 Act mutual fund. Hedge funds are Alternative Investments that seek to derive a return other than just buying and holding equity or fixed income positions, but rather use many different strategies to earn active return, or alpha, for their investors. Hedge funds may be aggressively managed or make use of derivatives and leverage in both domestic and international markets with the goal of generating high returns (either in an absolute sense or over a specified market benchmark). Hedge funds may have low correlations with a traditional portfolio of stocks and bonds. Thus, allocating to hedge funds may help diversify a portfolio. Risks of hedge funds may include high expense ratios, manager risk, liquidity risk, counterparty risk, as well as the risks of any underlying investments used in the strategy (such as options, futures, equities, fixed income, foreign securities, short selling, private placement risk, and others). Hedge funds often engage in leveraging and other speculative investment practices that may increase the risk of investment loss, can be highly illiquid, are not required to provide periodic pricing or valuation information to investors, may involve complex tax structures and delays in distributing important tax information, are not subject to the same regulatory requirements as mutual funds, and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

**International Developed Markets.** Investments in stocks and bonds in international developed market countries subject investors to certain risks not present in domestic securities, including, but not limited to foreign currency risk, sovereign investing risk, inefficient markets risk, liquidity risk, and political risks.

**Master Limited Partnerships (MLPs)** invest in infrastructure and corporations that own operating assets involved in energy production, transportation, or storage. MLPs are partnerships that trade on a stock exchange. Unlike corporations, MLPs pass through income, gains, deductions, losses, and credits to investors annually, regardless of whether the MLP makes cash distributions. Thus, tax-reporting for MLPs is provided with a K-1. Investments in securities of MLPs involve risks that differ from investments in common stock including risks related to limited control and limited rights to vote on matters affecting the MLP. MLP common units and other equity securities can be affected by macro-economic and other factors affecting the stock market in general, expectations of interest rates, investor sentiment towards MLPs, changes in tax treatment by the U.S. Tax Code or the energy sector, as well as the risks of the underlying holdings within any MLP or MLP fund.

**Money Market Mutual Funds** are open-ended mutual funds that invest in short-term debt instruments such as U.S. Treasury bills, commercial paper, repurchase agreements and short-term bonds. Money market funds are considered investments and not bank deposits. Therefore, money market funds are not FDIC insured. Money market funds seek to maintain a stable NAV of \$1 per share, are often very liquid and can be bought and sold daily. However, it is possible (although rare) for a money market fund NAV to fall below \$1. Other risks of money market funds include a low return, which subjects investments in money market funds to decreased purchasing power or inflation risk.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or

expiration dates, which helps limit the risk of other option trading strategies. Generating income through covered call strategies limits an investor's upside profit but does not offer protection if the price of the stock drops.

Option writing also involves risks including, but not limited to, economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

Risks that are not specific to options trading include: market risk, sector risk and individual stock risk. Option trading risks are closely related to stock risks as stock options are a derivative of stocks.

**Private Equity Funds** carry certain risks. Capital calls will be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment. Private equity funds may include high expense ratios, can be highly illiquid, may be difficult to provide accurate pricing or valuation information to investors, may be delayed in distributing important tax information to investors, and may charge high fees. Other risks of private equity funds include manager risk, non-diversification risk, economic risk, and the risks of the underlying companies in which the private equity fund is invested. EWM is an adviser to one or more private equity funds which it recommends to certain Clients.

**Private Equity - Direct Placement, secondary market** (also often called private equity secondaries or secondaries) refers to the buying and selling of pre-existing investor commitments to private equity and other Alternative Investment funds. Given the absence of established trading markets for these interests, the transfer of interests in private equity funds as well as hedge funds can be more complex and labor-intensive. Sellers of private equity investments sell not only the investments in the fund but also any of their remaining unfunded commitments to the funds. By its nature, the private equity asset class is illiquid, intended to be a long-term investment for buy-and-hold investors, including pension funds, endowments and wealthy families selling off their private equity funds before the pools have sold off all their assets. For most private equity investments, there is no listed public market. In the absence of a liquid market, there may be valuation issues. Risks also include high transaction costs and there can be no assurance that a liquidity event (either a buyout or an IPO) for any issue may develop. Other risks may include lack of diversification or the potential for dilution of investment if the company undergoes further rounds of financing. These also include the business and/or management risks of the companies in which the secondary market securities are purchased.

**Private Equity - Co-Investment.** An **equity co-investment** (or co-investment) is a minority investment, made directly into an operating company, alongside a financial sponsor or other private equity investor, in a leveraged buyout, recapitalization or growth capital transaction. In certain circumstances, venture capital firms may also seek co-investors.

Private equity firms seek co-investors for several reasons. Most important of these is that co-investments allow a manager to make larger investments without either dedicating too much of the fund's capital to a single transaction (i.e., exposure issues) or sharing the deal with competing private equity firms. Co-investors bring a friendly source of capital.

Typically, co-investors are existing limited partners in an investment fund managed by the lead financial sponsor in a transaction. Unlike the investment fund however, co-investments are made outside of the existing fund and as such co-investors rarely pay management fees or carried interest on an individual investment. Co-investments are typically passive, non-controlling investments, as the private equity firm or firms involved will exercise control and perform monitoring functions. For large private equity fund of funds and other investors, co-investments are a means of increasing exposure to attractive transactions and

making investments that have a higher return potential because of the lower economics paid to the general partner. As a result, many private equity firms offer co-investments as an incentive to invest in future funds. Some of the risks of co-investment include concentration risk, business risk, liquidity risk, lack of control, and manager risk. The fees for co-investments can be materially higher than those of traditional investments.

**Private Placements** carry a substantial risk as they are subject to less regulation than publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets. EWM may recommend direct private placements or investment securities or funds that actively include private placements such as hedge funds, private equity, private debt, real estate (including DSTs), venture capital, and a wide range of other investments among their holdings. By their nature, private placements are illiquid, intended to be a long-term investment for buy-and-hold investors, and there is often limited or no opportunities for liquidity. In the absence of a liquid market, there may be valuation issues. Risks also include high transaction costs and there can be no assurance that a liquidity event may materialize. Fees for private placements can be materially higher than those of Traditional Assets. EWM is an adviser to one or more private funds which it recommends to certain Clients. Investors should always read the Private Placement Memorandum for a full list of risks, fees, and costs prior to making an investment in a private placement.

**Precious Metals** prices can be volatile, as they are affected by various supply and demand risk factors. The discovery of new sources of ore or improvements in mining or refining processes may cause the value of a precious metal to diminish. Precious metals do not provide any interest or dividends and investors must rely on rising prices to generate a return on investment. Precious metals may face adverse tax consequences as they can be taxed as collectibles. Precious metals face increased costs over other investments, as the holdings may incur storage and insurance costs.

**Qualified Opportunity Zones (“QOZ”)** investments offer tax benefits to investors in real estate in certain distressed communities. The risks of DSTs include the risks of investing in real estate (see Risks of Real Estate Funds), the use of leverage (borrowing), operator risk relating to property managers, and asset manager risk related to the quality of the QOZ property managers and developers. Potential distributions, potential returns and potential appreciation are not guaranteed. QOZs invest in less-developed and potentially riskier geographic locations. QOZ’s are long-term investments and there may be significant supply issues that could impact the value or proceeds upon a sale at the end of a QOZ’s ten-year holding period.

**Real Estate Funds** (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

### Liquidity Risks

While EWM considers liquidity when evaluating the merits of any investment, certain of the exchange-traded securities and other investments that EWM selects for its models or Client portfolios may have limited liquidity, limited market depth, and above average bid-ask spreads. Accordingly, the securities that



we (or EWM's affiliate--ETFMS) select for EWM's models or portfolios, may limit the custodian's ability to obtain favorable execution under certain circumstances including, but not limited to, extreme market conditions and/or elevated trading volume originating from Clients placed in models or portfolios (either with respect to one account, or in the aggregate, across multiple accounts).

#### General Risk of Loss

We do not represent or guarantee that EWM's services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to market corrections or declines. You must accept and understand that investment recommendations made by the adviser for an investment account or other financial planning advice is subject to various market, interest rate, liquidity, marketability, currency, economic, political, legal, business and/or other risks. In addition, these known and unknown risks may adversely affect investment results and/or the ability to achieve your investment objectives. We cannot offer any guarantees or promises that EWM's recommendations will be profitable or that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

#### Market Risks

The profitability of a portion of EWM's recommendations may depend upon correctly assessing the short and long-term future course of price movements of stocks and bonds. There can be no assurance that EWM will be able to predict those price movements accurately. If we do not predict price movements accurately the Client may incur investment losses.

### **E. Recommendation of Particular Types of Securities**

As disclosed under the "Advisory Business" section of this brochure, we offer advice on all types of securities, and we do not necessarily recommend one type of security over another since each Client has different needs and different tolerance for risk. Each type of security has its own unique set of associated risks, and it is not possible to list all the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

### **Item 9 Disciplinary Information**

EWM has been providing investment advisory services as a Registered Investment Adviser since 1996 including services that it has provided since 2013 under its current name and ownership. Neither EWM nor any of EWM's Management Persons has any disciplinary information reportable under this section.

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

#### **A. Registration as a Broker-Dealer**

Neither EWM, its representatives, or affiliates and their representatives are registered as, or have pending applications to become, a broker-dealer or a representative of a broker-dealer.

## B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither EWM, its representatives or any of its affiliates and their representatives are registered as, or have pending applications to become, a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor or an associated person of the foregoing entities.

## C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Affiliated Funds and Fund Manager. EWM and Global Alts serve as the investment manager to one or more SPV Funds for which they may receive management and/or performance-based fees (share of gains) that EWM recommends to certain of its Clients. This creates a conflict of interest as EWM and Global Alts have an incentive to favor accounts which receive greater management fees and/or potentially a performance-based fee than EWM may otherwise earn by recommending investment in traditional assets or alternative assets managed by unaffiliated entities. EWM addresses this conflict by disclosing it and not investing Client funds in its SPV Funds on a discretionary basis. Clients are not obligated to invest in any SPV Funds.

Global Alts relies upon the investment adviser registration of Endowment Wealth Management, Inc. based on certain no-action letters issued to the American Bar Association in the past. The activities of Global Alts' investment advisory activities are subject to the Investment Advisers Act of 1940 and the rules thereunder and is subject to examination by the Securities and Exchange Commission.

Global Alts may also provide accounting services to its advised funds, for which it may be compensated on an hourly basis. As noted above in Item 4, EWM waives its advisory fees for Client assets invested in these affiliated SPV Funds. EWM's affiliation with Global Alts creates a conflict of interest as the affiliated entity may potentially receive greater management and incentive fees.

Affiliated Registered Investment Adviser. EWM is affiliated, through common control and ownership, and shares offices, with ETFMS, a registered investment adviser. Robert Louis Riedl, Prateek Mehrotra, Timothy Joseph Landolt, John David Weninger, Jamie Richard Brown, Samuel Benjamin Moore, Michael J. Rottier and Evan Mathew Kubiak are investment advisor representatives with ETFMS. Through a licensing agreement, ETFMS makes available its investment model solutions to EWM. In some circumstances, EWM and ETFMS may each provide services to the same Client. To avoid conflicts that would otherwise generate additional revenue for either firm, either ETFMS will waive its fees or EWM will waive and/or reduce its fees when providing services to the same Client. Otherwise, ETFMS and EWM's services and fees are separate and distinct. Clients are in no way required to engage the services of any representative of EWM relating to such individual's activities outside of EWM.

## D. Selection of Other Advisers or Managers and How We are Compensated for Those Selections

EWM may recommend that Clients use third-party investment managers either directly or through an SMA investment program provided by Envestnet. Client accounts managed within an SMA investment program will be subject to program or platform fees which may contain Envestnet's fee and the investment manager's fee. Accounts held in model management programs may also be subject to custodial or brokerage fees. Clients will pay EWM its standard fee in addition to the standard fee for the investment managers to which it directs those Clients. EWM does not receive referral payments, revenue sharing, nor any other

compensation for referring Clients to third party managers. However, EWM may receive other economic benefits from third party managers (see Item 14, “Client Referrals and Other Compensation”).

## E. Insurance

EWM may make referrals to individuals licensed to sell insurance products. When a referral is made for insurance products, EWM, its affiliates and/or associated persons do not receive referral fees or revenue from referrals for insurance products.

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

### A. Description of EWM’s Code of Ethics

We strive to comply with applicable laws and regulations governing EWM’s practices. Therefore, EWM’s Code of Ethics includes guidelines for professional standards of conduct for EWM’s Associated Persons. EWM’s goal is to always protect your interests and to demonstrate EWM’s commitment to EWM’s fiduciary duties of honesty, good faith, and fair dealing. EWM has a policy that EWM or a related person that has access to Client account information is required to conduct their personal financial transactions in a manner that will not harm the Client or allow EWM or its related persons to take advantage of the Client account information. All EWM’s Associated Persons are expected to adhere strictly to these guidelines. EWM’s Code of Ethics also requires that certain persons associated with EWM submit reports of their personal account holdings and transactions to a qualified representative of EWM who will review these reports on a periodic basis. Persons associated with EWM are also required to report any violations of EWM’s Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with EWM.

Clients or prospective Clients may obtain a copy of EWM’s Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### B. Material Financial Interest (Potential Conflict of Interest)

EWM and Global Alts serve as an adviser to one or more SPV Funds which assess both management and performance-based fees and may incur other expenses. This creates a conflict of interest in that the firm has an incentive to favor the SPV Funds because of the compensation it or its affiliate stand to receive. Clients are not obligated to invest in any SPV Funds managed by EWM or Global Alts.

From time to time, EWM may recommend securities in which EWM, or a related person has a material financial interest, including securities for which a related person of EWM serves as general or managing partner, underwriter, or purchaser representative. There is a conflict of interest if EWM or a related person would benefit financially from Clients investing in these securities. Clients are in no way required to invest in any securities in which EWM or a related person has a material financial interest.

EWM from time to time will receive distributions of shares of publicly traded equities as earned incentive compensation arising from management of the SPV Funds. EWM may have a conflict of interest arising from the circumstance that EWM holds the same or similar securities as its clients that were received from



the SPV Funds. EWM's financial objectives and investment time horizon may be different than those of the client who received the same securities as a distribution.

A potential conflict of interest is governed by the duties owed by Registered Investment Advisors to their clients including the disclosure of all material facts concerning the client relationship, ensuring that investment advice is suitable for the client's needs, and seeking the best execution of client transactions. Where a conflict of interest exists, we will eliminate or disclose the conflict that may interfere with EWM's ability to render disinterested advice to allow the client to give informed consent or to take other action to protect their interests.

### C. Participation or Interest in Client Transactions

EWM, its employees, and its affiliates do not engage in any proprietary firm trading activities or participate in any revenue sharing with third parties with respect to securities transactions recommended to Clients.

### D. Investing Personal Money in the Same Securities as Clients

EWM, its affiliates, and persons employed by or associated with EWM are permitted to buy or sell the same securities for themselves that are also recommended to Clients, provided those transactions are consistent with EWM's policies and procedures. Such transactions may create a conflict of interest. EWM has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), EWM's Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by EWM or any of its associated persons. The Code of Ethics also requires that certain EWM personnel (called "Access Persons") report their personal securities holdings and transactions and obtain preapproval of certain investments such as initial public offerings and limited offerings.

Endowment Wealth Management will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### E. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, EWM, representatives of EWM, or EWM affiliates and/or their representatives may buy or sell securities for themselves at or around the same time as Clients. This may provide an opportunity for EWM, its affiliates and/or their respective representatives to buy or sell securities and profit from these activities before or after recommending securities to Clients. EWM will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

## Item 12 Brokerage Practices

### A. Recommendation of Custodians

For SPV Funds to which it serves as the managing member, EWM or Global Alts will select custodians for the holding of fund assets. EWM will select custodians based upon the best execution factors as described below.

For separately managed and other accounts holding Traditional Assets, EWM does not maintain custody of Client assets that we manage, although we may be deemed to have custody of Client assets: (1) if the Client has provided EWM with authority to withdraw EWM's fee from their account (see Item 15, below), Client cash and securities must be maintained in an account at a "qualified custodian", typically a broker-dealer or bank, or (2) in certain instances when Clients provide us with written Standing Letters of Authorization to transfer money from their custodial account to third parties. EWM does not have discretionary authority to select the custodian/broker-dealer for custodial and execution services with respect to separate accounts. The Client will select the broker-dealer or custodian to safeguard Client assets (the "Custodian") and authorize EWM to direct trades to the Custodian as agreed in EWM's investment advisory agreement. EWM does not have the authority to negotiate commissions on behalf of Clients on a trade-by-trade basis.

Although EWM does not exercise discretion over the selection of the Custodian, it does recommend custodians to Clients for execution and/or custodial services. We recommend that Clients establish accounts at one or more of the following custodians listed below:

- Fidelity Investments ("Fidelity"), member of the New York Stock Exchange and Security Investor Protection Corporation; and
- TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC/NFA (herein "TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. EWM participates in the Institutional Advisor Program.

Custodial accounts are used to maintain custody of Clients' assets and to effect trades for their accounts(s). You will determine if you want to use Fidelity or TD Ameritrade. You will open your account directly by entering into an account agreement with your selected Custodian. We do not open the account for you, although we will assist you in doing so. For EWM's Client accounts maintained in their custody, Fidelity, TD Ameritrade, and other custodians typically do not charge separately for custody services but are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through them or that settle into accounts held at their respective firms. Client accounts are subject to commission and fee rates set by the Custodian. Clients may be eligible for lower commissions and fees by signing up for electronic delivery of statements and confirmations. Clients are solely responsible for making statement and trade confirmation delivery form selections.

We believe that Fidelity and TD Ameritrade provide quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by Fidelity and TD Ameritrade by assessing their reputation, execution capabilities, commission rates, and responsiveness to EWM's Clients and EWM. In recognition of the value of brokerage products and services that Fidelity and TD Ameritrade provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

When selecting custodians/broker-dealers to recommend to Clients we also consider a wide range of factors, including, but not limited to:

- Reasonableness of commissions charged to the Client
- Availability as a custodian on the Envestnet Platform
- Products and services available to Clients and to EWM
- Combination of transaction execution services and asset custody services
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, etc.)

- Availability of investment products (stocks, bonds, mutual funds, ETFs, etc.)
- Quality of services
- Competitiveness of the prices of services and the willingness to negotiate the prices
- Reputation, financial strength, regulatory history, and stability
- Prior service to us and EWM's customers

## B. Discussion of Benefits to EWM as to Selection of Custodians

As previously disclosed, EWM recommends Fidelity and TD Ameritrade as custodians to Clients for custody and brokerage services. EWM is independently owned and operated and is not affiliated with Fidelity, TD Ameritrade, or any other broker-dealer in any way. Furthermore, there is no direct link between EWM's recommendation of these broker-dealers and the investment advice that EWM provides to its Clients, although EWM receives economic benefits from these broker-dealers that are typically not available to retail investors at Fidelity and TD Ameritrade.

Fidelity and TD Ameritrade provide EWM with access to institutional trading and custody services that are typically not available to retail investors. These services are available at no cost to independent investment advisors that maintain an institutional relationship with Fidelity and TD Ameritrade. This relationship is not otherwise contingent upon EWM committing to any specific amount of business in terms of custody or trading. These services include brokerage, custody, research, technology and access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significant minimum initial investment. EWM does not accept payments or reimbursements from Fidelity or TD Ameritrade and does not make substantial use of brokerage firm research materials. Accordingly, EWM does not recommend custodians based on the availability of such research materials.

Fidelity and TD Ameritrade make available to us other products and services that benefit us but may not directly benefit EWM's Clients' accounts. These products and services are not part of a soft-dollar arrangement nor are they otherwise contingent upon us committing to Fidelity or TD Ameritrade any specific amount of business (assets in custody or trading commissions). These services are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a minimum amount of the advisor's Clients' assets are maintained in accounts at Fidelity or TD Ameritrade.

The benefits provided by Fidelity and TD Ameritrade may include products and services (provided without cost or at a discount) such as assistance with the management of Client accounts, assistance with practice management, or other services that help us manage and further EWM's business enterprise. These products and services include, but may not be limited to:

- products and services that assist us in managing and administering your account(s), including software and other technology that:
  - (i) provide access to client account data such as trade confirmations and account statements or receipt of duplicate client statements and confirmations.
  - (ii) provide access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts), and/or access to a trading desk serving the Adviser, and/or access to an electronic communications network for client order entry and account information, permitting EWM to access an electronic communication network for Client order entry and to access Clients' account information which may otherwise assist EWM with its back-office functions, including recordkeeping and Client reporting;

- (iii) provide research, pricing, and other market data.
  - (iv) facilitate payment of EWM's fees from Client accounts.
  - (v) assist with back-office functions, record keeping and Client reporting.
  - (vi) provide access to a trading desk serving investment adviser firm participants exclusively, providing research, pricing information, and other market data.
- access to mutual funds with no transaction fees and to certain institutional money managers.
  - access to the investment advisor portion of their websites which includes practice management articles, compliance updates, and other financial planning related information and research materials.
  - access to other vendors (such as insurance or compliance providers, or providers of research or other materials) on a discounted fee basis through discounts arranged by Fidelity and TD Ameritrade.
  - discounts on software systems.
  - business development coaching or access to conferences at which advisors and employees of EWM may attend (with no registration fees) and receive education on issues such as practice management, marketing, investment theory, financial planning, Client servicing, business succession, regulatory compliance, and information technology.
  - compliance, marketing, research, technology, legal and business consulting; and
  - publications.
  - Fidelity and TD Ameritrade may make available, arrange and/or pay third-party vendors for the types of services rendered to us. They may discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us.
  - Fidelity and TD Ameritrade may also provide other benefits such as educational events or occasional business entertainment for us.

Many of these services may be used to service all or a substantial number of EWM's Clients' accounts, including accounts not maintained at the respective Custodian providing the service. Educational, research, or other services provided by custodians, including Fidelity and TD Ameritrade, ETFs, and/or mutual fund companies may benefit all EWM's Clients, or may benefit less than all Clients.

The benefits received by EWM or its personnel through participation in broker-dealer sponsored programs do not depend on the amount of brokerage transactions directed to these firms.

Clients should be aware that the receipt of economic benefits from a custodian, including Fidelity and TD Ameritrade, creates a conflict of interest since these benefits may influence EWM's recommendation of one custodian over one that does not furnish similar software, systems support, or services.

Clients are under no obligation to use Fidelity or TD Ameritrade as Custodian of their assets. If a Client does not wish to place assets with the Fidelity and TD Ameritrade, they may request from EWM, and we will provide to them a list of other available custodians on the Envestnet platform. However, if a Client is not willing to place assets with one of the available custodians at Envestnet, EWM may not be able to directly manage their account.

See Item 14 for additional economic benefits provided to us by Fidelity and TD Ameritrade.

### C. Custody Services Requiring Trusts or Assets Requiring Special Handling

We also recommend the custody and trustee services of Millennium Trust Company, Fiduciary Partners, Inc., Kingdom Trust and Legacy Private Trust Company for additional trustee and custody services for those accounts that require the specific services of a trustee or trustee and custodian of assets that require special handling. Clients are under no obligation to use these companies' services.

### D. Brokerage for Client Referrals

We do not receive Client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### E. Directed Brokerage

Some Clients may instruct EWM to use one or more brokers for the transactions in their accounts. If a Client chooses to direct EWM to use a specific broker, they should understand that this might prevent EWM from aggregating trades with other Client accounts or from effectively negotiating brokerage commissions on their behalf. This practice may also prevent EWM from obtaining favorable net price and execution. Thus, when directing brokerage business, a Client should consider whether the commission expenses, execution, clearance, and settlement capabilities that may be obtained through their broker are adequately favorable in comparison to those that EWM would otherwise obtain for them.

### F. Block Trades

Transactions for each of EWM's Clients will be affected independently unless we decide to purchase or sell the same securities for several Clients at approximately the same time. EWM (or Envestnet and/or the broker-dealers which custody your account) may, but is not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). EWM will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to EWM's discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. Accounts owned by EWM, or persons associated with EWM may participate in block trading with your accounts; however, these accounts will not be given preferential treatment.

### Item 13 Review of Accounts

With respect to EWM's portfolio management services, Robert L. Riedl, President, Director of Wealth Management and Chief Compliance Officer, Prateek Mehrotra, Vice President and Chief Investment Officer, or other investment advisor representatives will review accounts on a quarterly basis considering each Clients' individual needs. Client account reviews consider factors including, but not limited to client risk tolerance and goals, movements in the securities markets, securities in which Client assets are invested, sector exposure, and asset allocation. EWM reviews include Client accounts holding both traditional and Alternative Investments.

EWM provides Clients with a multitude of avenues to access and view their investment accounts. You will receive trade confirmations, monthly or quarterly statements, and year-end tax statements from your account Custodian(s). Custodians, as well as Envestnet, offer Clients online login access to account information.

All EWM Clients are offered complimentary access to eMoney wealth portal to consolidate all their asset reporting, including assets that are not managed by EWM. Included in the eMoney portal is access to a secure document vault to store backups of all your key financial documents.

## Item 14 Client Referrals and Other Compensation

Please refer to the “Brokerage Practices” section of this brochure for disclosures on research and other benefits we may receive resulting from EWM’s relationship with recommended custodians.

### A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients

No direct link exists between EWM and the investment providers that EWM recommends to Clients. As previously stated, EWM receives no compensation from any source other than EWM’s Clients. However, EWM may receive some direct or indirect benefits from investment providers. Examples of benefits include:

EWM and its personnel may, from time to time, receive economic benefits in the form of educational conferences, seminars, events, conference gifts, which may include lunch or dinner, or reimbursement in connection to educational, marketing or product information meetings from certain service providers, such as Envestnet, mutual fund or ETF managers, or other service providers. Such attendance and gratuities may be interpreted as a conflict of interest as they provide an economic benefit to us. We may also be granted access to specialized, non-public, “financial advisor” web sites, which may contain additional academic research, practice management articles, newsletters, educational video presentations, software, and investment returns data. EWM’s policies and procedures seek to mitigate this conflict by prohibiting its personnel from accepting items of material value, or other inappropriate gifts, favors, entertainment, special accommodations, or other items of material value that could influence their decision-making or make them feel beholden to a person or firm. We believe that these benefits are minimal and do not compromise EWM’s advice provided to EWM’s Clients. EWM is under no obligation to, and will never, recommend an investment based upon the receipt of such benefits.

### B. Compensation to Non-Advisory Personnel for Client Referrals

We directly compensate unaffiliated, non-employee (outside) consultants, individuals, and/or entities (in this Item 14, the “Solicitors” or “Solicitor”) for Client referrals. To receive a cash referral fee from EWM, Solicitors must comply with the requirements of the jurisdictions in which they operate. If someone is referred to EWM by a Solicitor, they must receive a copy of this brochure (Form ADV Part 2) and Form ADV Part 3 (when applicable) along with the Solicitor’s disclosure statement at the time of the referral. When individuals or entities are referred to EWM by a Solicitor, the Solicitor that referred the Client to EWM will receive either (i) a percentage of the advisory fee that the Client pays EWM for as long as that person or entity is a Client with EWM or until EWM’s agreement with the Solicitor no longer requires EWM to compensate under the agreement with the Solicitor or, (ii) a one-time, flat referral fee.

Clients will not pay additional fees because of a referral arrangement. Referral fees paid to a Solicitor are contingent upon a Client entering into an advisory agreement with EWM. Therefore, a Solicitor has a



financial incentive to recommend EWM to prospective Clients seeking advisory services. This creates a conflict of interest; however, Clients are not obligated to retain EWM for advisory services. Comparable services and/or lower fees may be available through other firms.

Endowment Wealth Management's agreements limit wholesaler and solicitor activities to marketing and educational functions. Solicitors are not authorized to, and may not provide, investment advisory services on behalf of EWM.

## C. Economic Benefits Provided to Unaffiliated Third Parties

Endowment Wealth Management requires that clients seeking to do business with us do so through Fidelity, Envestnet, and potentially other platforms and custodians. As a result of this requirement, we may be deemed to give Envestnet, Fidelity and any other entities an indirect benefit in the form of the asset-based fees, commissions, or other revenues they may receive for providing services to your account.

## Item 15 Custody

Traditional Assets. As paying agent for EWM, independent custodians for Client accounts will directly debit Client account(s) for the payment of EWM's advisory fees. This ability to deduct EWM's advisory fees from Client accounts causes EWM to exercise limited custody over Client funds or securities. Custody is also disclosed in Form ADV because, for those Clients that request it, EWM has authority to transfer money from Client account(s) to a third party under a Standing Letter of Authorization. Accordingly, EWM will follow the safeguards specified by the SEC rather than undergo an annual audit.

Client funds and securities for which we are deemed to have custody will be held with a bank, broker-dealer, or other independent, qualified custodian. At least quarterly, Clients will receive account statements from the independent, qualified custodian(s) holding funds and securities. The account statements provided by custodian(s) will indicate the amount of EWM's advisory fees deducted from Client account(s) each billing period. Clients should carefully review account statements for accuracy.

If a Client has a question regarding their account statement or if a Client did not receive a statement from the Custodian, they should contact EWM directly at the telephone number on the cover page of this brochure.

Alternative Assets. For SPV Funds for which it advises, EWM, or its affiliate, Global Alts may be deemed to have custody and has reported this fact on the firm's ADV Part 1 filing. EWM will ensure that all custody safekeeping procedures are followed, including annual audits by an unaffiliated accounting firm that is a member of, and examined by, the Public Company Accounting Oversight Board. The audited financial statements are then provided to the underlying investors of these SPV Funds within 120 days (or as otherwise required) of the end of each fiscal year.

## Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign EWM's discretionary management agreement and/or trading authorization forms.

You will grant EWM discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your



account(s). For example, you may specify that the investment in any stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the “Advisory Business” section of this brochure for more information on EWM’s discretionary management services.

If you enter into non-discretionary arrangements with EWM, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by EWM on a non-discretionary basis.

## **Item 17 Voting Client Securities**

As a general rule, EWM does not vote client proxies, although for certain clients or types of clients we will make exceptions, subject to EWM’s discretion. Our policy is to vote in the best interest of our clients in the aggregate.

Clients for whom we do not have a proxy voting agreement are responsible for exercising their right to vote as a shareholder for their holdings of common stocks, ETFs, mutual funds and other securities. At a Client’s request, we may offer advice regarding corporate actions and the exercise of the Client’s proxy voting rights with respect to holdings within an account.

In most cases, Clients will receive proxy materials directly from the account custodian. However, in the event EWM were to receive any written or electronic proxy materials, we would forward them directly to the Client by mail. If the Client has authorized EWM to contact them by electronic mail, we would forward any electronic solicitation to vote proxies to the email address we have on file. Clients authorizing electronic mail communication should advise EWM regarding any changes to their email address.

For the private funds which EWM serves as manager, EWM will vote on corporate actions. EWM’s proxy voting policy in these cases will be to vote in what we consider the best interest of the SPV Fund. Global Alts follows the same policy for the private funds to which it serves as manager.

## **Item 18 Financial Information**

### **A. Balance Sheet**

EWM neither requires nor solicits prepayment of more than \$1,200 in fees per Client six months or more in advance and therefore is not required to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither EWM nor its management has any financial condition that is likely to reasonably impair EWM’s ability to meet contractual commitments to Clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

EWM has not been the subject of a bankruptcy petition.