



**WASHINGTON TRUST**  
Wealth Management®

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## Form ADV Brochure

March 15, 2023

This Brochure provides information about the qualifications and business practices of [Washington Trust Advisors, Inc. \(the “Adviser”\)](#). If you have any questions about the contents of this Brochure, please contact Ola F. Adeduji, Vice President, Chief Wealth Compliance Officer at 401-348-1200 x 7620 or [ofadeduji@washtrust.com](mailto:ofadeduji@washtrust.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

[Washington Trust Advisors, Inc.](#) is a registered investment adviser with the U.S. Securities and Exchange Commission (the “SEC”). Registration of an investment adviser does not imply a certain level of skill or training. This Disclosure Brochure provides information about [Washington Trust Advisors](#) to assist you in determining whether to retain the Adviser.

Additional information about [Washington Trust Advisors, Inc.](#) is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD # 110407.

## Item 2 – Material Changes

The following is a summary of the changes that are included in Washington Trust Advisors, Inc.'s (hereinafter "Washington Trust Advisors", "WTA", "the "Firm" or the "Adviser") Form ADV (the "Brochure") dated March 15, 2023. The prior version of the Brochure was dated December 20, 2022.

We believe communication and transparency are the foundation of our relationship with Clients and will continually strive to provide Clients with complete and accurate information. We encourage all current and prospective Clients to read this Brochure and discuss any questions you may have with us.

### Material Changes:

There have been material changes to this Brochure since the last filing and distribution to clients which is summarized below. We urge all clients to review the entire Brochure.

- Item 4 – We have amended Item 4 to acknowledge our fiduciary status pursuant of the Department of Labor ("DOL") and the Employee Retirement Income Security Act ("ERISA").
- Item 5 – We have amended Item 5 to reflect a consistent billing methodology across our offices. Client billing rate will remain the same.
- Item 10 – We have amended Item 10 to remove references to The Park Insurance Agency, Inc ("Park") and Weston Securities Corporation ("Weston") as related entities of the Adviser. On September 30, 2022, Weston withdrew its registration as a broker dealer. Weston and Park ceased business operations and were dissolved on December 20, 2022.

### Future Changes:

From time to time, we may amend this Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Brochure or a Summary of Material Changes shall be provided to each Client at least annually, and if a material change occurs.

Currently, the Brochure may be requested by contacting Wealth Management Compliance at 781-235-7055 or [wmcompliance@washtrust.com](mailto:wmcompliance@washtrust.com). This Brochure along with other regulatory documents are also available on our web site at [www.washtrustwealth.com](http://www.washtrustwealth.com). Our regulatory documents are located at the bottom of the page with the link "Regulatory Documents."

Additional information about Washington Trust Advisors, Inc. is also available via the SEC's web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Washington Trust Advisors, Inc. who are registered, or are required to be registered, as investment adviser representatives of Washington Trust Advisors, Inc.

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## Item 4 – Advisory Business

### Firm History and Ownership

Washington Trust Advisors, Inc., (hereinafter the “Adviser”, the “Firm” or “WTA”) is an investment adviser registered with the U.S. Securities and Exchange Commission (the “SEC”) with its principal place of business located in Wellesley, Massachusetts and a second office location in New Haven, Connecticut. The Adviser offers wealth management and holistic financial planning services and has been registered with the SEC since 1983. The Adviser is a wholly owned subsidiary of The Washington Trust Company, of Westerly (“Washington Trust”) and operates under Washington Trust Wealth Management®. Washington Trust is a wholly owned subsidiary of Washington Trust Bancorp, Inc., the bank holding company.

Washington Trust Wealth Management® is a registered trademark of The Washington Trust Company, which has licensed its use to its parent, affiliates, and subsidiaries, including Washington Trust Advisors, Inc.

### Investment Management Services

The Adviser offers wealth management/financial planning services; individual portfolio management; model portfolios; independent third-party money manager selection programs; and portfolio management for institutional and high-net-worth clients. The Adviser offers clients a selection of separately managed accounts (managed by other advisers), mutual funds, exchange-traded funds (“ETFs”), fixed income, stocks, among other services noted below. NOTE FOR INTERNATIONAL CLIENTS: This information is required by law and is not a promotion of the Adviser’s products and services. Further, not all products are available to non-U.S. Residents.

### Wealth Management and Financial Planning Services

The Adviser through its Team of Wealth Management Professionals provide financial advice in the form of a financial plan designed to address the client's financial and life goals, and the plan typically includes strategies to help meet those goals. To develop a plan, the Adviser assesses a client's current financial status, tax status, future goals, life goals, investment objectives and risk tolerance, typically by analyzing the client's balance sheet, income statement, insurance coverage, wills and trusts, estate and income taxes, company benefit plans, and other relevant materials. The Adviser tailors each financial plan to the client's individual needs and objectives. In that process, a client may impose reasonable restrictions on investing in certain securities or types of securities.

### Individual Portfolio Management

#### Customized / Tailored Portfolios

The Adviser provides tailored discretionary asset management services to client's accounts held at client-selected brokers and other custodians. Prior to entering into an agreement with a client, the Adviser discusses with the client its investment objective, risk tolerance, financial condition, investment restrictions, time horizon, liquidity needs and other factors that may apply to the portfolio of assets that the Adviser is expected to manage. The scope of the Adviser's authority, the client's investment objectives and restrictions, as well as the strategy that the Adviser is expected to employ in managing the assets, as well as the Adviser's fees for performing its investment management services, are memorialized in the investment management agreement between the client and the Adviser. Further, the Adviser has entered into an agreement with a broker to create certain individual bond portfolios for select clients. Such accounts may also invest in fixed income ETFs. Clients may impose reasonable restrictions on the Adviser's authority to invest client assets in certain securities, certain types of securities, or certain industry sectors.

Further, clients have the option to hire The Washington Trust Company, the Adviser's parent company, to serve in the capacity as a Fiduciary (Corporate Trustee) over their personal or family Trusts. The Adviser's investment recommendations may include advice regarding the following types of securities noted in the chart below. The Adviser, however, is generally not limited to the types of securities and other financial instruments that it may employ in managing client assets or providing recommendations, except as agreed with the client. In an investment advisory account, we may limit available investments based on factors such as your risk tolerance, net worth, age, investment objectives and experience.

Mutual Fund Shares	United States Governmental Securities
Exchange Traded Funds ("ETFs")	Corporate Debt Securities (other than commercial paper)
Fixed Income Securities (investment and non-investment grade)	Variable Annuities
Individual Stocks (domestic and foreign) and Preferred Stocks	Options Contracts on Securities
Private Placements for Accredited Investors and Qualified Purchasers	

## Model Portfolios & Individual Equity Strategies

### Nationwide Advisory Solutions (formerly referred to as Jefferson National Life Monument Advisor Annuity) ("Monument Advisor Model Portfolios")

The Adviser offers portfolio management services to clients in connection with the selection and monitoring of a model portfolio. Each model portfolio is held in a separate Monument Advisor Variable Annuity which represents an allocation to a selection of sub-accounts that are designed to mimic mutual funds with different allocations among equity, fixed income, hybrid, and alternative strategies. In addition, a selection of sub-accounts can be custom designed for an individual client under certain circumstances.

### Individual Equity Strategy ("Focused Thematic Growth Strategy")

The Adviser offers individual equity security investment portfolio management services using a focused thematic investment approach – The Focused Thematic Growth Strategy. The Strategy is designed to produce long-term growth of capital and income by investing in a diversified, actively managed portfolio of common stocks. As such, the Strategy is suitable only for investors with longer time horizons who can withstand a high degree of principal volatility. The Adviser will manage these accounts in accordance with the Strategy on a discretionary basis only.

For clients or prospective clients interested in this service, the Adviser will seek to determine the client's or prospective client's investment goals and objectives to assess the suitability of the Focused Thematic Growth Strategy to the client's financial circumstances.

Once invested through the Focused Thematic Growth Strategy, and to ensure the client's account continues to be managed in a manner fitting the client's financial circumstances, the Advisor will seek to maintain client suitability information in the client's file. As such, we request that clients notify us promptly of any material change to his/her financial circumstances.

## Third-Party Money Manager Programs

The Adviser currently has legacy accounts for which the clients invest in Third-Party Money Manager Accounts (i.e., Separate Account Managers or "SAM"). The SAM selected by the Adviser have discretion to determine the underlying securities to be bought or sold within the account(s), subject to reasonable restrictions imposed by

the client. The Custodian may have the discretion to replace the SAM within their Programs. Due to the nature of these programs, each of the chosen SAM is obligated to provide the client with a separate disclosure document outlining their services. These legacy accounts are custodied at Schwab & TD Ameritrade and Morgan Stanley

## Investment Advisory Services

### Individual Portfolio Advice

The Adviser may on occasion provide non-discretionary asset advisory services to clients for the management of their assets. Prior to entering into an agreement with a client, the Adviser discusses with the client its investment objective, risk tolerance, financial condition, investment restrictions, and other factors that may apply to the pool of assets that the Adviser is expected to consider when making recommendations. The Adviser's fees for performing its investment advisory services, are eventually memorialized in the investment advisory agreement between the client and the Adviser.

### Employee Benefit Plans

The Adviser may on occasion offer plan sponsors and other fiduciaries to employee defined-contribution and defined-benefit plans advice on the management and/or the selection of plan and/or participant investment options under ERISA Section 3(21). In such event, the Adviser will be responsible for assisting plan fiduciaries in the identification of potential investment options, based on various factors, such as the size of the plan, the number of participants, and the nature of the participants. Among other things, the Adviser will help the plan fiduciary prepare a written investment policy statement for the plan. The Adviser will assist the plan fiduciary in monitoring and reviewing the performance of the investment options. From time to time, the Adviser may recommend to a plan fiduciary the addition of additional plan options, and the removal and replacement of plan options. Under this scenario, the ultimate decision rest with the plan fiduciary.

In addition, the Adviser may manage the plan assets on a discretionary basis in accordance with the plan's investment policy statement and will be a fiduciary to the plan under ERISA Section 3(38). These arrangements are separate and distinct from when the Adviser is providing advice on the underlying holdings of the plan and the plan fiduciary makes the final decisions on whether to add or remove the underlying holding as an investment option for plan participants.

### Other Investments and Other Services

The Adviser may from time to time provide a client specialized investment manager or advisory services, other than as described above. In those cases, the scope of the services, as well as the fees the Adviser is to receive, are negotiated between the client and the Adviser. At no time will the Adviser accept or maintain custody of a client's funds or securities, except for the limited authority outlined in Item 15 – Custody. All Client assets will be managed within their designated account(s) at the Custodian, pursuant to the Client investment advisory agreement, please see Item 12 – Brokerage Practices.

### Risks of Investment

Investing in securities involves the risk of loss that clients should be prepared to bear. We manage the risks associated with the securities and Portfolios that we manage for our clients. The following are a few of the key types of risks:

- Equity Securities
  - The value of the equity securities, including mutual funds and ETFs that invest primarily in traditional asset classes such as equities and fixed income, is subject to market risk, including changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities.

- Debt and Other Fixed Income Securities
  - Debt securities are subject to interest rate, market, and credit risk. Interest rate risk relates to changes in a security's value as a result of changes in interest rates generally. Market risk relates to the changes in the risk or perceived risk of an issuer, country, or region. Credit risk relates to the ability of the issuer to make payments of principal and interest. The values of income securities may be affected by changes in the credit rating or financial condition of the issuing entities.
- Risk of Loss of Investment
  - No guarantee or representation is made that the Adviser's strategy for managing a client's account or its recommendations will be successful or that a client's investment objective(s) will be achieved. A client could experience a partial or total loss of its assets.
- Alternative Strategies
  - Certain hedging techniques, arbitrage strategies, distressed securities, options, long/short selling, and leverage employed by the mutual funds, ETFs, fixed income, or structured investments held inside of a client Portfolio will expose the portfolio(s) to additional volatility and risks. Short selling strategies employed by the particular investment involves the risk of potentially unlimited increase in the market value of the security sold short, which could result in potentially unlimited loss for the funds.
- Cybersecurity
  - Networks and systems could be subject to breach and client data may be exposed. We maintain a Written Information Security Program and Information Response Plan. In conjunction with our Parent Company's Information Assurance and Technology Team we conduct periodic risk assessments of information security controls and practices.

For other risks that may be associated with your account, please contact your Wealth Advisor or Portfolio Manager.

## Assets Under Management

As of December 31, 2022, the Adviser managed \$1,747,943,094 of client assets on a discretionary basis and \$9,182,949 on a non-discretionary basis for a total of \$1,757,126,043 in assets under management. Clients may request more current information at any time by contacting the Adviser.

## Item 5 – Fees and Compensation

The description below of the Adviser's fees and compensation is intended to provide a summary of the more typical fee structures, and it is not intended to depict every fee or compensation arrangement.

### Compensation for Investment Management and Advisory Services

The Adviser's fees and compensation for investment management and advisory services typically are as follows:

- The Adviser's investment management fee annual rates for accounts over which the Adviser has discretionary authority ("Managed Accounts") in an investment strategy relating primarily to equity securities typically range from 0.25 percent to 0.90 percent of the Managed Account's total value.
- The Adviser's investment management fee annual fee rates for Managed Accounts in an investment strategy relating primarily to fixed-income securities typically range from 0.20 percent to 0.50 percent of the Managed Account's total value.
- The Adviser's investment advisory fee annual rates for non-managed portfolios of securities (i.e., where the Adviser has non-discretionary authority) typically range from 0.102 percent to 0.75 percent of the securities aggregate total value.



- The Adviser's investment management fee annual rates for accounts over which the Adviser has discretionary authority ("Managed Accounts") and its parent company serves as a fiduciary (i.e., "Corporate Trustee") in an investment strategy relating primarily to equity securities may range from 0.30 percent to 1.25 percent of the Managed Account's total value.

## **Fiduciary Acknowledgement**

Fee rates and the basis of their calculations are negotiated between the Adviser and the client and take into consideration the scope of management or advisory activities involved, the size of the account, the complexity of the assets managed or advised, the client's particular investment objectives and needs, and the other activities between the Adviser and its affiliates and the client. Compensation for employee benefit plans is subject to applicable regulations under the Department of Labor ("DOL") and the Employee Retirement Income Security Act ("ERISA"). We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to clients regarding retirement plan or individual retirement account. We are also fiduciaries within the meaning of Title 1 of ERISA, as applicable, which are laws governing retirement accounts. We are required to act in the best interest of clients and not put our interest ahead of clients. As a result, we must give prudent advice and avoid misleading statements regarding fees, investments, conflicts of interest, and give advice that is in the client's best interest.

The Adviser reserves the right to impose a minimum of \$1,500,000 of assets under management to open a portfolio management relationship. This minimum relationship size and annual fee may be negotiable under certain circumstances.

## **Compensation for Financial Planning Services**

The Adviser's fees and compensation for financial planning services, including implementation, typically are included in the investment management fee for all Washington Trust Wealth Management® clients.

## **Compensation for Other Services**

From time to time, a client may request, and the Adviser agrees to perform, asset management and related services that are not included within the investment management services typically provided by the Adviser. In those cases, the Adviser's compensation is negotiated by the parties.

## **Payment of Compensation**

The Adviser generally is given authority by a client pursuant to the investment management or advisory agreement to withdraw its fees directly from the client's Managed Account or from another client account. From time to time, the Adviser may bill a client directly for its investment management and/or advisory fees.

Investment management and advisory fees are typically billed in arrears. Accounts are billed based on the average daily balance over the preceding quarter. All billing arrangements are negotiated by the Adviser and the client and are reflected in the client's investment management and/or advisory agreement with the Adviser.

## **Other Types of Fees or Expenses**

Subject to its governing documents, an account generally will bear all out-of-pocket costs, fees, expenses, and liabilities that are incurred by, or arise out of the operation and activities of or otherwise are related to, such account, including those incurred by the Adviser on behalf of, or are allocable to such account. In addition to our advisory fees, clients are responsible for the fees and expenses charged by custodians and imposed by



broker dealers, including, but not limited to, any transaction charges, fees for duplicate statements and transaction confirmations, and fees for electronic data feeds.

Please refer to the terms of an account's governing documents for a more detailed description of the expenses to be borne by a particular account.

Please also see Item 12 "Brokerage Practices," below, for further information relating to fees and expenses that may affect a client's assets that are managed or advised by the Adviser.

The implementation of any or all recommendations is solely at the discretion of the client and the Adviser will fully describe other fees and expenses as well as disclose conflicts of interests when recommending an investment product. Further, the Adviser has policies and procedures in place to ensure conflicts of interests are managed and disclosed so a client may decide whether to agree with such conflict. Further, the procedures have been reasonably designed to ensure the products recommended are in the best interest of the client and are based on the individual needs and objectives of the client rather than on the compensation received by the individual or the Firm. Clients are encouraged to ask their Wealth Advisor or Portfolio Manager about any potential conflicts of interest. For additional information, refer to Item 10 – Other Financial Industry Activities and Affiliations below and the Adviser's Form ADV Part 3 – Form CRS (Client Relationship Summary).

## GENERAL FEE INFORMATION

- **Advisory Fees in General**
  - Clients should note similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees. Fees are subject to revision upon 30 days advanced written notice to the client.
- **Negotiability of Fees**
  - In certain circumstances, all fees may be negotiable. We may also group certain related client accounts for the purposes of determining the annualized fee. Further, we may waive or discount advisory fees for family members and friends of the owners and employees of our Firm. These fee waivers or discounts are not generally available to all advisory clients of the Adviser.
- **Non-Discretionary Assets**
  - Some clients come to the Adviser with various legacy holdings or assets. Upon request, we will assist a client with establishing custodial accounts to hold these assets as a courtesy, however the Adviser will NOT manage these assets. These assets will, therefore, not be subject to our portfolio management fee as disclosed above in this Item 5.
- **Grandfathering of Minimum Relationship Requirements and Fees**
  - Pre-existing advisory clients are subject to the Adviser's minimum relationship requirements, if any, and advisory fees in effect, at the time the client entered the advisory relationship. Therefore, our Firm's fees and minimum relationship requirements, if any, will differ among clients. In addition, the minimum relationship size and annual fee may be negotiable under certain circumstances.
- **Termination of the Advisory Relationship**

- Unless otherwise agreed, a client contract generally may be canceled by the client with at least five (5) days written notice, for any reason. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will prorate the reimbursement according to the number of days remaining in the billing period.

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

The Adviser does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

The Adviser may as appropriate, provide portfolio management services to individuals, high-net-worth individuals, trusts, estates, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, and other business entities. As previously disclosed, the investment services/products offered by the Adviser impose their own minimum account size and, in some cases, minimum fee requirements, based on the nature of the service(s) being provided. The Adviser's Form ADV Part 1A discloses the breakdown by client type and asset size. These amounts may change over time and are updated at least annually by the Adviser.

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

The Adviser may use the following methods of analysis and investment strategies in formulating investment advice and/or managing client assets provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations.

### **Asset Allocation**

Rather than focusing primarily on securities selection, the Adviser attempts to identify an appropriate ratio of equity, fixed income, cash, and other securities suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry, or market sector. Another risk is that the ratio of equity, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's overall goals.

### **Mutual Fund and/or ETF Analysis/Investment Strategy**

The Adviser examines the experience and track record of the manager of the mutual fund or exchange traded fund (ETF) to determine if that manager has demonstrated an ability to invest over a period of time and consistent with the mutual fund's/ETF's stated investment objective and strategy. The Adviser may also review the underlying assets in a mutual fund or ETF to determine if there is significant overlap in the underlying investments held in other fund(s) in the client's portfolio. The Adviser also monitors the funds or ETFs to determine if they are continuing to follow their stated investment strategy.

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

### Third-Party Money Manager Analysis / Investment Strategy

The Adviser examines the experience, expertise, investment philosophies, and past performance of independent third-party investment managers to determine if that manager has demonstrated an ability to invest over a period of time and consistent with the investment objective and strategy for which that manager would be utilized. We monitor the manager's underlying holdings, strategies, concentrations, and leverage as part of our overall periodic risk assessment. Additionally, as part of the due-diligence process, the Adviser surveys the manager's compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that they may not be able to replicate that success in the future. In addition, since the Adviser does not control the underlying investments in a third-party manager's portfolio or a sub-advised account, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for the Adviser's clients. Moreover, since the Adviser does not control the manager's daily business and compliance operations, the Adviser may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

The Adviser may manage individual equity portfolios directly and may also manage the selection of the managers that use model portfolios. Further, if a client maintains existing highly concentrated positions in individual securities, then the Adviser will utilize the following analyses:

- Fundamental Analysis
  - The Adviser attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.
- Technical Analysis
  - The Adviser analyzes past market movements and applies that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement. Charting and cyclical analysis are types of technical analysis that we use:
    - ♦ Charting involves the review of charts of market and security activity to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.
    - ♦ Cyclical analysis involves measuring the movements of a particular stock against the overall market to predict the price movement of the security. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.
- Qualitative Analysis
  - The Adviser subjectively evaluates non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement and predicts changes to share price based on that data. A risk of using qualitative analysis is that the subjective judgment may prove incorrect.

- Legacy Holdings
  - From time to time, when new clients engage the Adviser, they may already hold interests in certain private funds or other securities and investments that they wish to retain and incorporate into the portfolios constructed and managed by the Adviser. Under these circumstances, these clients should note the Adviser does not typically conduct detailed due diligence with respect to these legacy investments or, as applicable, their managers.

## INVESTMENT STRATEGIES

In addition, we use the following strategies in managing client accounts, provided that such strategy(ies) is appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

### Long-Term Purchases

We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class. A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

### Options

For select clients, as appropriate, we may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives a client the right to buy an asset at a certain price within a specific period of time. We will buy a call if we believe the stock will increase substantially before the option expires.
- A put gives a client the right to sell an asset at a certain price within a specific period of time. We will buy a put if we believe that the price of the stock will fall before the option expires.

We may use options to “hedge” a purchase of the underlying security; in other words, we may use an option purchase to limit the potential upside and downside of a security in our client's portfolios. We also may use “covered calls”, in which we sell an option on a security held in our client's portfolios. In this strategy, the client receives a fee for making the option available, and the person purchasing the option has the right to buy the security from the client at an agreed-upon price. A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we must buy the option back from the option buyer, at a possible loss.

### Risk for all forms of analysis

Various methods noted above rely on the assumption that the investments that the Adviser may recommend for purchase or sale, the rating agencies that review various investments, and other publicly available sources of information about these investments, are providing accurate and unbiased data. While the Adviser is alert to indications that data may be incorrect, there is always a risk that the analysis may be compromised by inaccurate or misleading information.

## Risk of Loss.

Securities investments are not guaranteed, and you may lose money on your investments. Investing in securities involves risk of loss that clients should be prepared to bear. We ask that you work with your Wealth Management Team to better understand your tolerance for risk.

## Item 9 – Disciplinary Information

We value the trust clients place in us. We encourage clients to perform the requisite due diligence on any advisory or service provider that the client engages. The backgrounds of the Adviser and its Wealth Advisors or Portfolio Managers are available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching the Adviser's name (Washington Trust Advisors, Inc.) or CRD No. 110407. Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Adviser or the integrity of Adviser's management. The Adviser does not have any reportable disciplinary events to disclose.

## Item 10 – Other Financial Industry Activities and Affiliations

As described in this Brochure, the Adviser and its Wealth Advisors provide clients with financial planning services that may involve tax and estate planning (including wills and trusts) and other matters in addition to investment advice that may not constitute investment advice as to securities.

Where appropriate, the Adviser and its employees may recommend various investment and investment-related services of Related Companies (Affiliated Entities) to our advisory clients. The Related Companies and their employees may also recommend the advisory services of our Firm to their clients. The Related Company as described below is also disclosed in the Adviser's Form ADV Part 1, Schedule A and/or Schedule D, Item 7A. The services provided by the Related Companies are separate and distinct from our advisory services, and as such are rendered for separate and additional compensation. There may also be arrangements between the Adviser and these Related Companies where the Adviser and/or the Related Companies and their employees receive payment in exchange for client referrals, provided such employees are licensed appropriately. Clients of the Adviser are not obligated to use services of Related Companies.

The receipt of separate or additional compensation creates a conflict of interest, however the Firm maintains policies and procedures and controls to manage, mitigate and disclose such conflicts. For additional information refer to the Conflicts of Interest section.

The level of experience of employees of the Adviser will vary. Additionally, the fees charged by various Investment Adviser Representatives will not exceed the fee schedules disclosed herein but may vary and are negotiable depending on the individual facts and circumstances. Therefore, clients receiving similar services may pay higher or lower fees than another client depending on their Investment Adviser Representative. A higher fee may not necessarily be commensurate with the experience of the Investment Adviser Representative. Fees assessed are fully described in the investment management agreement or investment advisory agreement

between the client and the Adviser.

**Washington Trust Bancorp, Inc. / The Washington Trust Company, of Westerly** is the parent company of the Adviser. The stock of Weston Financial Group, Inc. (renamed Washington Trust Advisors, Inc.) was purchased by Washington Trust Bancorp, Inc., a bank holding company and parent of The Washington Trust Company, of Westerly ("Washington Trust") a Rhode Island chartered bank headquartered in Westerly, Rhode Island on August 31, 2005. The Adviser is a wholly owned subsidiary of Washington Trust and operates under the name Washington Trust Wealth Management® ("WTWM") in the Wealth Management division.

The Adviser may recommend certain services offered by Washington Trust to its clients which may pose a conflict of interest. For example, the Adviser may recommend Washington Trust's investment services, custodial services, trust and fiduciary services, mortgage services and cash management solutions. Certain functions have been segregated based on the role of either the Adviser or Washington Trust to ensure known conflicts of interest and risks have been managed and/or mitigated and disclosed as appropriate. In addition, such custodial services are governed by the applicable banking regulations and as such Washington Trust has numerous internal controls and policies and procedures designed to protect each client's funds and securities.

Where Washington Trust serves as trustee of a client's trust, it may also serve as the "Qualified Custodian" for the funds and securities. The Adviser may suggest clients use Washington Trust for custody and safekeeping purposes in other situations, but the client retains the right to direct the Adviser to use another custodian or broker as appropriate. Clients are under no obligation, contractually or otherwise, to engage the services of Washington Trust. *For additional information, refer to the Conflicts of Interest section.*

### **Other Affiliation**

The Adviser has no other financial industry affiliations except for those noted above. One of the members of the senior management team (with the title Senior Vice President, Managing Director, and Principal Portfolio Manager), in his individual capacity, serves on the advisory board of a privately held company ("Private Co.") set up to provide investment management services to a privately held, corporate client of the Adviser. The owners and members of Private Co. are also clients of the Adviser. Private Co. has separately engaged a third-party consulting Firm to recommend advisers to provide investment management services.

However, the Adviser neither provides investment management or other advisory services to Private Co. nor is it currently among those advisers vetted by the consulting Firm for consideration and recommendation to Private Co. or any other of the consultant's clients. This member of the senior management team receives a modest stipend for his services to Private Co.

## Conflicts of Interest

Clients should be aware the receipt of additional compensation by the Adviser and its management persons or employees raises a conflict of interest that may impair the objectivity of our Firm and these individuals when making advisory recommendations. The Adviser and its employees owe its clients a fiduciary duty of care and duty of loyalty which requires it provide investment advice that is in the best interest of the client's individual needs and objectives. As such, the Adviser has adopted policies and procedures reasonably designed to prevent violations of the Investment Advisers Act, Regulation Best Interest, and the rules thereunder. The following are a few of the steps taken to address this conflict. This list is not meant to be all inclusive, but a high-level summary of a few key actions taken by the Adviser:

- Disclosing to clients the existence of all material conflicts of interest, including the potential for our Firm and our employees to earn compensation from advisory clients in addition to our Firm's advisory fees.
- Disclosing to clients they are not obligated to purchase recommended investment products from our employees or any of our affiliated companies.
- Collecting, maintaining, and documenting accurate, complete, and relevant client background information, including the client's financial goals, objectives, tax status, and risk tolerance.
- Conducting regular reviews of client accounts to verify that recommendations made to a client are suitable and in the best interest of the clients based on the Client's individual needs and circumstances.
- Requiring employees to seek prior approval of any outside employment activity to ensure any conflicts of interests in such activities are properly addressed and disclosed as needed.
- Monitoring employees outside employment activities to verify any conflicts of interest are properly addressed.
- Requiring employees to seek prior approval of personal trading activity as disclosed in Item 11 Code of Ethics.
- Educating all employees regarding the responsibilities of a fiduciary and Regulation Best Interest, including the need for having a reasonable and independent basis for investment advice provided to clients.
- Periodically monitoring the Adviser's approved Third-Party Manager list to determine if multiple mutual fund share classes exist and if so, to review and determine whether a lower cost share class is available (i.e., institutional level share class) and recommend moving client assets into such lower cost mutual fund share classes.
- Other factors are reviewed from time to time to ensure investment recommendations made to clients are in the client's best interest.

While the Adviser and its employees always endeavor to put the interest of the clients first as part of our fiduciary duty, clients should be aware the receipt of additional compensation itself creates a conflict of interest and may affect the judgment of these individuals when making recommendations.

## Item 11 – Code of Ethics

The Adviser has adopted a Code of Ethics (the "Code") in compliance with sections 204A and 204A-1 of the Investment Advisers Act of 1940, as amended (the "Investment Advisers Act"). In addition, the Adviser adopted a Statement on Insider Trading which is reasonably designed to deter misconduct, conflicts of interest and to detect and prevent the Adviser's officers, directors, and employees from trading on material non-public information.

As noted above, the Adviser adopted a Code for all access and supervised persons of the Firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code is based on the principle that the officers, directors, and employees (collectively the "Personnel") owe a fiduciary duty to the Adviser's clients and, therefore, must place the clients' interests ahead of their own. All Personnel are required to serve in the best interest of the



Adviser's clients and all recommendations and decisions on behalf of the Adviser's clients shall be solely in the best interest of the clients.

The Adviser's Personnel shall perform professional services in a manner that is fair and reasonable to clients and shall disclose conflicts of interest in providing such services. Further, the Adviser provides to clients all requested information as well as other information needed for the clients to make informed investment decisions. Clients' inquiries shall be answered to the best of the Adviser's abilities in a prompt and accurate manner. Personnel shall maintain the confidentiality of all information entrusted by the Adviser's clients, to the fullest extent of the law.

As such, the Code includes provisions relating to the confidentiality of client information, a prohibition against insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All Personnel of the Adviser must acknowledge the terms of the Code annually, or as amended.

The Code was designed to assure that personal securities transactions, activities, and interests of the Adviser's Personnel will not interfere with (i) making decisions in the best interest of its clients and (ii) implementing such decisions while, at the same time, allowing Personnel to invest in their own personal accounts. As such, Personnel may buy or sell securities also recommended to clients. However, to deal with any conflicts of interest, the Adviser's Personnel are not permitted to take inappropriate advantage of their positions.

The Code specifies the code of conduct for certain types of personal securities transactions that might involve conflicts of interest or an appearance of impropriety, and has established reporting, pre-authorization requirements and enforcement procedures for all Personnel. Employee trading is continually monitored to reasonably prevent conflicts of interest between Adviser's Personnel and its clients. The Adviser's Personnel are required to avoid any conduct which could create any actual or potential conflict of interest and must make sure that their personal securities transactions do not in any way interfere with their clients' portfolio transactions. Personnel are required to act with integrity, dignity, honesty, in a fiduciary capacity and maintain the highest standards of ethics in all aspects of professional conduct.

It is the Adviser's policy that the Firm will generally not affect any principal or agency cross securities transactions for client accounts. The Adviser will also not cross trades between client accounts unless an exception has been appropriately approved by Compliance. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any Advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the Advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

The Adviser's clients or prospective clients may request a copy of the Firm's Code of Ethics and Statement on Insider Trading by contacting Ola F. Adeduji, Vice President, Chief Wealth Compliance Officer via E-mail at [ofadeduji@washtrust.com](mailto:ofadeduji@washtrust.com).

## **Item 12 – Brokerage Practices**

As an investment advisory firm, the Adviser has a fiduciary and fundamental duty to ensure that its clients are receiving best execution from the separate account managers, advisers and/or platforms used for the purpose of investing client assets. The Adviser's primary goal is to ensure that the execution of securities transactions for clients is executed in such a manner that the client's total cost or proceeds in each transaction is the most

favorable under the circumstances.

The Adviser may consider for a client's account the full range and quality of a broker-dealer's services and may select such broker-dealer which furnishes it research reports, economic and financial data, and relative performance of such account; however, the Adviser does not compensate any broker-dealer for such research, nor does the Adviser participate in any soft dollar arrangements. Accordingly, transactions will not always be executed at the lowest available commission but will be within a generally competitive range.

The Adviser does not require a client to direct brokerage. The Adviser will not compensate a broker-dealer for promoting or selling such manager's shares by directing brokerage transactions to that broker nor will it use any arrangements designed to compensate selling brokers for their sales efforts. Brokerage which is specifically directed by the client is an exception to the guidelines discussed in the above paragraph and the Adviser will not receive any non-customary commissions on these transactions.

The Adviser has adopted and implemented best execution practices which are monitored and reviewed periodically by the Adviser's respective Investment Committee. The Investment Committee has the overall responsibility for monitoring the Firm's trading practices, requesting the gathering of relevant information, periodically reviewing, and evaluating the services provided by broker-dealers, the quality of executions, research, commission rates, and overall brokerage relationships, among other things.

The Adviser's Investment Department assists with the assimilation of best execution information on a quarterly basis for the Vice President, Senior Investment Research Analyst's review and approval. In addition, the Vice President, Senior Investment Research Analyst in conjunction with the Investment Department documents reviews of such broker-dealers which may include best execution and the results of such reviews may periodically be presented to the Adviser's respective Investment Committee as documented in the respective Investment Committee minutes.

If a client directs the use of a particular broker-dealer, the Adviser requests the client also specify (1) the general types of securities for which the designated firm should be used and (2) whether the designated firm should be used for all transactions, even though the Adviser might be able to obtain a more favorable net price and execution from another broker-dealer in particular transactions.

A client who designates use of a particular broker-dealer, including a client who directs use of a broker-dealer who will also serve as its custodian (whether or not recommended by the Adviser), should consider whether under that designation the following will be comparable to those otherwise obtainable by the client if they did not make such a designation: consulting services on manager selection and monitoring, commission expenses, execution, clearance and settlement capabilities, and whatever amount is regarded as allocable to custodian fee, if applicable.

A client who designates use of a particular broker-dealer should understand that they may lose the possible advantage which non-designating clients may derive from aggregation of orders for several clients as a single transaction for the purchase or sale of a particular security. However, it is important to note client transactions are submitted to the broker-dealer on a client-by-client basis and the broker-dealer may not be able to aggregate other client orders on their end. Certain broker-dealers may also make available to the Adviser other products and services that benefit the Adviser but may not benefit its clients' accounts directly. Some of these other products and services assist the Adviser in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of the Adviser's fees from its clients' accounts; and assist with back-office functions, recordkeeping, and client reporting.

Broker-dealers may also make available to the Adviser other services intended to help the Adviser manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, broker-dealers may make available, arrange and/or pay for these types of services rendered to the Adviser by independent third parties. These broker-dealers may discount or waive fees it 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 the Adviser. While as a fiduciary, the Adviser endeavors to act in its clients' best interests, and the Adviser's recommendation that clients maintain their assets in accounts at these broker-dealers may be based in part on the benefit to the Adviser for the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by these broker-dealers, which may create a conflict of interest.

If the Adviser acts to purchase newly issued bonds under conventional underwriting arrangements, the Adviser follows instructions received from its clients as to the allocation of new issue discounts to brokers-dealers which provide the client with matters such as research, performance evaluation or master trustee services. In the absence of such instructions from the client, the Adviser may allocate such transactions to broker-dealers in the underwriting syndicate which have provided the Firm with customary brokerage and research services at no additional charge to the client or the Adviser. The reasonableness of brokerage commissions is evaluated on an on-going basis.

### **Summary of Trade Aggregation Policy**

The Adviser may block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts. Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. The Adviser will typically aggregate trades among clients whose accounts can be traded at a given broker. The Adviser's block trading policy and procedures are as follows:

- Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with the Firm or our order allocation policy.
- The portfolio manager must determine the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- The portfolio manager must reasonably believe that the order aggregation could enable the Firm to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to obtain "best execution" on all securities transactions for their clients. Seeking the best quality of execution, as well as the best net price is one factor reviewed. Further, this duty includes a periodic review of various other factors such as a review of the full range and quality of a broker's services, the value of research provided, if any, execution capabilities, commission rates, financial responsibilities, and responsiveness.
- Prior to entry of an aggregated order, barring unusual circumstances related to timing and security price, a written list is completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
- If the order cannot be executed in full at the same price or time, the securities purchased or sold by the close of each business day must be allocated pro-rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro-rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro-rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket

charges in smaller accounts.

- Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order and must equitably share in the commissions and transaction costs. Depending upon the custodian/broker, transaction costs may be charged as a flat, per trade fee or be based on the number of shares traded for each client.
- If the order will be allocated in a manner other than that stated previously in this section, a written explanation of the change must be provided to and approved by the Chief Wealth Compliance Officer, or his designee, no later than the morning following the execution of the aggregate trade.
- The Firm's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities, which are held by, and bought and sold for, that account.
- Funds and securities for aggregated orders are clearly identified on the Firm's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

### **Item 13 – Review of Accounts**

Various Portfolios and Separate Account Managers are reviewed and approved for use in individual client portfolios by the Adviser's respective Investment Committee on a periodic basis. In addition, individual client accounts are reviewed periodically and at least annually by the client's investment management team. In addition to routinely scheduled reviews and client meetings, reviews may be triggered by a variety of factors, including changing market conditions, client inquiry, and investment decisions made by the Investment Committee. Portfolio reviews and individual client reviews may also be conducted on a more frequent basis if there are any other circumstances, such as the client's individual circumstances, extreme market conditions, political or economic issues, or based on the individual client's needs and objectives.

Clients receive reports/statements on managed account holdings directly from the qualified custodian at least quarterly. In addition, clients may receive periodic reports summarizing account performance, balance, and holdings from the Adviser. The reports from the Adviser are not the official custodial statements and clients are urged to review the official account statements sent by the Qualified Custodian and notify the Adviser immediately if you notice any discrepancies.

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

From time to time, persons related to the Adviser may receive an economic benefit from the Adviser for referring clients to the Adviser, provided such persons are appropriately licensed and eligible to receive an economic benefit. Further, certain employees may receive a bonus that is determined in part on the performance of the Adviser and its parent company.

It is the Adviser's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards, or other prizes, from a non-client in conjunction with the advisory services provided to the Adviser's clients, unless permitted in accordance with the Adviser's Code of Ethics.

### **Item 15 – Custody**

While our Firm does not maintain physical custody of client assets (which are maintained by a qualified custodian as discussed above), we are deemed to have custody of certain client assets if we are given the authority to withdraw assets from client accounts, as further described below under "Third Party Money Movement". With respect to Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act, an adviser who has the power to disburse client funds to a third party under a standing letter of authorization ("SLOA") is deemed to have custody.

As such, our Firm has adopted the following safeguards in conjunction with our client's custodians:

- The client provides instructions to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the Adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review; calling the Firm to confirm we have spoken directly with the client; or other methods to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
- The client can terminate or change the instruction with the client's qualified custodian at any time.
- The Adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The Adviser maintains records showing that the third party is not a related party of the Adviser or located at the same address as the investment adviser for requests processed directly with the Adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

In addition, as previously disclosed in the "Fees and Compensation" section (*Item 5*) of this Brochure, the Adviser may directly debit advisory fees from client accounts when directed to do so in writing. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the qualified custodian, broker-dealer, or bank that holds and maintains the client's account is required to send the client an official custodial account statement showing all transactions within the account during the reporting period, including the Adviser's fee being debited from the client's account.

As noted, the Adviser does not have actual or constructive custody of client accounts. However, as noted above, certain accounts are held by Washington Trust; an affiliate / Related Party to the Firm, and the Adviser serves as investment manager. The Firm and Washington Trust continue to remain "operationally independent" of one another due to various internal controls and satisfaction of certain criteria. Annually, the Adviser will receive from Washington Trust; an affiliate / Related Party to the Adviser, a SOC 1 examination report.

Each of the Adviser's client accounts are held by a qualified custodian. All custodians provide the safe keeping and administration of securities, tax information reporting and account statements. Custodians may provide other services and offer other benefits such as internet access, wire transfers, etc. When requested to recommend a custodian for a client, The Adviser generally recommends Charles Schwab & TD Ameritrade. Here is the list of qualified custodians where client assets are held:

- Charles Schwab\*
- TD Ameritrade
- Bank of America
- JP Morgan
- Torrington Bank
- NBT Bank
- PNC
- RBC Wealth Management
- Morgan Stanley
- Fidelity
- Merrill Lynch
- Nationwide Advisory (Jeff National)
- The Washington Trust Company

\*Charles Schwab & TD Ameritrade makes available to the Adviser other products and services that benefit the Adviser but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or a substantial number of our client accounts, including accounts not maintained at Schwab. Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that:

- Provide access to client account data (such as trade confirmations and account statements)
- Provide research, pricing, and other market data
- Facilitate payment of our fees from clients' accounts; and
- Assist with back-office functions, recordkeeping, and client reporting.

The Adviser may also receive other products and services that assist the Adviser in managing and administering clients' accounts. These include software and other technology that provide access to client account data; facilitate trade execution; and provide research, pricing information and other market data. The Adviser may also receive other services intended to help the Adviser manage and further develop its business which may include consulting, publications and conferences on practice management, information technology, and regulatory compliance. The Adviser has determined that receipt of certain services and products has not created a material conflict of interest and are not deemed to be "soft dollars".

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to the Adviser. Schwab may discount or waive fees it 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 our Firm. In evaluating whether to recommend or require that client's custody their assets at Schwab, we may consider the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Lastly, the client may impose any reasonable investment restrictions or change the investment objective of their accounts, as disclosed on the Qualified Custodian's official custodial statements. Since the custodian may not calculate the amount of the fee to be deducted in certain scenarios described above, it is important for clients to carefully review the custodian's custodial account statements to verify the accuracy of the fees, among other things. The Adviser urges each client to carefully review such statements provided by the custodian. Clients should contact the Adviser directly if they believe there is an error in a custodial statement.

## **Item 16 – Investment Discretion**

Clients may contractually retain the Adviser or a Sub-Adviser to provide discretionary asset management services, thus granting the Adviser and/or Sub-Adviser a limited power of attorney to place trades in a client's account without contacting the client prior to each trade to obtain the client's permission. The Adviser and Sub-Adviser's discretionary authority includes the ability to do the following without contacting the client: (i) determine the security to buy or sell (ii) determine the timing of such transaction, and (iii) determine the amount of the security to buy or sell. For holdings in registered investment companies, the Adviser's authority to trade securities may also be limited by certain federal securities and tax laws requiring diversification of investments and favor holding of investments once made.

In all cases, however, such discretion is to be exercised in a manner consistent with the written Agreement with the client and the client's stated investment objectives and restrictions for the particular client account. Further, clients may limit/change or amend such authority by providing the Adviser with written instructions. In addition, clients may change their personal investment objectives and impose reasonable restrictions at any time.

## Item 17 – Voting Client Securities

Under Rule 206(4)-6 of the Investment Advisers Act, investment advisers that vote proxies for clients are required to adopt and implement policies and procedures for voting proxies in the best interest of clients, to describe the procedures to clients and to tell the clients how they may obtain information about how the Adviser voted. The Adviser has adopted Proxy Voting Policies & Procedures which are reasonably designed to ensure that proxies are voted in the best interest of clients, in accordance with our fiduciary duties and Rule 206(4)-6 under the Investment Advisers Act. Further, the Adviser will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document that was material to deciding how to vote proxies, and a copy of each written client request for information on how the Adviser voted proxies. The Adviser has delegated proxy voting authority to Third-Party Service Providers such as Glass Lewis and Broadridge Financial Solutions, Inc. The Client may also delegate proxy voting authority to a Third-Party Service Provider such as a Sub-Adviser and/or a Third-Party Manager.

Clients may obtain a copy of the Adviser's complete Proxy Voting Policies & Procedures or how the Adviser voted proxies on behalf of their account(s) upon written request to Ola Adeduji, Vice President, Chief Wealth Compliance Officer, at [ofadeduji@wasitrust.com](mailto:ofadeduji@wasitrust.com).

As a matter of Firm policy and practice, the Adviser does not have any authority to and does not vote proxies on behalf of advisory clients unless otherwise provided in writing. Therefore, clients may retain the responsibility for receiving and voting proxies for all securities maintained in client accounts. The Adviser may provide advice to clients regarding the clients' voting of proxies. However, the Adviser will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proof of Claim" in class action settlements unless directed so in writing. Clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, commercially reasonable efforts will be taken to forward such notices in a timely manner. The following is a summary of the Adviser's Proxy Voting Policies & Procedures:

- The Adviser is responsible for voting proxies related to securities that are managed for the Adviser's clients to whom we have accepted proxy voting responsibility in writing and if the proxy statement has been received in good order prior to the meeting date. The Adviser has appointed an internal Proxy Coordinator and has delegated the proxy voting authority to Third-Party Service Providers; Glass Lewis and Broadridge Financial Solutions. Glass Lewis will review proxies and propose recommendations for which Broadridge will then vote the proxies on behalf of the Adviser. The respective Proxy Coordinator is responsible for ensuring all proxies are voted by the Third-Party Service Providers and coordinating manual proxy voting, if any. Where potential conflicts between the client's interest and the Adviser is identified, the Proxy Coordinator will present such conflicts to the respective Investment Committee for further review. The Third- Party Service Provider, Broadridge Financial Solutions is required to adhere to the Adviser's Proxy Voting Policies & Procedures or industry best practices provided by Glass Lewis by voting all proxies in accordance with the approved guidelines set forth therein.
- If the Proxy Coordinator or Third-Party Service Provider determines there is the appearance of a conflict of interest, the proxy vote and statement will be brought to the Adviser's respective Investment Committee to resolve such conflict in a matter that is in the collective best interests of our clients.
- The Adviser's Proxy Voting Policies & Procedures include guidelines set forth in Glass Lewis' general and thematic voting policy that establishes vote recommendation made to and on behalf of the Adviser. Such guidelines are updated from time to time by the Third-Party Service Providers. The decisions may also depend upon the particular facts and circumstances of each proxy vote. The Adviser maintains copies of proxies and a record of how they were voted so that the Adviser may respond to any questions.



## **Item 18 – Financial Information**

Registered investment advisers are required in this *Item* to provide you with certain financial information or disclosures about the Adviser's financial condition. The Adviser has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding. In addition, the Adviser does not require or solicit payment of fees more than six months in advance of services rendered.

### **Other Information**

The Adviser has the appropriate administrative, technical, and physical safeguards to ensure the security and confidentiality of protected information in compliance with the requirements of Massachusetts and Connecticut General Laws and other applicable laws. In addition, the Adviser maintains its information security program in compliance with applicable law, and it will protect such protected information in its possession in compliance with Massachusetts and other applicable laws so long as the information remains in its possession. If the Adviser knows or has reason to know of any breach of security affecting the protected information, such as the loss, unauthorized acquisition, or unauthorized use of protected information, the Adviser will notify affected clients as soon as practicable, and without unreasonable delay, and cooperate fully with its clients in taking such steps in response to the breach as may be required by Massachusetts and Connecticut General Law and all other applicable law.

### **Brochure Supplements**

Please refer to your Wealth Management Team's Brochure Supplements, as appropriate.