



# Wealth Enhancement Advisory Services<sup>TM</sup>

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**Date of ADV Part 2A Disclosure Brochure: March 2023**

## **Item 1 – Cover Page**

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This brochure provides information about the qualifications and business practices of Wealth Enhancement Advisory Services. If you have any questions about the contents of this brochure, please contact us at (800) 492-1222 or e-mail us at [compliance@wealthenhancement.com](mailto:compliance@wealthenhancement.com). The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Wealth Enhancement Advisory Services is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view Wealth Enhancement Advisory Services' information on this website by searching for Wealth Enhancement Advisory Services. You may also search for information by using the firm's IARD/CRD number 116407.

Registration as an investment adviser does not imply a certain level of skill or training.

## Item 2 – Material Changes

This brochure contains changes made from the last update of this brochure dated March 2022. The following is a summary of certain changes made to this brochure since the date of its last annual updating amendment, dated March 2022.

- Item 4 of the brochure, “**Advisory Business**”, was updated to reflect as of the March 2022 annual update, the addition of Fee-Based Insurance partnership which WEAS has entered with DPL Financial Partners, LLC, a third-party provider of insurance consultancy services.
- Item 4 of the brochure, “**Advisory Business**”, was updated to reflect as of the March 2022 annual update, the addition of WEAS entering into an agreement with Pontera, a third-party platform that provides WEAS the ability to provide advice and manage client held-away assets.
- Item 5 of the brochure, “**Fees and Compensation**”, was updated to reflect as of the March 2022 annual update the removal of Estate Planning Services, whereas WEAS no longer offers estate planning document preparation and other legal services through Wealth Enhancement Estate Services.
- Item 5 of the brochure, “**Fees and Compensation**”, was updated to reflect as of the March 2022 annual update the removal of Seminars, whereas WEAS does not charge a fee for seminars.
- Item 10 of the brochure, “**Other Financial Industry Activities and Affiliations**”, was updated to reflect as of the March 2022 annual update, the addition of entering into an agreement with Mutual Securities Inc., a registered Broker Dealer, whereby WEAS is providing investment advisory services to clients of Mutual Securities.
- Item 10 of the brochure, “**Other Financial Industry Activities and Affiliations**”, was amended to reflect as of the March 2022 annual update, the removal of NorthCrest Asset Management acting as investment adviser to the QCI Balanced Fund, a series of the Starboard Investment Trust, a registered investment company. The QCI Balanced Fund was dissolved in September 2022.
- Item 12 of the brochure, “**Brokerage Practices**”, was amended to reflect as of the March 2022 annual update, the addition of Raymond James AMS (Asset Management Services) Program Services.
- Item 14 of the brochure, “**Client Referrals & Other Compensation**”, was amended to reflect as of the March 2022 annual update, the removal of WEAS participation in “TD Ameritrade AdvisorDirect” referral program that ended April 1, 2022.

Please refer to the item numbers listed above for complete details about these changes in the brochure.

## Item 3 – Table of Contents

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## Item 4 – Advisory Business

Wealth Enhancement Advisory Services, LLC (also referred to as “WEAS,” the “firm,” “we” or “our” throughout this document), is an investment adviser registered with the U.S. Securities and Exchange Commission and has been operating as an investment adviser since December 21, 2001.

WEAS is a Minnesota limited liability company and wholly owned subsidiary of Wealth Enhancement Group, LLC (“WEG”). As of October 2021, private investment vehicles affiliated with TA Associates Management, L.P. (“TA Associates”) and Onex Partners each indirectly hold a controlling interest in WEG. Further information about TA Associates and Onex Partners Manager LP (each of which is also a registered investment adviser) is set forth in their respective Forms ADV filed with the U.S. Securities and Exchange Commission, available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

We offer personalized investment advisory services including financial planning and consulting, asset management, referrals to separate managed account investment managers, and seminars.

### **General Description of Primary Advisory Services**

The following are brief descriptions of our primary services. A detailed description of our services is provided in Item 5 – Fees and Compensation so that clients and prospective clients can review the services and description of fees in a side-by-side manner.

### **Financial Planning**

WEAS offers advisory services in the form of financial planning services. Financial planning services do not involve the active management of client accounts, but instead focuses on a client’s overall financial situation. Financial planning can be described as helping individuals determine and set their long-term financial goals, through investments, tax planning, asset allocation, risk management (i.e., insurance), retirement planning, and other areas. The role of a financial planner and/or the WEAS Financial Advisor is to find ways to help the client understand their overall financial situation and help the client set and work toward their financial objectives.

### **Asset Management**

WEAS offers advisory services in the form of asset management services. Asset management services involve providing clients with ongoing monitoring over client accounts. This means we will make trades in client accounts when necessary. WEAS generally manages client investments on a discretionary basis although the firm may provide non-discretionary investment management on a case- by-case basis.

### **Use of Separate Managed Account Investment Managers**

WEAS offers advisory services by referring clients to outside, or unaffiliated, investment managers that are registered or exempt from registration as investment advisers as well as to NorthCrest Asset Management, LLC, an affiliate of WEAS. Separate managed account investment managers are responsible for continually monitoring client accounts and making trades in client accounts when necessary. Detailed information about NorthCrest Asset Management, LLC can be found in Item 10 - Other Financial Industry Activities and Affiliations.

### **Investment Management Services**

WEAS provides investment management services that focus on long-term and short-term strategies which includes quantitative, momentum, and fundamental analysis. Portfolios and the allocation of assets within are constructed using various types of securities such as mutual funds, exchange-traded funds, equity and fixed income, options, and other general securities. WEAS also provides investment advice on both publicly traded as well as privately listed securities and investment.

### **Portfolio Rebalancing**

The WEAS Investment Management Department manages and periodically rebalances the portfolios. Clients may change the portfolio type if their financial or life circumstances change. WEAS requests that clients provide such notification to their WEAS Financial Advisor following any such changes. WEAS retains the discretionary authority to buy, hold, and sell investments in the client’s portfolio, which may include modifying portfolio allocations, and rebalancing client accounts back to their original client-authorized allocation. Rebalancing may also occur when a WEAS Financial Advisor and/or the client give instructions to WEAS Investment Management Department to change the client’s target allocations or when a client makes additions to or withdrawals from their account(s).

### **Arrangement with LPL Financial and Recommendation of LPL Financial Programs**

WEAS Financial Advisors may also be Registered Representatives of LPL Financial, LLC, which is both a broker-dealer and investment adviser registered with the U.S. Securities and Exchange Commission.

WEAS has an agreement with LPL Financial that enables WEAS Financial Advisors, associated with LPL Financial, to offer LPL Financial Advisory Platform to WEAS clients. All accounts and advisory services described in this brochure are through WEAS.

### **Advisory Services Tailored to Individual Needs of Clients**

WEAS provides services based on the individual needs of the individual client. Therefore, you are given the ability to impose restrictions on your accounts, including specific investment selections and sectors.

### **Wrap-Fee Program Versus Portfolio Management Program**

WEAS provides asset management services through a wrap-fee program in addition to the traditional management programs it offers. Under a wrap-fee program, advisory services and transaction services are provided for one fee. This is different from traditional management programs whereby advisory services from WEAS are provided for a fee, but transaction services are billed separately on a per-transaction basis. From a management perspective, there is not a fundamental difference in the way WEAS would manage wrap-fee accounts versus traditional management accounts. The only significant difference is the way in which transaction and advisory services are paid.

### **Management of Held-Away Assets**

WEAS uses a third-party platform, Pontera, to facilitate management of held away assets, such as 401(k) plan participant accounts, with discretion. Pontera provides WEAS Financial Advisors with their own log-in credentials, pursuant to request and authorization by WEAS client(s), of which WEAS client's, through their own log-in credentials, will connect their held-away account(s) to the Pontera platform. WEAS Financial Advisors are provided view and trading access, to provide advice and manage the assets. WEAS Financial Advisors do not have the authority to withdraw assets or make changes to WEAS client's profile, like address changes.

## **Wealth Enhancement Advisory Services, LLC (WEAS) Programs**

### **WEAS Select Program**

The WEAS Select Program provides investors an actively managed account using passive mutual fund strategies, exchange-traded funds (ETFs), and active mutual fund managers. The account is a transaction fee- based account for individual stock or bond securities, mutual funds and ETFs held at the custodian.

WEAS primarily utilizes mutual funds that are part of the custodian's No-Transaction Fee (NTF) platform. This platform allows WEAS to buy mutual funds without transaction fees being charged to the account. The client may still pay fees associated with mutual fund family fees that are described in their prospectus and the custodian's fee disclosure.

WEAS Select accounts are managed on a discretionary basis by the WEAS Investment Management Department, which develops the portfolio allocation, selects the underlying investments, implements the respective model strategy, and rebalances when deemed necessary.

The WEAS Investment Management Department decisions are overseen by the firm's Investment Committee. The Investment Committee's decisions will be driven by the WEAS Investment Management Department's market research and due diligence. The WEAS Investment Management Department continually monitors the investments in all Select Model Portfolios.

WEAS uses a combination of qualitative and quantitative factors in the management of the Select Model Portfolios. WEAS will allocate to asset classes and managers based on its evaluation of macroeconomic trends and market dynamics.

The Select strategies available in the program have defined allocations to equities, bonds, and alternatives. The appropriate strategy is selected by you and your WEAS Financial Advisor based on, but not limited to, your investment goals, risk tolerance and tax status.

### **WEAS Managed ETF Program (MEP)**

The Managed ETF Program (MEP) provides discretionary investment advisory services to clients wanting to own exchange-traded funds (ETFs). You will work with your WEAS Financial Advisor to select portfolio strategies consisting of exchange-traded funds that meet your financial needs or goals.

MEP accounts are managed on a discretionary basis by the WEAS Investment Management Department, which develops the portfolio allocation, selects the underlying funds, implements the respective model strategy, and rebalances when necessary.

Clients should know that ETFs have unique distinguishing characteristics and cost structures. There are passive indexes, active strategies, and equity and bond ETFs. The underlying management fees for International ETFs generally have higher expenses than domestic ETFs. Passive equity index ETFs have traditionally had expenses in the range of 0.03% to 0.35% versus 0.40% to 1.20% for actively managed ETFs.

MEP is most appropriate for those clients that are willing to achieve market-like returns, less management fees and operating expenses, with little potential for the individual ETFs outperforming their respective indices they track.

Please refer to the WEAS Advisory Fee Schedule contained in the Investment Management Services section to read about the WEAS advisory fees charged through MEP. WEAS implements the same fee range and billing structure for MEP as in the Select Program. In addition, clients are assessed a transaction fee by the custodian to cover the costs associated with the execution of trades in MEP. All transaction fees are paid to the custodian and are collected directly from the client's account. The WEAS advisory fees are for investment management advisory services and may be more expensive for the client than if the assets were held in a traditional brokerage account where a client is charged a commission for each transaction yet does not receive ongoing advice. A brokerage account should be considered if the client has a buy and hold strategy or does not want ongoing investment management advice.

All accounts through MEP must be opened at Charles Schwab, Fidelity, TD Ameritrade, or Raymond James & Associates. Please refer to Item 12 of this brochure for information about our arrangements with Charles Schwab, Fidelity, TD Ameritrade, and Raymond James Associates.

The MEP account may cost the client more or less than purchasing the program services separately because of type and size of account, historical and/or expected size or number of trades, number, and range of supplementary advisory and client related services.

WEAS may aggregate transactions for a client with other clients to improve the quality of the execution. When transactions are aggregated the actual prices will be averaged. The purchase or sell of a client's share of the securities is at the average price. For client orders that are only partially filled, WEAS works with the custodian firm to determine an appropriate breakdown. Securities transactions for MEP accounts are effected without commissions being paid to WEAS. While the custodian makes every effort to obtain best execution possible, there is no assurance that it will be obtained.

### **WEAS Access Program**

The WEAS Access Program provides the investor with access to actively managed strategies that will use a broad array of investment types consisting of, but not limited to, actively managed mutual funds, index mutual funds, exchange-traded funds (ETFs), exchange-listed securities, interval funds, securities traded over the counter, municipal securities, and separately managed accounts (SMAs).

The WEAS Access Program accounts may be charged an Asset-Based Fee (ABF), which is a percentage charge on the dollar amount of assets in the account in lieu of individual transaction fees on trades executed in the account. The ABF is in addition to the advisory fee charged by the WEAS Financial Advisor. The asset-based fees applicable to your account are negotiated based on the total amount of assets collectively maintained with the custodian of the assets. The ABF is calculated and paid to the custodian directly each month and is used to cover the transaction expenses to implement and trade the individual investment positions in the account.

Clients can choose to pay individual transaction fees in lieu of the asset-based fee. Based on historic and anticipated level of trading volumes, clients with larger account values would most likely have lower overall

transaction costs by choosing to pay the individual transaction fees from their account instead of an asset-based fee. You can discuss your specific situation and preference with your WEAS Financial Advisor.

### **Asset Location**

Certain accounts are eligible for an asset location service. Under an asset location service, all of the client's accounts will be managed together under a single investment objective, reflected in the client's investment policy statement. The objective of asset location is to maximize the tax benefits of different account types, such as Individual Retirement Accounts (IRAs). Underlying investments are selected to make an allocation consistent with the client's investment objective. The investments will be placed in the accounts, dependent upon the tax characteristics of each investment and the tax benefits of each account type. If the client is participating in the service, it is important to consider the total allocation and performance of all accounts in the program.

### **WEAS Managed Variable Annuities (MVA)**

WEAS Investment Management Services may include the management of Variable Annuity (VA) sub-accounts. WEAS has approved various VA carrier products for this service. WEAS manages various model portfolios for each VA carrier product. Model portfolio objectives may range from aggressive to conservative. Once the client has completed a Services Agreement, the various model portfolios are actively managed for the client on a discretionary basis. Sub-account asset allocations are limited by the VA carrier product fund options. Asset allocations may also be restricted by the VA carrier. WEAS Financial Advisors who are also Registered Representatives of LPL Financial may receive commissions and/or 12b-1 fees related to the VA contracts.

### **Fee-Based Insurance**

WEAS has partnered with DPL Financial Partners, LLC ("DPL"), a third-party provider of insurance consultancy services to SEC-registered investment advisers to help clients who have a need for insurance products, based on their financial situation. WEAS pays a fixed annual fee to DPL for membership to DPL's insurance platform. Through DPL's licensed insurance agents, who are also registered representatives of The Leaders Group, Inc., an unaffiliated SEC-registered broker-dealer and FINRA member, DPL offers WEAS a variety of services related to fee-based insurance products. DPL's services include, among other things: (i) providing WEAS with analyses of its current methodology for evaluating client insurance needs; (ii) educating and acting as a resource to WEAS regarding insurance products generally, and specific insurance products owned by WEAS clients or that clients are considering purchasing; and (iii) providing WEAS access to and product marketing support regarding fee-based products that insurers have agreed to offer to WEAS' clients through DPL's platform. For providing services to WEAS and other advisers, DPL is compensated by the insurance carriers for their service as a distributor, on behalf of the insurance carriers. The cash value of any insurance product placed with a client under this arrangement shall be included in WEAS' assets under management for the purposes of calculating WEAS' management fees. As such, WEAS' recommendation that a client utilize DPL for insurance services presents a conflict of interest if WEAS will earn a new (or increase its current) advisory fee, as WEAS' recommendation to use DPL could be made on the basis of compensation to be received, rather than on a client's need.

### **SWM / SWM II Program**

WEAS may provide advisory services through the SWM and SWM II programs through LPL Financial (LPL), a registered investment adviser and broker-dealer. The SWM and SWM II programs allow WEAS to customize and manage portfolios and to address the client's unique financial needs. These programs allow WEAS to choose investment products from over 8,000 funds from more than 470 fund families; individual stocks/bonds; options; unit investment (UITs); alternative investments; fee-based variable annuities with 138 subaccounts.

Through the SWM account, the client will bear transaction charges for purchases, sales, and exchanges in Account, including for mutual funds, equities, fixed income securities and options. (For SWM II accounts, the transaction costs are borne by WEAS and are transaction based or asset based. Clients should discuss the differences between SWM and SWM II accounts with WEAS advisor.) Clients authorize LPL to deduct from the Account the transaction charges and other fees applicable to the Account. The transaction charges are paid to LPL to defray costs associated with trade execution; however, they are not directly related to transaction-related expenses of LPL and are a source of revenue to LPL. The transaction charges vary depending on the type of security being purchased or sold (e.g., currently \$9 for equities, \$35 for unit investment trusts). In the case of mutual funds, the transaction charges vary depending on whether LPL retains compensation from the mutual fund for services it provides to the fund, such as recordkeeping fees and asset-based service fees or sales charges. LPL uses that compensation from mutual funds to reduce its trading costs, and therefore, assesses a lower transaction charge to clients. Mutual fund transaction charges are currently either \$0 or \$26.50. LPL does not



charge a transaction charge for fixed income securities (e.g., bonds or structured products); however, LPL acts as principal on fixed income security transactions and receives a mark up/down on the transaction.

The standard transaction charges applicable to a SWM account will be notified to the client in connection with the Account opening. These charges are subject to change at the discretion of LPL. Client will be notified of any changes, including through information provided with periodic statements.

Client understands that LPL and WEAS may agree to transaction charges for all or certain clients of WEAS or certain associated person of WEAS that are different (and may be less) than the standard transaction charges based on the nature and scope of the WEAS business or current and expected future business a particular associated person of WEAS does with LPL. Therefore, the transaction charges for a client account may be more or less than those applicable to other clients of WEAS or clients of other Advisors. LPL may change the amount of the transaction charges if the nature or scope of WEAS business changes or does not reach certain levels. In this case, the transaction charges the client pays would revert to LPL's standard transaction charges.

Although clients do not pay a transaction charge for transactions in a SWM II account, clients should be aware that WEAS pays LPL transaction charges for those transactions. The transaction charges paid by WEAS vary based on the type of transaction (e.g., mutual fund, equity, or ETF) and for mutual funds based on whether or not the mutual fund pays 12b-1 fees and/or recordkeeping fees to LPL. Transaction charges paid by WEAS for equities and ETFs are \$9. For mutual funds, the transaction charges range from \$0 to \$26.50. Because WEAS pays the transaction charges in SWM II accounts, there is a conflict of interest in cases where the mutual fund is offered at both \$0 and \$26.50. Clients should understand that the cost to WEAS of transaction charges may be a factor that WEAS considers when deciding which securities to select and how frequently to place transactions in a SWM II account.

In many instances, LPL makes available mutual funds in a SWM II account that offer various classes of shares, including shares designated as Class A Shares and shares designed for advisory programs, which can be titled, for example, as "Class I," "institutional," "retail," "service," "administrative" or "platform" share classes ("Platform Shares"). The Platform Share class offered for a particular mutual fund in SWM II in many cases will not be the least expensive share class that the mutual fund makes available and was selected by LPL in certain cases because the share class pays LPL compensation for the administrative and recordkeeping services LPL provides to the mutual fund. Client should understand that another financial services firm may offer the same mutual fund at a lower overall cost to the investor than is available through SWM II. In other instances, a mutual fund may offer only Class A shares, but another similar mutual fund may be available that offers Platform Shares. Class A Shares typically pay LPL a 12b-1 fee for providing brokerage related services to the mutual funds. Platform Shares are generally not subject to 12b-1 fees. As a result of the different expenses of the mutual fund shares classes, it is generally more expensive for a client to own Class A Shares than Platform Shares. An investor in Platform Shares will pay lower fees over time and keep more of his or her own investment returns than an investor who holds Class A Shares of the same fund.

WEAS has a financial incentive to recommend Class A Shares in cases where both Class A and Platform Shares are available. Although the client will not be charged a transaction charge for transactions, Advisor pays LPL a per transaction charge for mutual fund purchases and sales in the account. WEAS generally does not pay transaction charges for Class A Share mutual fund transaction accounts, but generally pay transaction charges for Platform Share mutual fund transactions. The cost to WEAS of transaction charges generally may be a factor Advisors consider when deciding which securities to select and whether to place transactions in the account.

The lack of transaction charges to WEAS for Class A Share purchases and sales, together with the fact that Platform Shares generally are less expensive for a client to own, and presents a significant conflict of interest between WEAS and the client. Clients should understand this conflict and consider the additional indirect expenses borne as a result of the mutual fund fees when negotiating and discussing with your Advisor the advisory fee for management of an account.

### **Retirement Plan Consulting Services**

WEAS offers investment advisory and consulting services to employer-sponsored retirement plans. Financial Advisors may offer investment advisory and consulting services through WEAS Retirement Plan Consulting Program

(RCPC) or through LPL Financial Advisory Retirement Plan Consulting Program (RPCP) for ERISA and Non-ERISA covered plans.

WEAS services include various comprehensive consulting support which includes establishing and maintaining an ongoing, documented process for ensuring a prudent oversight and due diligence plan review. At the request of ERISA plan sponsors, WEAS provides non-discretionary investment advisory services to plans where we make investment recommendations as a co-fiduciary under Section 3(21) of the Employee Retirement Income Security Act ("ERISA"). We also provide discretionary investment management services as an ERISA 3(38) investment manager wherein we make investment decisions on behalf of the plan sponsor.

WEAS and the WEAS Financial Advisor may provide the following services to Retirement Plan clients:

- **Preparation of Investment Policy Statement:** WEAS assists clients in preparing an initial draft investment policy statement ("IPS"), including investment objectives, policies, and constraints consistent with the plan's requirements and provide a review, from time to time as required and/or as agreed upon, of the IPS. The client will be responsible for reviewing and adopting the IPS and updating the IPS to reflect changes in the plan and its investments from time to time.
- **Investment Selection:** WEAS conducts investment manager / mutual fund searches and recommends investments consistent with the requirements of the plan's IPS. This will include the identification of investment products or model portfolios in connection with the definition of a QDIA under ERISA (for plans subject to ERISA).
- **Performance Monitoring and Reporting:** WEAS prepares and provides the client (at intervals mutually agreed upon by the client) reports, monitoring plan investment managers and investments comparing the performance to benchmarks set forth in the IPS. WEAS will recommend appropriate action, when necessary, that may include replacing an investment or investment manager.
- **Fiduciary Education Services:** WEAS may provide training for clients, including their plan committee members, relating to the investment duties of fiduciaries.
- **Participant Education Services:** If the plan is participant-directed, WEAS may provide investment education and information to participants as agreed from time to time, including in-person sessions and various educational materials.
- **Model Portfolio Services:** WEAS will recommend, for consideration and approval by client, asset allocation target-date or risk-based model portfolios for the plan to make available to plan participants and which funds from the lineup of investment options chosen by the client to include in such model portfolios.
- **Other Services:** WEAS may provide additional consulting services including, but not limited to, plan design, needs assessments, plan service provider support, product sponsor and/or record keeper evaluations, compilation of and coordinating data for plan testing, and review of periodic reports prepared by the plan's record keeper.
- **Service Provider Search Support:** WEAS will assist the client with the preparation of requests for proposals, evaluation of proposals and bids, and interviews of investment providers) offering plan recordkeeping and investment services and other plan service providers, as requested by the client.
- **Employee Advice Solution:** Where sponsors elect to offer plan participants the option of using our Employee Advice Solution for discretionary investment management services, WEAS will enter into a separate agreement with the participant, describing our services and fees for that service. WEAS will also ask that the participants provide information that will help WEAS understand their investment objectives. In providing this service, WEAS and the WEAS Financial Advisor are deemed to be a fiduciary and an Investment Manager as defined in ERISA Section 3(38).

### Assets Under Management

Defined as regulatory assets by the SEC, the amount of assets under management by WEAS totaled \$56.39 billion as of December 31, 2022; \$50.05 billion are managed on a discretionary basis and \$6.34 billion are managed on a non-discretionary basis.

## Item 5 – Fees and Compensation

In addition to the information provided in Item 4 – Advisory Business, this section provides details regarding our services along with descriptions of each service's fees and compensation arrangements.

An ongoing fee for investment advisory services may cost you more than assets held in a traditional brokerage account through LPL Financial. In a traditional brokerage account, a client is charged a commission for each transaction, and a WEAS Financial Advisor, acting in their separate capacity as an LPL Financial Registered Representative, has no duty to provide ongoing advice with respect to the account. If you plan to follow a buy-and-hold strategy for some or all of your assets, or if you do not wish to purchase ongoing investment advice or management services, you should consider opening a brokerage account. Please speak with your WEAS Financial Advisor to discuss the differences between a WEAS fee-based investment advisory account and an LPL Financial brokerage account.

### Investment Management Services

To the extent you decide to sign up for our Investment Management Services, we begin the arrangement with an initial interview and data-gathering process to determine your financial circumstances and individual needs, investment objectives, investment time horizons and risk tolerance.

You will receive a general overview of investment recommendations consistent with your long-range goals (i.e., retirement planning) or other components of an investment plan that you may request.

Thereafter, WEAS identifies a mix of investments for diversification of your portfolio. Diversification helps to manage risk of loss due to lack of variety of asset classes.

In addition, WEAS' investment plan may include selecting separate management firms to assist in the management of your assets. The separate management firms charge a fee for the services they provide which are separate from those charged by WEAS. Descriptions of the separate management programs used by WEAS are included in Item 5 of this document.

Investment Management Services also include periodic monitoring and review of portfolio assets by WEAS (including assets managed by separate management firms). Such reviews are performed by your WEAS Financial Advisor and by the WEAS Investment Management Department, at the times they deem appropriate to determine if investment options in the portfolio continue to match your investment objective.

If changes to the mix of investments are required, WEAS will complete the changes using discretionary authority granted by the client (see Item 16 of this brochure for more information regarding Investment Discretion). Depending on the portfolio created to meet your investment objective, the management, which includes analysis, trading, and rebalancing of the portfolio may be done through your WEAS Financial Advisor or by WEAS' Investment Management Department. Portfolio strategies created by WEAS' Investment Management Department are managed through due diligence analysis of the products within the portfolios, portfolio performance, and rebalancing and are regularly reviewed and discussed during Investment Committee meetings. The Investment Committee consists of the Chief Investment Officer and certain members of the WEAS Investment Management Department. In addition to the Investment Committee, WEAS has a Product Committee, consisting of a variety of WEAS senior leaders. The Product Committee meets regularly to evaluate and approve new investment products to be offered through WEAS.

Clients should be aware that WEAS Financial Advisors may receive additional compensation in the form of annuity and mutual fund trail fees and/or bonuses based upon the value of investments held in a client account when they are giving advice on these and other investment products. (Please refer to Items 10 and 14 of this brochure for more information.)

Each client's account is monitored by their WEAS Financial Advisors and managed by their WEAS Financial Advisor or WEAS' Investment Management Department. Thus, clients have a direct and beneficial interest in their respective individual securities, rather than an undivided interest in a pool of securities.

Please refer to the ADV Part 2B Brochure Supplement in this disclosure document for additional information on the education, business standards and business backgrounds of the WEAS Investment Management Department.

### **WEAS Program Fee Schedule**

Fees for Investment Management Services are calculated and payable either quarterly or monthly. Fees are due each billing period. (This could differ with other investment programs and/or platforms.) Fees are determined as a percentage of assets under management. Account values for fee calculation purposes are determined on the last business day of each billing period. WEAS charges fees in arrears on either a quarterly or monthly basis but will charge fees in advance in certain situations. Fees billed in advance are based upon the account value on the last day of the previous billing period.

A monthly fee schedule is calculated each billing period as:  
 $((\text{billable assets under management}) * (\text{annual fee rate})) / 12.$

A quarterly fee schedule is calculated each billing period as:  
 $((\text{billable assets under management}) * (\text{annual fee rate})) / 4.$

The fees (if any are charged) are waived for two years on investment products sold to a client for whom a WEAS Financial Advisor earned a commission. Fees may also be waived or discounted for employees or relatives of employees of Wealth Enhancement Group, LLC, the parent company of WEAS, who have assets under management with WEAS. Billing mechanics for some WEAS clients who became clients of WEAS, as a result of the assignment to WEAS of their agreement for Investment Management Services, are expected to vary from WEAS's standard methodology. This would typically arise in connection with the acquisition by WEAS of assets from a client's predecessor adviser. The variation would only apply for a limited period of time following that assignment while the client's account is being transitioned to WEAS's systems. During this transition period, the client will be billed in a manner consistent with how the client was billed at the client's predecessor firm.

The advisory fees for Investment Management Services are negotiable and depend upon the complexity of services and are set at the discretion of the WEAS Financial Advisor providing services. Fees paid to WEAS for its services may vary from client to client for similar services but shall not exceed 2% per year of the value of assets under management. Clients should be aware that fees in excess of 2% per year for an advisory program are considered to be high, and that other advisory firms may be able to provide similar services at lower costs.

The advisory fees shown in the schedule below represent fees for advisory services only. However, at their sole discretion, WEAS and its affiliates in some instances provide additional, non-advisory services for clients at no additional cost or at a reduced cost to the client, which may be viewed as reducing the effective advisory fees being paid by those clients. WEAS may amend its fee schedule upon 30 days advance notice to client.

Clients pay transaction and other fees to broker-dealers providing transaction and custody services through this program. Transaction liquidation assistance may be provided by the custodian for WEAS managed account households. For example, transaction assistance covers the initial liquidation of individual equity securities at a reduced cost to as low as \$0 per transaction. Other fees include, but are not limited to, short-term redemption fees, which the fund may charge for each redemption of mutual funds purchased and held for 90 days or less. The short-term redemption fee varies by fund and can be a set fee of \$49.95 or a percentage of position values which may include a minimum fee and maximum fee, assessed by the custodian. Not all funds have short term redemption fees. Custodians may grant a short-term redemption fee exemption for WEAS managed accounts. Custodians would therefore not apply their short-term redemption fees on mutual funds held less than 90 days. This exemption is subject to periodic review by the custodians, and they reserve the right to modify or cancel the exemption at any time with or without notice. Custodians also reserve the right to exempt certain funds from this fee, including custodian Mutual Funds that may charge a separate redemption fee, and funds that accommodate short-term trading.

Clients also pay a management fee to separate managed account investment managers if such managers are used. The total of all these fees may exceed 2% in some product platforms, especially if a separate managed account platform is used. The fee WEAS receives for its services, as mentioned above, shall not exceed 2%.

A flat-rate annual fee percentage may also be used, as well as other special tiered fee-rate schedules, and flat fees in certain circumstances. WEAS will disclose a minimum annual fee, if applicable, which may be waived by WEAS in its sole discretion.

These fee rates and schedules are negotiated in advance with each client. The fee schedule that will be applicable to a client will be disclosed in the WEAS Services Agreement. In some cases, a grandfathered fee schedule may be used with certain clients.

For clients with flat fee schedules, the sample charges are below:

<b>Sample Flat-Rate Based Fees</b>	
<b>Portfolio Size</b>	<b>Annual %</b>
\$999,999 or less	1.50%
\$1,000,000–\$2,000,000	1.25%
Over \$2,000,000	1.00%

Based upon the sample schedule above, the annual fee examples are listed below:

- A client with \$500,000 would be charged 1.50% annually, billed monthly or quarterly.
- A client with \$1,500,000 would be charged 1.25% annually, billed monthly or quarterly.
- A client with \$2,500,000 would be charged 1.00% annually, billed monthly or quarterly.

WEAS Advisor and the client may negotiate a flat rate fee. Example, a client with \$1,900,000 and a negotiated flat rate of 1.00% annually, would be charged 1.00% annually, billed monthly or quarterly.

WEAS reserves the right to apply an administrative fee to the Access program. The administrative fee offsets certain operating expenses incurred by WEAS in association with the delivery of products and services that may include, but not be limited to financial planning, portfolio analysis, reporting, and the collection, aggregation, and processing of data. The administrative fee is in addition to the advisory fee for Investment Management Services and may consist of a percentage of assets under management or a fixed dollar amount. In either case, the total amount of the advisory fee for Investment Management Services along with the administrative fee shall not exceed 2% per year of the assets under management. The administrative fee may be charged annually, quarterly, or monthly, in arrears, depending upon the custody of assets. Under certain circumstances, and at WEAS's discretion, WEAS may waive the administrative fee for certain clients in these programs. Among other considerations for an administrative fee waiver, WEAS will consider the overall client relationship including assets under management, services being provided, and tenure of the relationship.

WEAS will request payment of fees through a direct debit to the client's account by the custodian holding the client's funds and securities. Clients may have the option, depending upon the custodian, of debiting fees from a designated managed account to pay fees for another managed account as agreed upon in writing.

All fees paid to WEAS for advisory services are separate from the fees and expenses charged to shareholders of mutual funds, ETF's, limited partnerships, interval funds and owners of annuity sub-accounts. Clients should understand that advisory services and securities and insurance products similar to those provided by WEAS Financial Advisors and separate managed account managers may be available for higher or lower costs through other service providers. Clients should also understand that clients whose accounts invest in mutual funds or other investment funds will also pay the customary fees charged directly by such funds to their investors, which may include investment advisory fees, administrative fees, and distribution fees. These fees are in addition to the advisory fees charged by WEAS. A complete explanation of the expenses charged by mutual funds and annuities is contained in each mutual funds and annuity's prospectus. Clients are encouraged to carefully read each prospectus they receive.

Since WEAS Financial Advisors may receive a commission on certain investments, the commission is an incentive to the WEAS Financial Advisor to recommend the investments. The receipt of continuing 12b-1 fees, which are based upon the value of mutual funds held in a portfolio, may also represent an incentive to WEAS Financial

Advisors to purchase and hold funds with 12b-1 fees over others, and funds with higher 12b-1 fees over those with lower 12b-1 fees. WEAS Financial Advisors may select both Load and No-Load mutual funds depending upon the client's goals and objectives. WEAS advisory fees (if any are charged) are waived for two years on investment products sold to a client for whom a WEAS Financial Advisor earned a commission.

A client may terminate the Investment Management Services Agreement without penalty (full refund or no fees due) within five (5) business days of signature of the agreement if the client has not received the WEAS ADV Part 2A (Disclosure Brochure) and the Part 2B (Brochure Supplement) before or at the time of signing the Investment Management Services Agreement. After such time, either party may terminate services upon receipt of a 30-day advance written notice. After termination, the client becomes totally responsible for managing their account. If the termination occurs before the end of the client billing period, clients charged fees in arrears will be invoiced only for those services provided up to the time of termination. Clients charged fees in advance will be refunded on a prorated basis up to the time of termination.

### **Asset-Based Fee (ABF)**

WEAS Access Programs utilize an Asset-Based Fee (ABF). An ABF is a percentage charge on the dollar amount of assets in the account in lieu of individual transaction fees on trades executed in the account. The ABF is in addition to the advisory fee charged by the WEAS Financial Advisor and in addition to the administrative fee (where applicable). The asset-based fees applicable to your account were negotiated based on the total amount of assets collectively maintained with the custodian of the assets. The ABF is calculated and paid to the custodian directly each month and is used to cover the transaction expenses to implement and trade the individual investment positions in the account.

WEAS' Access Program clients can choose to pay individual transaction fees in lieu of the ABF. Based on historic and anticipated levels of trading volumes, clients with larger account values may have lower overall transaction costs by choosing to pay the individual transaction fees from their account instead of an ABF. You can discuss your specific situation and preference with your WEAS Financial Advisor.

### **Retirement Plan Consulting Services Fees and Compensation**

Fees for investment advisory and plan consulting services on WEAS either being a non-discretionary adviser or as a discretionary adviser with respect to the plan investments are established under one of the following methods:

- **Asset Based Fees**—a fee based on an annual percentage of plan assets typically paid on a quarterly basis.
- **Fixed Annual Fee**—a fixed annual fee typically paid on a quarterly basis.
- **Hourly Fees**—an agreed upon hourly rate up to \$600 per hour, typically paid on a quarterly basis

Fees are billed quarterly either in arrears or advance as agreed upon between WEAS and the client. The fee is detailed in WEAS's ERISA Investment Fiduciary agreement or with the Retirement Plan Consulting Program Agreement through LPL.

### **Separate Managed Account Investment Managers**

WEAS offers a variety of separate managed account investment manager programs. Under these programs, a separate managed account investment manager manages the client's account. A description of the separate managed account investment manager programs and associated fees and compensation details are located below.

### **SEI Investments**

WEAS participates in the Separately Managed Accounts Program (the Program) sponsored by SEI Investments Management Corporation (SIMC). To participate in the Program, WEAS, SIMC and each client execute a three-party agreement (hereinafter, a Managed Account Agreement) providing for the management of certain investor assets. By means of the Managed Account Agreement the client appoints WEAS as its investment advisor to assist the client in selecting an asset diversification strategy. The asset diversification strategy includes allocating a percentage of client assets to designated portfolios of separate securities (each, a Separately Managed Account Portfolio) and which may include a percentage of assets allocated to a portfolio of mutual funds sponsored by SIMC or an affiliate of SIMC. The client appoints SIMC to manage the assets in each Separately Managed Account



Portfolio in accordance with a strategy selected by the client together with WEAS. SIMC may delegate its responsibility for selecting particular securities to one or more portfolio managers.

The Fee Schedule for the Separately Managed Accounts Program depends upon the nature of the securities in the portfolio and investment strategy as follows:

- The fees payable for the Tier 1 Strategy, which includes the All Cap, Alternative-Multi Strategy SMA, Equity Income, Global Equity, International Development Markets, International Equity, Large Cap, Managed Volatility, Mid Cap, Socially Responsible Investing, range from 0.90% to 0.65%
- The fees payable for the Tier 2 Strategy, which includes the Small Cap, Small-Mid Cap and Real Estate Strategies, range from 1.10% to 0.85%
- The fees payable for the Tier 3 Strategy, which includes the International Emerging Markets Strategy, range from 1.25% to 1.00%
- The fees payable for the Tier 4 Strategy, which includes the Alternative-Income, Alternative-Tax Advantage Income, Alternative-MLP, Core Aggregate, Core Aggregate Plus, Government/Corporate Bond, government Securities, Municipal Fixed Income, Preferred Securities range from 0.65% to 0.45%
- The fees payable for the Tier 5 Strategy, which includes the SEI tactical & tax Managed ETF Strategies, range from 0.45% to 0.20%
- The fees payable for the Tier 6 Strategy, which includes the SEI Fixed Income Strategies, range from 0.30% to .18%
- The fees payable for the Tier 7 Strategy, which includes the SEI Factor Based Strategy, range from .50% to .18%
- The fees payable for the Tier 8 Strategy, which include Sei Strategic ETF Strategies, range from .30% to .18%
- The fees payable for the Tier 9 Strategy, which includes Customer HNW Portfolios, range from 1.05% to .55%
- The fees payable for the Tier 10 Strategy, which includes SE American Funds Strategies, range from .40% to .18%
- The fees payable for the Tier 11 Strategy, which includes SEI Systemic Core, range from .40% to .18%

Additionally, the SEI Program offers a feature called Automated Tax Management (ATM) which is an enhancement to the standard program. In ATM, SIMC appoints a tax overlay manager for the equity portion of the client's Managed Account Portfolio. The various equity sub-advisors for the client's portfolio provide buy/sell lists to the overlay manager, who then is responsible for executing the transactions (within the parameters of performance and security weighting variances from the underlying model portfolios), with the goal of increased coordination across the equity account, increased tax efficiency and minimization of wash sales. Neither the tax manager nor SIMC offers tax advice; clients should consult with their tax advisors as to the suitability of ATM for their accounts. SIMC charges clients an integration fee when the client selects the ATM feature. These additional fees apply only to the equity portion of a client's account that is allocated to the integrated equities portfolio; the fees do not apply to the fixed income or mutual funds portion of the client's account (if applicable). A selection of clients may receive a fee discount. These fees may be higher or lower than those charged by other investment advisors for similar services. SIMC pays a portion of this fee to the portfolio manager acting as the accounts' integration manager.

The fees payable for Automated Tax Management Feature:

- 0.10% in addition to the Tier fees described above

SIMC may impose minimum account balances, which will typically vary between \$25,000 to \$250,000 depending upon the manager selected in the Managed Account Portfolio chosen and whether the client selects the ATM feature.

To the extent a client's assets in a Managed Account Program account are invested in SEI Funds, SIMC and its affiliates will earn fund-level fees on those assets, as set forth in the applicable Fund's prospectus, but SIMC will waive the fees set forth above on Managed Account Program assets invested in any SEI Fund.

Each SEI fund pays an advisory fee to SIMC that is based on a percentage of the portfolio's average daily net assets, as described in the mutual fund's prospectus. From such amount, SIMC pays the sub- advisor(s) to the fund. SIMC's fee is negotiable, but it typically ranges from 0.10% to 1.25% of the portfolio's average daily net assets for its advisory services.

Affiliates of SIMC provide administrative, distribution and transfer agency services to all of the portfolios within the SEI Funds, as described in the SEI Funds' registration statements. These fees and expenses are paid by the SEI Funds but ultimately are borne by each shareholder of the SEI Funds.

Clients may also pay custody fees to SEI Private Trust Company (SPTC) when SPTC has custody of their assets. These fees will vary depending on the account balance and trade activity in the account. Clients can refer to their account application for specific information on SPTC custody fees.

SIMC investment advisory fees are calculated as a percentage of the market value of the client's account assets. The fees are calculated and payable quarterly in arrears and net of any income, withholding or other taxes. The asset based WEAS Program Fee Schedule detailed in the Investment Management Services section includes the fees WEAS charges for its services in connection with SEI's program.

SEI Trust Company debits the client's account on a quarterly basis for all of the above-mentioned fees and charges. The charges to the account are calculated and debited in arrears and are remitted quarterly net of any applicable account and performance reporting charges not charged to the customer.

Upon written notification, the SEI Managed Account Agreement may be terminated by either WEAS or the client. Prorated fees will be charged based on market value on the date the termination notice is received.

All fee arrangements are subject to negotiation and possible modification.

Clients receive monthly statements from SEI Trust Company indicating holdings. A quarterly report, indicating market value, cash flows, gains and losses, asset allocation, and performance as it relates to market indices, is also available if the investor elects to receive it. Annually, the client will receive a tax statement for the account.

#### **Schwab Managed Account Select and Access Programs**

WEAS also participates in the separate managed accounts program called "Managed Account Select" and "Managed Account Access" sponsored by Schwab Institutional.

Managed Account Select is a separately managed account program that provides investment manager research, due diligence, and performance reporting. In the Select Program, Schwab acts as a sponsor of the Program and provides all brokerage services, as well as research on a select group of Separate Account Managers. The fee for Schwab's brokerage, custody, research, and other sponsor services is bundled with the Separate Account Managers' fees for their portfolio management services.

In the Access Program, Schwab acts as a facilitator and does not provide services beyond custody and brokerage services, such as research and other sponsor services.

WEAS develops an asset allocation strategy that is based on the client's investment objectives. The strategy usually diversifies assets across classes and investment styles. A separate account manager is then selected to fulfill allocation targets within a specific asset class through the investment and management of individual security portfolios. The client will receive statements from Schwab on a quarterly basis.

Managed Account Select services, including the fee to Schwab and Separate Account Managers services, are paid for by means of an asset-based fee. Certain special service fees (e.g., wire transfer) and dealer mark-ups and mark-downs and fixed income securities are not included. Schwab may also make dealer profits on transactions executed by Schwab or an affiliate on a principal basis.



In Managed Account Select, accounts are established on a household basis (i.e., combined) and the pricing schedule applies to all client accounts. The Equity Fee schedule is applied to a client's total assets in Managed Account Select equity accounts and the Fixed Income Fee schedule applies to client's total assets in Managed Account Select fixed income.

**Note:** ERISA retirement plan accounts cannot be established on a household basis.

Schwab's fee for equity accounts ranges from 1.00% to 0.50%, while fees for fixed income accounts range from 0.45% to 0.35%. Fees are payable to Schwab monthly, in arrears and are subject to change.

The WEAS advisory fee is independent of the Schwab fee. The WEAS Program Fee Schedule detailed in the Investment Management Services section is used by WEAS for this program.

### **Greenrock Research, Inc.**

WEAS acts as an investment adviser with respect to the Greenrock Research Managed Portfolios Program (the "Program"), an investment advisory program sponsored by Greenrock Research, Inc. ("Greenrock"), an unaffiliated investment adviser. Under the Program, WEAS will review a client's financial circumstances, investment goals, objectives and restrictions, risk tolerance and such other information to make determinations or recommendations for the investment of the client's assets in the Program. Greenrock is the sponsor of the program and will recommend to WEAS combinations of independent portfolio managers (sub-advisors) to manage the assets in the client's account in accordance with the client's goals as determined by WEAS.

At WEAS direction, Greenrock will arrange with each portfolio manager selected by WEAS for the discretionary management of a portion of the client's account which includes the day-to-day investment management with respect to that portion of the client's account. Greenrock is responsible for account administration, investment manager monitoring and fee billing, and has developed systems that provide WEAS and WEAS custodians with the capability of directly monitoring its clients' accounts. WEAS may additionally recommend to the client certain mutual funds in which to invest under the Program.

In addition to the Program fees as set forth in the Program Disclosure Document, each of WEAS' clients participating in the Program pays an advisory fee to WEAS. The client pays Greenrock and the sub-advisors for its investment management services based upon the client's assets under management. The investment management fees payable to Greenrock, and the subadvisors is an annual fee in the range of 0.05% to 1% of assets under management. Such fee shall be assessed quarterly. Fees are calculated by multiplying the assets under management by the relevant percent and dividing such product by four (4). Fees are payable quarterly in advance based on the account asset value on the last business day of the previous calendar quarter. Such fees may be deducted from client's account(s) quarterly within thirty (30) days. All fees for new accounts are calculated on a pro-rata basis and collected but unearned management fees are refunded on a pro-rata basis for terminated accounts.

The relationship between WEAS and Greenrock may be terminated by either party upon thirty (30) days written notice.

### **City National Rochdale Investments**

WEAS participates in the Separately Managed Accounts Program (the "Program") sponsored by City National Rochdale ("CNR"). To participate in the Program, WEAS, CNR and each client execute a three-party agreement (hereinafter, a Managed Account Agreement) providing for the management of certain investor assets in accordance with the terms thereof. By means of the Managed Account Agreement, the client appoints WEAS as its investment adviser to assist the client in selecting an asset diversification strategy, which includes allocating a percentage of client assets to designated portfolios of separate securities (each, a Separately Managed Account Portfolio) and which may include a percentage of assets allocated to a portfolio of mutual funds sponsored by CNR or an affiliate of CNR. The client appoints CNR to manage the assets in each Separately Managed Account Portfolio in accordance with a strategy selected by the client together with WEAS. CNR may delegate its responsibility for selecting particular securities to one or more portfolio managers.

The Fee Schedule for the Separately Managed Accounts Program depends upon the nature of the securities in the portfolio and investment strategy. CNR may impose minimum account balances, which will typically vary between \$500,000 to \$1,000,000 depending upon the management style selected.

To the extent a client's assets in a Separately Managed Account Program account are invested in CNR Funds, CNR and its affiliates will earn fund-level fees on those assets, as set forth in the applicable Fund's prospectus.

Each CNR mutual fund pays an advisory fee to CNR that is based on a percentage of the portfolio's average daily net assets, as described in the mutual fund's prospectus. From such amount, CNR pays the sub-advisor(s) to the fund. CNR's fee is negotiable, but it typically ranges from 0.10% to 1.50% of the portfolio's average daily net assets for its advisory services.

Affiliates of CNR provide administrative, distribution and transfer agency services to all of the portfolios within the CNR Funds, as described in the CNR Funds' registration statements. These fees and expenses are paid by the CNR Funds but ultimately are borne by each shareholder of the CNR Funds. CNR investment advisory fees are calculated as a percentage of the market value of the client's account assets. The fees are calculated and payable quarterly in arrears and net of any income, withholding or other taxes. The asset based WEAS Program Fee Schedule detailed in the Investment Management Services section includes the fees WEAS charges for its services in connection with CNR's program. The custodian debits the client's account on a quarterly basis for all of the above-mentioned fees and charges. The charges to the account are calculated and debited in arrears and are remitted quarterly net of any applicable account and performance reporting charges not charged to the customer. Upon written notification, the CNR Managed Account Agreement may be terminated by either WEAS or the client. Prorated fees will be charged based on market value on the date the termination notice is received.

All fee arrangements are subject to negotiation and possible modification.

Clients receive monthly statements from the custodian of record indicating holdings. A quarterly report, indicating market value, cash flows, gains and losses, asset allocation, and performance as it relates to market indices, is also available if the investor elects to receive it. Annually, the client will receive a tax statement for the account.

#### **American Funds CollegeAmerica Program**

WEAS participates in the American Funds CollegeAmerica Program, which may also be referred to as the American Funds 529 Advisory Program, to participate, each client executes an agreement with American Funds providing for the management of certain investor assets in accordance with the terms thereof. By means of the agreement, the client may appoint WEAS as its investment adviser to assist the client in selecting an asset diversification strategy. The asset diversification strategy includes allocating a percentage of client assets to designated portfolios of mutual funds, which may include a percentage of assets allocated to a portfolio of mutual funds sponsored by American Funds or an affiliate of the Capital Group Companies, the parent company of American Funds.

Under the advisory program, clients do not pay up-front or contingent deferred sales charges. Each American Funds mutual fund pays an advisory fee that is based on a percentage of the portfolio's average daily net assets, to American Funds, as described in the mutual fund's prospectus.

Affiliates of American Funds provide administrative, distribution and transfer agency services to all of the portfolios within the American Funds 529 Advisory Program, as described in the American Funds' registration statements. These fees and expenses are paid by the American Funds but ultimately are borne by each shareholder of the American Funds. Clients receive quarterly statements from American Funds indicating holdings and market values.

The asset based WEAS Program Fee Schedule detailed in the Investment Management Services section should be referred to in connection with services provided with the American Funds CollegeAmerica Program.

### **Consultation Services**

WEAS offers general financial Consultation Services on an hourly basis or flat-fee basis. Consultation Services may involve a financial plan or ongoing services. Both are described below, along with the associated fees and compensation.

#### **Financial Planning Services**

WEAS provides Financial Planning Services on issues relating to portfolio analysis, retirement planning, investment strategies, estate planning, trusts, tax status, and insurance, using long-term strategies so that continual monitoring is not required. Fees for Financial Planning Services range up to \$25,000 and depend upon the nature and

complexity of the services desired. The WEAS Financial Advisor may prepare a financial plan based on the client's goals and objectives that have been discussed with the WEAS Financial Advisor, and information provided.

WEAS offers the following types of Financial Plans and Consulting Services:

- **Comprehensive Financial Plan:** With specific written recommendations and implementation actions based on your financial goals. It may or may not include financial forecasting and analysis.
- **Financial Strategies Plan:** With specific written recommendations and implementation actions based on certain financial goals. A Financial Strategies Plan may not be comprehensive and may not address all financial goals. It may or may not include financial forecasting and analysis.
- **Investment Proposal:** With specific written investment recommendations. An Investment Proposal does not constitute a comprehensive financial plan and will not address all financial goals. It may or may not include financial forecasts or analyses.

### **One-Time Financial Consulting Services**

One-time Financial Consulting Services address a variety of subjects, which may include, but are not limited to:

- Cash Flow Analysis
- Tax Analysis
- Retirement Goals
- College Funding
- Investment Needs
- Investment Recommendations

### **Ongoing Financial Consulting Services**

Ongoing Financial Consulting Services, including Behavioral Wealth Management and Strategic Liquidity Services, are designed to help clients address their financial future. Regular reviews of the client's financial situation and financial goals shall be provided in frequency determined by the WEAS Financial Advisor and the client.

The fee for services is agreed upon at the time of engagement.

The hourly fee varies in a range up to \$600, depending upon the complexity of services. The flat fee ranges from \$250 to \$25,000. The hourly or flat fee will be agreed upon at the time of engagement. For one-time financial planning, one-half of the fee is paid at contract signing and the balance is paid at presentation of the recommendations developed for the client. For ongoing financial consulting services, fees are based upon a calendar quarter or semiannual schedule. Fees of more than \$1,200 shall not be payable 6 months or more in advance. All fee arrangements are subject to negotiation and possible modification.

Fees for ongoing financial consulting services will be billed either semi-annually in arrears or quarterly in advance. Certain billing options, including but not limited to those for combined services, may also be grandfathered based upon prior arrangement.

Consultation Services terminate upon the delivery of recommendations and an invoice will be delivered for the time incurred by WEAS. Clients may terminate Consultation Services at any time and will be invoiced only for the time spent by WEAS's staff providing services before receipt of the termination notice. The client can terminate the Financial Planning services within 5 days of execution of the Agreement without penalty (full refund or no fees due). Otherwise, Financial Planning services terminate upon delivery of the Plan. If the client should terminate the services Agreement after the 5-day period and before the delivery of the Plan, the client may be billed only for the time incurred by WEAS before the delivery of the Plan at the rate of \$125 per hour.

If client circumstances or objectives change such that a new or revised Plan is required, there may be an additional hourly charge, and this would be reviewed at the time of Engagement. Fees of more than \$1,200 shall not be payable 6 months or more in advance. All fee arrangements are subject to negotiation and possible modification.

### **Class Action Administration Services**

WEAS offers clients access to class action administration services through its relationship with Broadridge Financial Solutions ("Broadridge") and on a limited basis, Chicago Clearing Corporation ("Chicago Clearing"). Chicago Clearing and Broadridge will automatically file securities class action settlement claims on behalf of WEAS clients who are enrolled for the services for cases in which clients are eligible to participate. Although we recommend clients use the services of Broadridge, and when applicable Chicago Clearing, clients are never obligated or required to use their services. The services of WEAS, Broadridge, and Chicago Clearing are separate and distinct from one another. Broadridge and Chicago Clearing generally directly deduct fees, as percentage from the class action proceeds, for services as outlined in the client agreement. There is no common ownership between WEAS, Broadridge, and Chicago Clearing. WEAS reserves the right, at its sole discretion, to cover or reimburse these fees for certain clients.

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

Item 6 of the Form ADV Part 2 instructions are not applicable to our brochure because we do not charge or accept performance-based fees that can be defined as fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

## **Item 7 – Types of Clients**

WEAS generally provides investment advice to the following types of clients:

- Individuals
- High-net-worth individuals
- Trusts, estates, and charitable organizations
- Corporations and other businesses
- Pension and profit-sharing plans

To establish investment advisory services, all clients are required to execute an investment advisory agreement.

### **Minimum Investment Amounts Required**

Separate managed account investment managers may establish minimum account sizes for accounts. For the SEI Program, SEI may impose minimum account balances ranging from \$25,000 to \$1,000,000 depending upon the chosen Investment Strategy and whether the client selects the AMT feature. For the Schwab Managed Account Select Program, \$100,000 is the minimum account size for most equity styles and \$250,000 is the minimum account size for fixed income styles. Accounts below the stated minimums may be accepted on an individual basis at the discretion of the WEAS Financial Advisor and the Platform sponsor.

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

### **WEAS Method of Analysis in Formulating Advice and Portfolio Diversification**

WEAS believes that common-risk premiums (equity, credit, interest rate term structure, etc.) have relatively stable long-term, expected returns and covariance. As a result, the primary means of providing advice used by WEAS is to recommend portfolios that utilize modern portfolio theory to provide strategic allocations with optimal risk-adjusted return characteristics. Building on modern portfolio theory, WEAS moves beyond diversifying by asset classes (equity, fixed income, alternatives) to diversifying by risk classes (company risk, interest rate risk, purchasing power risk, manager skill risk). WEAS believes allocating across risk classes is preferable to asset classes because risk classes have more stable covariance and more predictable long-term, expected returns. While WEAS believes that long-term premiums are relatively stable, in the mid-term (3-7 years), expected premiums may deviate from the long term. As a result, WEAS monitors markets to look for abnormal valuations, which may indicate a deviation from long-term, expected premiums. If such a deviation is identified, fundamental analysis is utilized to determine if the mispricing presents a risk or opportunity; from such analysis portfolio reallocation may occur.

WEAS expresses its strategic allocations with a combination of passive, and active managers, both quantitative and fundamentally driven. Cost and tax efficiency are primary considerations of manager selection. Research utilized by WEAS indicates, however, that there are certain factors that pay premiums above the common-risk premiums within a given risk category; these factor premiums include value, momentum, profitability, and low volatility. WEAS is continually researching additional premiums to add to portfolios. WEAS will select managers, ETFs, or individual securities to capture these factor premiums. Where appropriate, WEAS will use more costly active managers if WEAS believes that the managers can access a return stream that has statistically significant alpha and/or positive expected returns and low and stable correlation to company risk (equities and credit).

WEAS uses both subjective and objective factors. Subjective factors may include, but are not limited to manager style, previous experience, investment approach, and the size of their firm. Objective factors may include but are not limited to price-earnings ratio (P/E), size of the fund (assets), the number of holdings, yield, and turnover.

### **Portfolio Diversification**

The concept of asset allocation or diversifying investments across a number of asset classes (domestic stocks vs. foreign stocks; large cap stocks vs. small cap stocks; corporate bonds vs. government securities) is generally in the forefront of strategies used by WEAS. Asset allocation seeks to achieve an efficient diversification of assets, to lessen risk while not sacrificing the effectiveness of the portfolio in order to yield the client's objectives. Since WEAS believes that risk reduction is a key element to long-term investment success, asset allocation principles are a key part of the firm's overall approach in preparing advice for clients.

WEAS measures an investor's risk tolerance, time horizon, goals and objectives and tax status through an interview process in an effort to determine a plan/portfolio to best fit the client's profile. Investment strategies may be based upon a number of concepts and determined by the type of client. Investment strategies may include long-term, mid-term and short-term purchases depending upon the individual needs of the client.

If deemed to be appropriate for the client, WEAS sets out to determine if one or more Advanced Investment Strategies may be desirable to the client, as outlined above. Advanced Investment Strategies may include but not limited to Alternative Investments (Private Placements, Hedge Funds), Separately Managed Accounts, Options Overlays, Structured Notes, REITs, or other investment strategies for Accredited Investors.

When the firm is engaged for the delivery of long-term Investment Management Services, WEAS communicates with its clients on a regular basis to make sure that investment information is communicated in a timely fashion.

In providing Financial Planning Services, WEAS looks to the long term. After WEAS evaluates the client's financial needs, the client's WEAS Financial Advisor will design investment and risk management strategies to help the client achieve their financial goals.

WEAS Financial Advisors do not review casualty insurance (i.e., homeowners, auto, liability, etc.). However, because coverage may be critically important, clients are encouraged to obtain a review by a qualified casualty representative or firm of their choice.

Recommendations for purchases of investments will be based on publicly available reports and analysis. In the case of mutual funds, recommendations will be based on reports and analysis of performance and managers, and certain computerized and other models for asset allocation and investment timing.

WEAS utilizes many sources of public information to include financial news, software prepared by outside firms, and research materials.

### **WEAS Implementation Strategies for Managing Client Assets**

Depending on the individual circumstances of each client, WEAS may use the following implementation strategies:

- **Long-Term Purchases:** WEAS considers itself a firm that invests for the long term. However, if a client's investment reaches a price objective quickly, WEAS may recommend the sale of the investment even if it has been held for only a short period.
- **Short-Term Purchases:** Investments sold within a year.
- **Trading:** Securities sold within 30 days.

- **Margin Transactions:** When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest from a brokerage firm. For example, an investor may buy \$5,000 worth of stock in a margin account by paying \$2,500 and borrowing \$2,500 from a brokerage firm. Margin relationships are established between the client and the firm with custody of their assets.
- **Tactical Asset Allocation:** Allows for a range of percentages in each asset class (such as Stocks= 40% to 50%). These are minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of opportunistic trading is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.
- **Strategic Asset Allocation:** Calls for setting target allocation based upon longer term objectives and capital market assumptions and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. Of course, the strategic asset allocation targets may change over time as the client's goals and needs change and as the time horizon for major events, such as retirement and college funding, grow shorter.
- **Structured Note Transactions:** A structured note is a financial instrument that combines two elements, a debt security and exposure to an underlying asset or assets. It is essentially a note, carrying counter party risk of the issuer. However, the return on the note is linked to the return of an underlying asset or assets (such as the S&P 500 Index or commodities). It is this latter feature that makes structured products unique, as the payout can be used to provide some degree of principal protection, leveraged returns (but usually with some cap on the maximum return), and be tailored to a specific market or economic view. In addition, investors may receive long-term capital gains tax treatment if certain underlying conditions are met, and the note is held for more than one year. Finally, structured notes may also have liquidity constraints, such that the sale thereof before maturity may be limited.

### **Risk of Loss**

The Select, MEP, and Access program strategies, as with any investment strategy, involve the risk of loss. Clients should be prepared to bear losses in their accounts. Investments fluctuate daily and WEAS cannot guarantee that investment decisions will limit losses or achieve their portfolio's objective.

The portfolios subject the investor to various risks inherent with their objective. These include but are not limited to market risks, foreign investment risk, currency risk, interest rate risk, and trading risk associated with alternative investments or strategies and allocation risk.

Clients should understand that past performance is not indicative of future results. Therefore, current, and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in any type of security (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments, there may be varying degrees of risk. *You need to be prepared to bear investment loss including loss of original principal.*

Because of the inherent risk of loss associated with investing, WEAS and WEAS Financial Advisors *cannot* represent, guarantee, or even imply that our services and methods of analysis can or will:

- 1) Predict future results; or
- 2) Successfully identify market tops or bottoms or insulate you from losses due to market corrections or declines.

There are certain additional risks associated with investing in securities through the WEAS investment management programs.

- **Market Risk or Systemic Risk:** Risk that affects the entire market and is non diversifiable.
- **Equity (Stock) Market Risk:** Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligation of the issuer.

- **Company Risk:** When investing in stock positions, there is always a certain level of company or industry-specific risk that is inherent in each investment. This is also referred to as non-systemic risk and it can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- **Options Risk:** Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- **Credit Risk:** When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments.
- **Inflation Risk:** Individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed income investors receive set, regular payments that face the same inflation risk.
- **Interest Rate Risk:** The risk that an investment's value will change due to a change in the absolute level of interest rates. Interest rate risk affects the value of bonds more directly than stocks, and it is a major risk to all bondholders. As interest rates rise, bond prices fall and vice versa.
- **ETF and Mutual Fund Risk:** When a client invests in an exchange-traded fund (ETF) or mutual fund, it will bear additional expenses based on the pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients may also incur brokerage transaction costs when purchasing ETFs.
- **Alternative Investments Risk:** Accredited investor that invest in private alternative investments bear additional risks in regard to decreased transparency, lessened regulations, longer investment horizons, periods of limited or no liquidity, higher expenses, and generally more complex investment strategies.
- **Variable Annuity (VA) Risk:** When a client invests in a VA, it will bear additional expenses based on the product and the riders that are added to the VA contract. A VA will normally have a surrender schedule; if liquidated before the elapse of the surrender period, there will be a fee assessed by the VA carrier. This fee is called a surrender charge. It is important that clients read the prospectus of the VA product before purchasing a VA and that they consult with the WEAS Financial Advisor regarding the fees associated with a VA.
- **Management Risk:** An investment's value varies with the success and failure of the investment strategies, research, analysis, and determination of portfolio securities. If investment strategies do not produce the expected returns, the value of the investment will decrease.
- **Liquidity Risk:** Liquidity risk is the risk that may occur due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process. Liquidity risk generally arises when a business or individual with near-term or even immediate cash needs, holds a valuable asset that it cannot trade or sell at market value due to a lack of buyers, a previously agreed to lengthy holding period (e.g. 10 years) or due to an inefficient market where it is difficult to bring buyers and sellers together.
- **Structured Note Risk:** Structured notes do not pay interest, dividend payments, provide voting rights or guarantee any return of principal at maturity unless specifically provided through products that are designed with this purpose in mind. Most structured note payments are based on the performance of an underlying index (i.e., S&P 500) and if the underlying index were to decline 100% then the payment may result in a loss of a portion or all of a client's principal. Notes are not insured through any governmental agency or program and the return of principal and fulfillment of the terms negotiated on behalf of clients is dependent on the financial condition of the third party issuing the note and the issuer's ability to pay its obligations as they become due. Structured notes purchased for clients will not be listed on any securities exchange. There may be no secondary market for such structured notes, and neither the issuer nor the agent will be required to purchase notes in the secondary market. Some of these structured financial products are callable by the issuer only, therefore the issuer (not the investor) can choose to call in the structured notes and redeem them before maturity. In addition, the maximum potential payment on structured notes will typically be limited to the redemption amount applicable for a payment date,

regardless of the appreciation in the underlying index associated with the note. Since the level of the underlying index at various times during the term of the structured notes held by clients could be higher than on the valuation dates and at maturity, clients may receive a lower payment if redeemed early or at maturity than if a client would have invested directly in the underlying index. While the payment at maturity of any structured notes would be based on the full principal amount of any note sold by the issuer, the original issue price of any structured note purchased for clients includes an agent's commission and the cost of hedging the issuer's obligations under the note. As a result, the price, if any, at which an issuer will be willing to purchase structured notes from clients in a secondary market transaction, if at all, will likely be lower than the original issue price and any sale before the maturity date could result in a substantial loss. Structured notes will not be designed to be short-term trading instruments so clients should be willing to hold any notes to maturity.

## Item 9 – Disciplinary Information

This item is not applicable to the WEAS brochure because there are no legal or disciplinary events listed in Item 9 of the Form ADV Part 2A instructions that are material to a client or prospective client's evaluation of WEAS's business or the integrity of WEAS's management.

## Item 10 – Other Financial Industry Activities and Affiliations

WEAS is not and does not have management personnel registered with a futures commission merchant, commodity pool operator, or a commodity trading advisor.

Further, WEAS and its management personnel do not have material arrangements with a related person that is: (1) a municipal securities dealer, government securities dealer or broker; (2) an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund); (3) a registered security-based swap dealer or participant; (4) a futures commission merchant, commodity pool operator, or commodity trading advisor; (5) a banking or thrift institution; (6) an accountant or accounting firm; (7) a lawyer or law firm; (8) a pension consultant; (9) a real estate broker or dealer; or (10) a sponsor or syndicator of limited partnerships.

### **Relationship with Affiliated and Unaffiliated Broker-Dealers**

WEAS Financial Advisors may be securities Registered Representatives of LPL Financial LLC, Fort Mill, SC, a registered Broker-Dealer, Member FINRA and SIPC. WEAS Financial Advisors, affiliated with LPL Financial, may offer products available through LPL Financial that pay commissions. Commissions may be higher or lower than those charged by other broker-dealers. Commissions are earned by WEAS Financial Advisor, associated with LPL Financial, Wealth Enhancement Brokerage Services, LLC, an affiliate of WEAS, and by LPL Financial.

Clients are under no obligation to purchase or sell securities through their WEAS Financial Advisor, associated with LPL Financial. Clients may execute securities transactions independent of their WEAS Financial Advisor, associated with LPL Financial. However, if they do choose to purchase, sell securities, or implement securities recommendations made through a financial plan by their WEAS Financial Advisor, associated with LPL Financial, commissions will be earned by their WEAS Financial Advisor, LPL Financial, and Wealth Enhancement Brokerage Services, LLC.

The receipt of commissions for recommended products could represent an incentive for WEAS Financial Advisors, associated with LPL Financial, to recommend products that pay a commission over other products, thereby creating a conflict of interest. Additionally, if the client implements a financial plan through WEAS Financial Advisors, affiliated with LPL Financial, clients are limited to those products and services available through LPL Financial.

WEAS Financial Advisors that are not Registered Representatives of LPL Financial, LLC do not offer securities.

Under the rules and regulations of FINRA, LPL Financial has obligations to maintain records and perform other due diligence functions regarding certain aspects of the investment advisory activities of WEAS Financial Advisors, associated with them. As a result of this relationship, LPL Financial may have access to certain confidential



information (e.g., financial information, investment objectives, transactions, and holdings) about WEAS clients, even if the client does not establish any account through LPL Financial. If you would like a copy of the LPL Financial privacy policy, please contact Wealth Enhancement Group, LLC, Attn: Compliance Department, 505 N. Hwy 169, Plymouth, MN, 55441, 763-417-1700.

In certain instances, LPL Financial will collect, as paying agent for WEAS, the investment advisory fee remitted to WEAS by the account custodian, and LPL Financial will retain a portion as a charge to WEAS (not the client) for the functions that LPL Financial is required to carry out by FINRA. This fee will not increase execution or brokerage charges to the client or the fee the client has agreed to pay WEAS pursuant to any client's advisory agreement. A portion of the fee retained by LPL Financial may be reallocated to other Registered Representatives of LPL Financial who, as Registered Representatives of LPL Financial, are responsible for the supervision of other representatives and assist LPL Financial with the functions described above.

WEAS is affiliated with Wealth Enhancement Brokerage Services, LLC (WEBS). WEBS is a limited purpose broker-dealer, member FINRA/SIPC. Securities based commissions earned by WEAS Financial Advisors, through their association with LPL Financial, are paid to WEBS. WEAS Financial Advisors, associated with LPL Financial, are also associated with WEBS in order to earn the commission. There are no client accounts established or processed through this broker-dealer.

Some product sponsors may provide to WEAS, as a result of sales activities directed to the sponsor, financial assistance such as sponsorship of conferences, educational sessions, marketing support, incentive awards, pay of travel expenses, and tools to assist WEAS and/or its associated persons. Hard dollars received in the form of reimbursements or other marketing support is paid to WEBS through LPL Financial.

WEAS also has entered into an agreement with Mutual Securities Inc., a registered Broker Dealer, member FINRA and SIPC, whereby Mutual Securities provides operational support services as a platform provider of clients directly held investment. These might include mutual funds, 529 plans and variable annuities. Clients of Mutual Securities, through written consent, request ongoing investment advisory services which are provided by WEAS. WEAS is compensated by Mutual Securities through a percentage of the overall assets under management not exceeding 0.55%.

#### **Relationship with Affiliated and Unaffiliated Investment Advisers**

WEAS has an investment advisory agreement with LPL Financial LLC, a registered Broker-Dealer, Member FINRA and SIPC and registered investment adviser with the U.S Securities and Exchange Commission. Advisory services are offered through WEAS but the agreement with LPL enables WEAS to offer LPL Financial Advisory Platform to WEAS clients. Please refer to Section 4 for information on LPL Advisory Platform offerings.

WEAS is under common control with several SEC registered investment advisers. Other than NorthCrest Asset Management, LLC, which is described below, the relationship between WEAS and its related investment advisers is not material to its advisory business because clients of WEAS are not clients of these other investment advisers and the related investment adviser firms provide no services to WEAS clients.

TA Associates, indirect holding a controlling interest in Wealth Enhancement Group and a registered investment adviser has an indirect investment in WEAS. However, TA Associates, and their affiliates do not have any role in the Firm's investment process related to the management of client assets.

#### **WEAS Financial Advisors Also Insurance Agents**

The WEAS affiliate, American Benefits Planning Group ("ABPG") is a wholly owned subsidiary of WEG and is a licensed insurance agency, and in such capacity may offer for sale, insurance-related products on a commission basis, including the sale of such products to investment advisory clients of WEAS. ABPG's insurance-related activities are currently limited to individual and group life and health insurance sales on a commission basis.

WEAS Financial Advisors providing advice may be licensed insurance agents. Normal commissions from insurance products are earned and paid by insurance companies to WEAS Financial Advisors when such products are placed directly with their personal clients. Insurance products offered through various insurance vendors are often recommended to clients of WEAS to minimize clients' exposure to identified risks.

Although clients are under no obligation to purchase insurance products or utilize the companies recommended by WEAS, clients often do purchase such products when the needs arise. For clients of WEAS who do purchase such products, causing commissions or recurring revenue to be generated, such commissions or recurring revenue are paid to the WEAS Financial Advisors.

#### **Wealth Enhancement Trust Services, LLC**

WEAS affiliate, Wealth Enhancement Trust Services, LLC ("WETS") is a wholly owned subsidiary of WEG and a South Dakota Chartered Trust Company, and in such capacity may offer services for a fee to investment advisory clients of WEAS.

WETS trust services are recommended to clients of WEAS on an individual basis and based upon a good faith judgment of a client's specific needs. In recommending WETS trust services, WEAS experiences a conflict of interest as a client utilizing an affiliate's services based upon WEAS's recommendation will generate revenue for the affiliated subsidiary and directly benefit WEAS as an affiliate. Further, as an affiliate, WEAS employees may receive compensation related to WEAS clients who use WETS trust services. This scenario results in additional conflicts, as WEAS's employees may have a direct financial incentive to refer clients to WETS.

Fees for trust services may be separate and distinct from the advisory fee charged by WEAS.

#### **NorthCrest Asset Management, LLC**

WEAS affiliate, NorthCrest Asset Management, LLC ("NCAM") is a wholly owned subsidiary of WEG and a registered investment adviser with the U.S. Securities and Exchange Commission, and in such capacity offers services for a fee to some investment advisory clients of WEAS. NCAM primarily acts as sub-adviser to WEAS to provide investment strategies for the benefit of WEAS clients (collectively, "Sub-Account Clients").

Some WEAS Financial Advisors providing advice also have a role with NCAM as portfolio manager of NCAM investment strategies. NCAM services are recommended to or selected for clients of WEAS on an individual basis and based upon the client's needs and investment objectives. In recommending or selecting NCAM services to or for its clients (including increases in allocations to NCAM strategies), WEAS experiences a conflict of interest because a client that utilizes an affiliate's services based upon WEAS's recommendation or selection will generate revenue for the affiliated subsidiary, which indirectly benefits WEAS. Further, as an affiliate, WEAS employees are in some instances entitled to receive referral fees related to WEAS clients who use NCAM services. This scenario results in additional conflicts, as some WEAS employees are expected to have a direct financial incentive to refer clients to NCAM. WEAS Financial Advisors select sub-advisers, including NCAM, to manage all or a portion of their clients' accounts consistent with the fiduciary duties WEAS owes to its clients.

Clients are under no obligation to purchase services from NCAM. Fees for services provided by NCAM to WEAS clients are generally separate and distinct from the advisory fee charged by WEAS.

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

#### **Code of Ethics Summary and Offer**

Section 204A-1 of the Investment Advisers Act of 1940 requires all Investment Advisors to establish, maintain and enforce a Code of Ethics. WEAS has established a Code of Ethics that applies to its supervised persons. An Investment Advisor is considered a fiduciary according to the Investment Advisers Act of 1940. As a fiduciary, it is an Investment Advisor's responsibility to provide full and fair disclosure of all material facts and to act solely in the best interest of each of its clients at all times. WEAS has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for WEAS's Code of Ethics, which also covers its Insider Trading and Personal Securities Transactions Policies and Procedures. WEAS requires its supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times.

Upon employment or affiliation, and annually, supervised persons acknowledge that they have read, understand, and agree to comply with WEAS's Code of Ethics. WEAS has the responsibility to make sure that the interests of all clients are placed ahead of WEAS's or its supervised person's own investment interests. Disclosure of all material facts and potential conflicts of interest are provided to clients before any services are conducted. WEAS and its supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that

might negatively affect or appear to affect our duty of complete loyalty to all clients. The material facts and potential conflicts of interest disclosure is provided to clients as a summary of WEAS's Code of Ethics. Clients may review the WEAS Code of Ethics in its entirety by written request.

### **Annual Review of Supervisory Procedures and Systems**

WEAS, per Securities and Exchange Commission guidelines, performs an annual review of its Code of Ethics, supervisory procedures, and systems to ensure that procedures, client interactions, Investment Management Department functions, compliance controls, and reporting systems are properly aligned and operating in a regulatory compliant manner.

### **Personnel Trading Policy**

As a condition of employment, WEAS associated persons are required to comply with WEAS' Code of Ethics policy. The Code of Ethics, as described above, establishes rules of conduct for WEAS associated persons relating to their personal securities trading activities. WEAS and/or WEAS Financial Advisors may purchase or own the same securities and investments that WEAS and/or WEAS Financial Advisors recommend to the clients. Because of this, the Code of Ethics is designed to prevent activities which could lead to or give an appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct.

At times, the interest of WEAS or related persons' investment accounts may coincide with the interest of clients' account to the extent a purchase or sale in the same security may benefit WEAS, WEAS Financial Advisor, associated person of WEAS and client account(s). In addition to the Code of Ethics policy, WEAS has adopted policies and procedures to ensure that such conflicts are fully disclosed and that neither WEAS, its Financial Advisors, nor associated persons may trade ahead of, or otherwise against, the interest of clients. It is the policy of WEAS that the interests of client accounts are placed ahead of the interests of WEAS accounts, as well as WEAS Financial Advisor, and associated person's personal accounts.

WEAS requires Financial Advisors and associated persons to obtain pre-clearance of certain securities transactions, report transaction in their personal trading accounts quarterly and to report all securities positions which they have a beneficial interest at least annually. All of which are reviewed by the firm to manage potential conflicts.

The foregoing policies and procedures are not applicable to transactions in any account for which neither WEAS nor its advisory affiliates have any direct or indirect influence or control; and transactions in securities that are direct obligations of the U.S. government, bankers' acceptances, bank certificates of deposit, commercial paper, and high-quality, short-term debt instruments, including repurchase agreements or shares issued by registered open-end investment companies.

WEAS recognizes that some securities being considered for purchase or sale on behalf of its client's trade in sufficiently broad markets to be without any appreciable impact on the markets of such securities. Under certain limited circumstances, exceptions may be made to WEAS's Code of Ethics.

WEAS has also established policies and procedures to ensure that its supervised persons comply with applicable provisions of The Insider Trading and Securities Fraud Enforcement Act of 1988 (ITSFEA). To avoid conflicts of interest with clients and to ensure compliance with ITSFEA, WEAS, among other things, does the following:

- Provides ongoing continuing education regarding avoiding conflicts of interest and complying with ITSFEA
- Requires supervised persons to report quarterly securities trading in personal accounts for covered securities (i.e., individual stocks, bonds, ETFs)
- Prohibits supervised persons from executing securities transactions for clients or on their personal accounts based on information that is not available to the public upon reasonable inquiry
- Informs clients that they are not required to purchase securities through WEAS or its Financial Advisors, although if they choose to purchase securities through their WEAS Financial Advisor, the transaction must be affected through a WEAS-approved trading platform

## Item 12 – Brokerage Practices

While WEAS will make attempts to consider the entire universe of available fund managers, at times WEAS will be limited to the available options on the various custody platforms. WEAS will attempt to add any fund manager that WEAS determines would be beneficial to a WEAS client by working with the individual fund companies and custody platforms to provide the investment as an option. WEAS makes no guarantee that it will be successful in adding the investment option or that the fund company will agree to allowing WEAS access to the investment.

WEAS, at times, may at its discretion negotiate lower minimum purchase and/or trading fees among its asset managers. This may be a conflict of interest if certain asset managers have lower investment amounts and/or fees. As with most investments, there could be better providers of funds and managers than WEAS chooses to use; however, one of the responsibilities of WEAS is to manage costs related to client investments, which is to the benefit of the client.

Custody firms carry client accounts on their records, process transactions ordered by WEAS, provide computer access to WEAS for client positions, and provide quotes and data needed by WEAS for its reports to clients. These services are provided to WEAS at no cost. WEAS believes that the use of these firms is a convenient means of obtaining efficient transaction executions, account reference and reporting services. However, receipt of such services also creates an inducement and conflict of interest for WEAS, since referring clients to any other firms may result in higher reporting and overhead costs to WEAS. Clients are under no obligation to purchase or sell securities through WEAS Financial Advisors and a specific custodial platform. However, if they choose to implement an investment plan through WEAS and use one of our custodial platforms (including Schwab, Fidelity, TDA, Raymond James, Pershing, etc.), commissions may be charged in addition to any fees charged for advisory services.

### **Recommendation of LPL Financial**

Clients wishing to implement financial planning advice provided by WEAS are free to select any Broker- Dealer or Investment Adviser they wish and are so informed. When clients decide to implement advice through a WEAS Financial Advisor, the client will be required to establish an account through a trading platform that is approved by WEAS.

As previously stated, WEAS Financial Advisors may also be Registered Representatives of LPL Financial LLC. WEAS Financial Advisors, associated with LPL Financial, are restricted by certain FINRA rules and LPL policies from maintaining client accounts at or executing client transactions in such client accounts through any Broker-Dealer or custodian. Therefore, the Broker-Dealer and custodians must be approved not only by WEAS, but also by LPL Financial. LPL Financial provides compliance and supervision support to the associated persons of WEAS. In addition, LPL Financial also provides the associated persons of WEAS, and therefore WEAS, with back-office operational, technology, and other administrative support.

Please refer to Section 10 Relationships with Affiliated and Unaffiliated Broker-Dealers for more information related to the WEAS and LPL Financial relationship.

### **Schwab Institutional Platform**

We use Schwab, a custodian/broker, to hold your assets and execute transactions. When considering whether the terms that Schwab provides are, overall, most advantageous to you when compared with other available providers and their services, we consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- 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, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions

- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security, and stability
- Prior service to us and our clients
- Services delivered or paid for by Schwab
- Availability of other products and services that benefit us, as discussed below

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, mutual funds and ETFs) do not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trades through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/custodians"). By using another broker or dealer you may pay lower transaction costs.

#### **Products and Services Available to us from Schwab**

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we do not have to request them) and at no charge to us.

Following is a more detailed description of Schwab's support services:

Services that benefit you. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that do not directly benefit you. Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab.

In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services that generally benefit only us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology and business needs
- Consulting on legal and compliance related needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support
- Recruiting and custodial search consulting

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. If you did not maintain your account with Schwab, we would be required to pay for those services from our own resources.

### **Our Interest in Schwab's Services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We do not have to pay for Schwab's services. Schwab has also agreed to pay for certain technology, research, marketing, and compliance consulting products and services on our behalf [once the value of our clients' assets in accounts at Schwab reaches certain thresholds]. The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services.

### **Schwab Advisor Network® Referrals**

Please refer to Item 14 (Client Referrals and Other Compensation) for detailed information about Schwab Advisor Network® Referrals.

### **Arrangement with National Financial Services LLC, and Fidelity Brokerage Services LLC**

WEAS has an arrangement with National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") through which Fidelity provides WEAS with Fidelity's "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support firms like WEAS in conducting business and in serving the best interests of their clients. Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds and commissions are charged for individual equity and debt securities transactions). Fidelity enables WEAS to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. As part of the arrangement, Fidelity also makes available to WEAS, at no additional charge, certain research, and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by WEAS (within specified parameters).

These research and brokerage services include:

- provide access to client account data (such as trade confirmations and account statements);
- facilitate trade execution and allocate bundled trade orders for multiple client accounts);
- provide research, pricing, and other market data;

- facilitate payment of WEAS's fees from its clients' accounts;
- assist with back-office functions, recordkeeping, and client reporting;
- compliance, legal and business consulting; and
- publications, and conferences on practice management and business succession.

As a result of receiving such services for no additional cost, WEAS may have an incentive to continue to use or expand the use of Fidelity's services. WEAS examined this potential conflict of interest when it chose to enter into the relationship with Fidelity and has determined that the relationship is in the best interests of WEAS's clients and satisfies its client obligations, including its duty to seek best execution. WEAS and Fidelity are not affiliates, nor is there any broker-dealer affiliation between WEAS and Fidelity.

### **Fidelity Wealth Advisor Solutions® Referrals**

Please refer to Item 14 (Client Referrals and Other Compensation) for detailed information about Fidelity Wealth Advisor Solutions® Referrals.

### **Arrangement with Raymond James & Associates, Inc.**

WEAS may recommend clients establish brokerage accounts with Raymond James and Associates, Inc. (RJA), member New York Stock Exchange/SIPC. RJA provides WEAS with access to its institutional trading and operations services, which typically are not available to RJA retail customers. These services are generally available, without cost, to financial advisory firms who maintain a minimum threshold of client assets with RJA.

Services provided by RJA to WEAS include research (including mutual fund research, third-party research, and Raymond James & Associates, Inc.'s (RJA) proprietary research), brokerage, custody, and access to mutual funds and other investments that are available only to institutional investors or would require a significantly higher minimum initial investment. In addition, RJA makes available software and other technologies that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution; provide research, pricing information, quotation services, and other market data; assist with contact management; facilitate payment of fees to WEAS from client accounts; assist with performance reporting; facilitate trade allocation; and assist with back-office support, record-keeping, and client reporting. RJA also provides access to financial planning software, practice management consulting support, best execution assistance, consolidated statements assistance, educational and industry conferences, marketing and educational materials, technological and information technology support, and RJA corporate discounts. Many of these services may be used to service all or a substantial number of WEAS's accounts, including accounts not maintained at RJA. RJA may also make available to WEAS, other products and services that benefit WEAS but may not benefit its clients' accounts. RJA may also provide WEAS with other benefits such as occasional business entertainment of WEAS personnel.

RJA may also provide WEAS with other services intended to help WEAS manage and further develop its business enterprise, including assistance in the following areas: consulting, publications and presentations, information technology, business succession, and marketing. In addition, RJA may make available or arrange and/or pay for these types of services provided by independent third parties, including regulatory compliance.

RJA is recognized as a full-service registered broker-dealer and registered investment adviser. WEAS has no formal relationship with RJA for client referrals and receives no compensation from RJA (other than the services and arrangements described herein) for accounts opened by firm clients. On an informal basis, RJA occasionally may make referrals to WEAS as a courtesy or accommodation. Nothing of value, monetary or otherwise, is given, paid, or received in exchange for such referrals.

WEAS utilizes RJA for custody of customer assets and execution of customer transactions. WEAS, subject to its best execution obligations, may trade outside of RJA. In the selection of broker-dealers, WEAS may consider all relevant factors, including the commission rate, the value of research provided, execution capability, speed, efficiency, confidentiality, familiarity with potential purchasers and sellers, financial responsibility, responsiveness, and other relevant factors. WEAS has retained and will compensate RJA to provide various administrative services that include determining the fair market value of assets held in the account at least quarterly and producing a



brokerage statement and performance reporting for client detailing account assets, account transactions, receipt and disbursement of funds, interest and dividends received, and account gain or loss by security as well as for the total account.

### **RJA Transaction-Based Fee Accounts**

Fees for the account include all execution charges except; (1) certain dealer mark-ups and odd-lot differentials, transfer taxes, exchange fees mandated by the Securities and Exchange Act of 1934, and any other charges imposed by law with regard to transactions in the account; (2) offering concessions and related fees for purchases of money market mutual funds and other public offerings of securities as more fully disclosed in the prospectus; and (3) certain legal transfer fees. Client may also incur charges for other account services provided by RJA, not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for transfers of securities. In no event will RJA be obligated to execute any transaction that would violate state or federal law or regulation of any self-regulatory organization of which RJA is a member. Further, RJA may designate certain investments that cannot be held in a client's account.

Except as otherwise provided, RJA's responsibility is limited to executing transactions pursuant to the direction of WEAS. RJA has not assisted in the selection of WEAS, and the client has the sole and exclusive responsibility for the selection of WEAS. The client agrees that WEAS is solely responsible for the management of the client's portfolio. Client has authorized WEAS as its agent and attorney-in-fact to buy and sell securities or other investments for the account, or engage other investment advisers, including those affiliated with RJA, and that any engagement is solely at the direction of the firm as WEAS deems appropriate. In the event that another investment advisor has been selected by WEAS to assist WEAS in providing investment services to the client, the investment advisor will act as sub-advisor to WEAS and WEAS will act as the client's investment advisor. Except as otherwise provided, WEAS is authorized to act for the client in the same manner and with the same force and effect as the client might or could do with respect to transactions for the account, as well as with respect to all other things necessary or incidental to purchases or sales for the account, except that WEAS is not authorized to withdraw any money, securities or other property either in the name of the client or otherwise. WEAS has agreed to indemnify and hold harmless RJA, and their officers, directors, associates, agents, employees, and affiliates from any losses, costs (including attorney's fees), indebtedness, and liabilities arising from actions directed by client or WEAS. This indemnification agreement is a continuing one and shall remain in full force and effect until terminated in writing.

### **RJA Asset-Based Fee Accounts**

Fees for a client's account include all execution charges, but may exclude as applicable the following fees: (1) certain dealer mark-ups and odd-lot differentials, transfer taxes, exchange fees mandated by the Securities and Exchange Act of 1934, and any other charges imposed by law with regard to transactions in the account; (2) offering concessions and related fees for purchases of money market mutual funds and other public offerings of securities as more fully disclosed in the prospectus; and (3) certain legal transfer fees.

The Services Agreement may be terminated by the client or WEAS at any time upon providing written notice pursuant to the provisions of the Services Agreement. There is no penalty for terminating the client's account. Upon termination, the client will receive a refund of the portion of the prepaid asset-based fee that is not utilized. WEAS will not accept instructions to terminate the agreement unless such instructions are provided in writing by the client.

### **RJA AMS [Asset Management Services] Program Services**

"AMS Managed Programs": RJA provides discretionary investment management services under a sub-advisory agreement under which, RJA, as sub-adviser, provides portfolio management and/or advice concerning the selection of other investment advisers. The selection by RJA, on behalf of Client, of an AMS Managed Program, strategies and/or investment disciplines will determine whether AMS or another manager that RJA has engaged under a separate sub-advisory agreement ("Manager") will exercise discretionary investment authority over the Account. RJA, as program sponsor, provides billing services.

"Adviser Managed Program": via this program, WEAS manages a client's account on a discretionary basis and assumes all investment duties with respect to assets in the Account and has sole investment authority to invest and reinvest the assets of the Account as deemed in the best interest of the Client. RJA provides no investment advice to RJA or Client in an Adviser Managed Program and has no responsibility to and will not undertake to review, monitor, or supervise the suitability or frequency of the investment or trading activity in RJA Client's Adviser Managed Program Account. RJA, as program sponsor, provides billing services.



“Outside Manager Platform” (OSM Platform): via this program, the client enters into a direct investment management agreement with an investment adviser unaffiliated with both RIA and Raymond James. The OSM Manager Agreement is separate from the RIA Advisory Agreement between RIA and Client, under which RIA maintains sole responsibility for the selection and monitoring of the OSM Manager and authority to hire and fire third-party managers. RJA provides no investment advice to RIA or Client in an OSM Platform Account. RJA administers the platform and provides billing services.

### **Arrangement with TD Ameritrade Institutional**

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

WEAS participates in the institutional advisor program (the “Program”) offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC (“TD Ameritrade”), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers independent investment advisors services, which include custody of securities, trade execution, clearance, and settlement of transactions. Advisor receives some benefits from TD Ameritrade through participation in the Program.

Other services made available by TD Ameritrade are intended to help WEAS manage and further develop its business enterprise. The benefits received by WEAS or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, WEAS endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by WEAS or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the WEAS’s choice of TD Ameritrade for custody and brokerage services.

### **Arrangement with Pershing Advisor Solutions LLC**

WEAS may recommend clients establish brokerage accounts with Pershing Advisor Solutions LLC (“PAS”). PAS is an introducing broker registered with the U.S. Securities and Exchange Commission (“SEC”), a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”) and an affiliate of Pershing LLC (“Pershing”), a broker-dealer and clearing and carrying firm that is registered with the SEC and a member of FINRA, the New York Stock Exchange (“NYSE”) and subsidiary of The Bank of New York Mellon Corporation. PAS offers services, which include custody of securities, trade execution, clearance, and settlement of transactions.

Benefits of WEAS working with PAS include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving WEAS participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to WEAS by third party vendors. PAS may also have paid for business consulting and professional services received by WEAS’s related persons. These products or services may assist WEAS in managing and administering Client accounts, including accounts not maintained at PAS. Other services made available by PAS are intended to help WEAS manage and further develop its business enterprise. The benefits received by WEAS or its personnel from PAS do not depend on the number of brokerage transactions directed to PAS. As part of its fiduciary duties to clients, WEAS endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by WEAS or its related persons in and of itself creates a potential conflict of interest and may indirectly influence WEAS’s choice of PAS for custody and brokerage services.

## **Benefit Agreements**

WEAS has entered into Benefit Agreements (Agreements) with the custody vendors (Vendors) below, whereby they have agreed to provide assistance with technology-related expenses. The technology-related expenses include, but are not limited to, trading software and investment management technology from a third party. The expense is for services provided by the third-party during contract year 2023. In some cases, the Agreement is based upon the expectation that WEAS maintain certain levels of custody or statement equity assets. WEAS and these Vendors reserve the right to enter into a new benefits agreement after the Agreement term. Agreements are subject to modification or termination by the Vendor, in its sole discretion, at any time.

Orion is the third-party trading and portfolio accounting software technology selected by WEAS for its custody platform. As a third-party vendor, Orion's investment management technology supports many custody platforms and is not limited to the Benefit Agreement Vendors. Therefore, the use of Orion does not limit WEAS from using other custody platforms if WEAS decides, at its sole discretion, to do so.

The placement of equity assets and any associated transactions with these Vendors will generate commissions retained by the Vendor to defray the cost of the Benefit Agreements. However, the volume of transactions effected by WEAS for client accounts is done solely based on WEAS clients' needs and not by any requirement to generate commissions to cover the cost of the agreements.

Services provided by the Vendors in the Agreement and other benefits to WEAS are paid for by the commissions (and other fees) paid by WEAS clients. An investment advisor should recommend broker-dealers based exclusively on the best interests of its clients. WEAS receipt of certain benefits from these vendors is an incentive for us to recommend their use to our clients rather than making such a decision based exclusively on the best interests of our clients. However, as stated above, the services, tools and benefits received from these vendors are used to assist WEAS in providing investment management services that benefit our clients.

In the event any future products or services received from benefit arrangements have a non-research purpose (if they may be used for billing or marketing, for example), WEAS will make a good faith determination of the non-research usages as required by Section 28(e) of the Securities Exchange Act of 1934. In such cases, WEAS allocates the purchase price between soft dollars (i.e., brokerage commissions) and hard dollars for the appropriate percentage of research and non-research usage, respectively.

<b>Benefit Agreement Custody Vendors</b>	<b>Benefit Amount</b>	<b>Expected Asset or Statement Equity</b>
Charles Schwab & Company	\$ 960,000.00	\$13B in statement equity
LPL Financial	\$ 124,000.00	N/A
National Financial Services LLC/Fidelity Services LLC	\$ 280,000.00	N/A
Pershing Advisor Solutions LLC	\$ 512,000.00	\$2.2B in custody assets
Raymond James & Associates	\$ 60,000.00	\$500M in statement equity
SEI Global Services, Inc. (SEI)	\$ 110,000.00	\$400M in custody assets
TD Ameritrade Institutional	\$ 214,000.00	N/A

## **Trade Errors**

WEAS Trade Errors/Account Discrepancies: Based on industry practice and SEC guidance to broker-dealers, a trade error under this policy is defined as including:

- Inaccurate transmission or execution of any term of an order including, but not limited to price; number of shares or other unit of trading; identification of the security; identification of the account for which securities are purchased or sold; short sales that were instead sold long or vice versa; or the execution of an order on the wrong side of a market;

- Unauthorized (because of misunderstanding or mistake) or unintended purchase, sale or allocation of securities, or the failure to follow specific client instructions; and
- Incorrect entry of data into relevant systems, including reliance on incorrect cash positions, withdrawals or securities positions reflected in an account.

From time to time an error may occur in submitting a trade order on behalf of the client. When this occurs, WEAS may place a correcting trade with the broker-dealer that has custody of the account. If an investment gain results from the correcting trade, the gain will remain in the client's account unless:

(1) the same error involved other client account(s) that should have received the gain; (2) it is not permissible for client to retain the gain; or (3) we confer with client and client decides to forego the gain. The custodian of the account where the trade was executed may donate the gain to a charity of their choice. If a loss occurs, the client or WEAS will pay for the loss depending on how the error occurred. (Certain custodians may absorb the loss if de minimis to offset its administrative time and expense.) Generally, if related trade errors result in both gains and losses in the client's account, they may be netted.

### **Client Aggregated Purchases and Sales**

WEAS will, at times, aggregate purchases and/or sales when rebalancing or adjusting a MEP ETF model portfolio, WEAS Access Program Model, ETF Model, or when trading individual securities.

### **Prime Brokerage Services**

Through the various trading platforms supported by WEAS at qualified custodians, WEAS can use prime brokerage services of the qualified custodian. This allows WEAS to place trades with other broker-dealers without the need to have individual client accounts with the other broker/dealers. The use of prime brokerage services allows additional flexibility to access more fixed income products, and the ability to access new issue bonds. All assets will be kept in a client account at the qualified custodian with all confirmations and statements generated by the qualified custodian. WEAS selects prime brokerage, broker/dealers, based on the quality of research, services, products offered, execution and commission structures. Both discount and full-service broker/dealers may be used, but the lowest cost broker/dealer may not always be utilized. Please refer to Item 16 – Investment Discretion for more information.

### **Client Directed Brokerage Arrangements**

In limited cases and contingent on the approval of WEAS, a client may be able to direct transactions for certain WEAS services through a specific broker (the Directed Broker). In selecting the Directed Broker, the client agrees to the commission rates and other transaction costs of the Directed Broker. Although the client has agreed to the use of the Directed Broker by WEAS, the client agrees that WEAS will not be required to effect any transaction through the Directed Broker if WEAS reasonably believes that to do so may result in a breach of its duties as a fiduciary. A client also confirms that by instructing WEAS to execute all transactions on behalf of the account through the Directed Broker, the client may not necessarily obtain commission rates and executions as favorable as those that would be obtained if WEAS were able to place transactions with other broker-dealers. A client may also forego benefits that WEAS may be able to obtain for its other clients through, for example, negotiating volume discounts or block trades. WEAS may aggregate transactions for a client with other clients to improve the quality of the execution. When transactions are so aggregated, the actual prices applicable to the aggregated transaction will be averaged, and the client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. For orders that are only partially filled in client accounts, WEAS works with the custodian to determine an appropriate breakdown. WEAS managed accounts will be opened through Charles Schwab, LPL Financial, Fidelity, TD Ameritrade, Raymond James & Associates, and directly at variable annuity sponsor companies approved by WEAS.

## **Item 13 – Review of Accounts**

Investment Management involves frequent monitoring and occasional rebalancing of client portfolios at both the individual account level and/or at the household level. Please refer to Item 4 (Portfolio Rebalancing) for more

information. This generally occurs at least quarterly (or as often as the client may prefer) and reviews of portfolio assets and client contact at least on an annual basis.

Depending on the type of investment strategy, the reviewers will either be the WEAS Investment Committee, a sub-committee of the Investment Management Department, WEAS Financial Advisor in consultation with the Investment Committee, or the WEAS Financial Advisor independent of the Investment Committee. The Investment Committee consists of WEAS senior investment personnel. A review of the investment strategies managed by the Investment Management Department is conducted by the Investment Committee. The Investment Committee examines investment results and asset allocations to assess if the strategies are aligned with their objectives. In addition, the WEAS Financial Advisor will review the client's objectives, time horizon and risk tolerance to determine if the WEAS investment strategy continues to meet the client's needs. Lastly, review of client portfolios that are not invested in a WEAS investment strategy are reviewed by WEAS Financial Advisors or a combination of WEAS Financial Advisor in consultation with the Investment Committee. The review considers investment results, asset allocation, client objectives, time horizons and risk tolerance to ensure the investment strategy continues to conform to the clients' needs. Clients are required to immediately notify WEAS of any changes in the client's financial status as new information may result in an update in the investment strategies.

WEAS has a dedicated Financial Planning department that generates financial plans based on the client's goals and objectives that have been discussed with the WEAS Financial Advisor. The Financial Planning department and members of that department, or financial planners on WEAS financial advisor teams prepare the financial plans with review by the WEAS Financial Advisor before the presentation of the plan to the client. These financial plans are also reviewed as part of the WEAS client review process.

Financial Planning Services provide advice on retirement, tax, and estate planning, as well as insurance issues. Planning Services terminate upon delivery of the plan. A new agreement can be executed at any time to secure Investment Management Services. The advice given may include the recommendation of annual reviews/updates to existing plans. The client is responsible for updating goals or secure additional services as may be needed.

Clients may also secure general Investment Consultation Services. Consultation Services terminate upon delivery of the requested advice. Clients are welcome to secure additional Consultation Services as may be needed and under an amended engagement. Clients also have the option to secure ongoing consulting services that run for 12 months and can automatically renew.

Administrative personnel may assist with computer data entry. All decisions, account reviews and primary client contacts are conducted by WEAS Financial Advisors.

At least annually, WEAS will contact clients to offer them a review of investments, investment manager performance and ongoing needs. The client reviews are noted in our client relationship management system (CRM). Various reports are generated for client review, which the WEAS Financial Advisor shares and discusses with the client during the review. The outcome of the review is noted in our CRM. Clients are encouraged to contact WEAS promptly if there has been any change in the client's financial status, to determine if there should be a change in investment objectives and investment strategies WEAS employs. Clients may contact their WEAS Financial Advisor at any time during normal business hours to discuss the client's account, financial situation, or investment needs. Clients may impose reasonable restrictions on the client's account.

Clients receiving Investment Management Services receive standard quarterly, and as transactions may occur, account statements from investment sponsors and broker-dealer firms providing custody and transaction services. WEAS prepares quarterly asset management reports for Investment Management Services clients, which include a consolidated summary of the client's accounts (including accounts that are not part of the assets managed by WEAS), a valuation of the assets and a performance report for the assets managed by WEAS. The preferred delivery method for quarterly asset management reports is through the Client Portal, which is an online tool that enables client's access to their account balances, asset allocations, sending and receiving messages securely, and ability to upload and receive documents and targeted content. Clients may request a paper copy mailed to them in lieu of accessing the quarterly report through the Client Portal. Clients receiving services from the WEAS affiliated trust company, Wealth Enhancement Trust Services ("WETS"), receive reports no less than quarterly from WETS, unless otherwise requested by the client.

Clients in the SEI Program will receive monthly statements from SEI Trust Company indicating holdings. A quarterly report, indicating market value, cash flows, gains and losses, asset allocation, and performance as it relates to market indices, is also available if the investor elects to receive it. Annually, the client will receive a tax report for the account.

Financial Planning Services and Consultation Services clients receive plans and/or reports as agreed to in advance between the client and their WEAS Financial Advisor.

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

### **Other Compensation**

Some of the WEAS associated persons are also independently licensed insurance agents, who can sell insurance products, and can earn commissions when selling insurance products.

Some of WEAS associated persons are active with Wealth Enhancement Tax & Consulting Services, LLC (WETC), a wholly owned subsidiary of the parent company of WEAS. These f WEAS associated persons can prepare tax returns and provide associated consulting services, earning fees for such services that benefit them, WETC and, indirectly, the parent company of WEAS. This creates an incentive to recommend WETC over other similar service providers. Clients of WEAS are under no obligation to purchase services WEAS Financial Advisors may recommend through WETC.

A limited number of WEAS Financial Advisors act in a personal capacity as a trustee for a trust. In this capacity, they earn fees for the services they provide on behalf of the trust.

As referenced in this document, some of WEAS Financial Advisors are Registered Representatives of LPL Financial. They sell securities in their separate capacity as Registered Representatives of LPL Financial. LPL Financial offer certain programs which involve investments in mutual funds. The load and no-load mutual funds may pay annual distribution expenses, sometimes referred to as “12b-1 fees”. These 12b-1 fees come from fund assets, and thus indirectly the clients’ assets. These fees may initially be paid to LPL Financial and be partially reallocated to WEAS Financial Advisors providing clients advice on these programs. The receipt of these fees represents an incentive to purchase funds with 12b-1 fees or higher 12b-1 fees over those with no or lower fees. WEAS Financial Advisors will not receive any portion of any other transaction or administrative fees. Since WEAS Financial Advisors may receive a commission on load funds, this may represent incentive to recommend load funds in favor of funds without a load.

In addition, WEAS and/or its Financial Advisors, associated with LPL, have a conflict of interest because of the brokerage business conducted with LPL and the compensation received verses attaining best execution for client transactions.

Wealth Enhancement Brokerage Services, LLC, a limited use broker-dealer, has arrangements with LPL Financial to receive distribution fees related to the sale of certain investment products. Clients should be aware that the receipt of additional compensation through 12b-1 fees, servicing fees, nominal sales awards and/or expense reimbursements creates a conflict of interest that may impact the judgment of the associated persons when making advisory recommendations related to the sale of LPL Financial products.

WEAS and/or its Financial Advisors not associated with LPL may be incented to use certain broker-dealer – qualified custodian platforms because of certain compensation arrangements they receive. The compensation arrangements could include, but not be limited to bonuses, enhanced pay-outs, forgivable loans and/or business transition loans, and transition assistance/reimbursement. Furthermore, there may or may not be production goals associated with the recommendation of a transaction from your WEAS Financial Advisor. The receipt of any such compensation may be considered a conflict of interest in that the recommendation of certain broker-dealer-qualified custodians are based on such compensation and perhaps not based exclusively on attaining the best possible execution for our client transactions. We encourage you to review this Form ADV Part 2A closely and discuss any potential conflicts of interest with your WEAS Financial Advisor.

WEAS and/or its Financial Advisors may be eligible to receive incentive-based awards such as trips to LPL Financial Educational Conferences or trips to conferences and seminars conducted by product sponsors. From

time to time, WEAS may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense-sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing, and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made. WEAS has no solicitor arrangement with product sponsors.

#### **Compensation Paid for Client Referrals**

WEAS may enter into promoter arrangements with individuals or entities who provide client referrals to WEAS and WEAS may compensate them for referrals. If a compensation arrangement exists, the relationship will be outlined in a formal written agreement between WEAS and the promoter. In the applicable cases, a Promoter Arrangement Disclosure Statement will be provided to the referred advisory clients defining the arrangement and the fee payment structure. The fees paid by advisory clients referred to WEAS will not be affected by the payments to promoters who have made referrals.

#### **Schwab Advisor Network® Referrals**

WEAS receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through WEAS's participation in the Schwab Advisor Network® ("SAN") client referral program. The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with WEAS. Schwab does not supervise WEAS and has no responsibility for WEAS's management of clients' portfolios or WEAS's other advice or services. WEAS pays ongoing fees to Schwab on all managed assets obtained through the Service. WEAS's participation in the Service may raise potential conflicts of interest described below.

WEAS pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are transferred to another custodian. The Participation Fee paid by WEAS is a percentage of the value of the assets in the client's accounts held at Schwab. The totality of the Participation Fees paid by WEAS to Schwab on an annual basis are subject to a minimum Participation Fee. WEAS pays Schwab the Participation Fee for as long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to WEAS quarterly and may increase or decrease based on the overall value of assets in custody with Schwab that were obtained through the Service. Some Participation Fees may be waived by request, on a case-by-case basis. Participation Fees are paid by WEAS and not the client. WEAS has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs WEAS charges clients with similar portfolios who were not referred through the Service.

In addition, WEAS has agreed to pay Schwab a one-time Non-Schwab Custody Fee if client assets obtained through the Service are transferred away from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees an Advisor generally would pay in a single year. Thus, WEAS will have an incentive to recommend that client accounts obtained through the Service remain in custody at Schwab.

For accounts of WEAS clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from WEAS clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, WEAS may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. WEAS nevertheless acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for WEAS's other clients. Thus, trades for accounts with custody at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

#### **Fidelity Wealth Advisor Solutions® Referrals**

WEAS participates in the Fidelity Wealth Advisor Solutions® Program (the "WAS Program"), through which WEAS receives referrals from Fidelity Personal and Workplace Advisors LLC (FPWA), a registered investment adviser and Fidelity Investments company. WEAS is independent and not affiliated with FPWA or any Fidelity Investments



company. FPWA does not supervise or control WEAS, and FPWA has no responsibility or oversight for WEAS's provision of investment management or other advisory services.

Under the WAS Program, FPWA acts as a solicitor for WEAS, and WEAS pays referral fees to FPWA for each referral received based on WEAS's assets under management attributable to each client referred by FPWA. The WAS Program is designed to help investors find an independent investment advisor, and any referral from FPWA to WEAS does not constitute a recommendation or endorsement by FPWA of WEAS's particular investment management services or strategies. More specifically, WEAS pays the following amounts to FPWA for referrals: the sum of (i) an annual percentage of 0.10% of any and all assets in client accounts where such assets are identified as "fixed income" assets by FPWA and (ii) an annual percentage of 0.25% of all other assets held in client accounts. In addition, WEAS has agreed to pay FPWA an annual program fee in the amount of \$50,000 to participate in the WAS Program. These referral fees are paid by WEAS and not the client. To receive referrals from the WAS Program, WEAS must meet certain minimum participation criteria, but WEAS may have been selected for participation in the WAS Program as a result of its other business relationships with FPWA and its affiliates, including Fidelity Brokerage Services, LLC ("FBS"). As a result of its participation in the WAS Program, WEAS may have a potential conflict of interest with respect to its decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for certain client accounts, and WEAS may have a potential incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to WEAS as part of the WAS Program.

Under an agreement with FPWA, WEAS has agreed that WEAS will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to FPWA as part of the WAS Program. Pursuant to these arrangements, WEAS has agreed not to solicit clients to transfer their brokerage accounts from affiliates of FPWA or establish brokerage accounts at other custodians for referred clients other than when WEAS's fiduciary duties would so require. Therefore, WEAS may have an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of FPWA. However, participation in the WAS Program does not limit WEAS's duty to select brokers on the basis of best execution.

## Item 15 – Custody

Custody, as it applies to investment advisers, has been defined by regulators as having access to or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure that proper procedures are implemented.

WEAS is deemed to have custody of client funds and securities whenever WEAS is given the authority to have fees deducted directly from client accounts. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which WEAS is deemed to have custody due to the authority to deduct fees directly from client accounts, WEAS has established procedures to ensure that all client funds and securities are held at a qualified custodian (for example, Charles Schwab, LPL Financial, Fidelity, TD Ameritrade, Pershing, and Raymond James & Associates) in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, and to the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from WEAS. When clients have questions about their account statements, they should contact WEAS or the qualified custodian preparing the statement.

WEAS is deemed to have custody because some of its clients have Standing Letter of Authorizations (SLOAs) on file with various custodians. WEAS also has custody for a limited number of WEAS clients where WEAS Financial Advisors act in a personal trustee capacity for the client's account. As these WEAS Financial Advisors are deemed to have custody over clients' cash, bank accounts or securities (for reasons other than those discussed above), and due to the SLOAs on file with WEAS, WEAS is required to engage an independent accounting firm to perform a surprise annual examination of those assets and accounts over which it maintains custody. Any related opinions

issued by an independent accounting firm are filed with the SEC and are publicly available on the SEC's Investment Adviser Public Disclosure website.

WEAS also maintains custody over client funds or securities by virtue of the fact that client assets may be held in custody at Wealth Enhancement Trust Services, LLC ("WETS"), an affiliate of WEAS. As a result, client assets held by WETS are included in the surprise annual examination by an independent accounting firm. In addition, WEAS annually obtains a written internal control report from WETS prepared by an independent public accountant stating: 1) the accountant's opinion as to whether controls in place at WETS are suitably designed to meet control objectives related to custodian services; and 2) the accountant verified the funds and securities are reconciled by WETS to a custodian other than WETS (e.g., the Depository Trust Corporation).

## Item 16 – Investment Discretion

Clients entering into an investment advisory relationship with WEAS sign an Investment Management Services agreement that grants WEAS and WEAS Financial Advisor in providing discretionary investment management services. When discretionary authority is granted, WEAS and WEAS Financial Advisor have trading authority and in some cases the authority to determine commission rates paid by the client. Discretionary trading authority enables WEAS the authority to determine the type of securities and the amount of securities that can be bought or sold in an account without obtaining the client's consent before each transaction. Clients have the ability to leave standing instructions with WEAS to refrain from investing in a particular industry, to limit the amounts of specific securities, to request third-party checks, and to rebalance portfolios.

Clients may authorize trading on a *nondiscretionary* basis only. The WEAS Financial Advisor is required to contact the client before implementing changes in the client's account. Therefore, the client will be contacted and required to accept or reject the WEAS Financial Advisor's investment recommendations, which include the security being recommended, the number of shares or units and whether to buy or sell.

WEAS will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If the client's accounts are managed on a nondiscretionary basis, clients need to know that if they are unreachable or are slow to respond to the WEAS Financial Advisor, it can have an adverse impact on the timing of trade implementations and the WEAS Financial Advisor may not achieve the optimal trading price.

For certain separate account management programs, WEAS is granted discretionary authority to recommend replacement of a separate account manager from another available manager in the program. Separate account managers (including NorthCrest Asset Management, LLC, an affiliate of WEAS) are granted discretionary trading authority to purchase and sell securities they select as they deem appropriate.

WEAS may elect to purchase fixed income products through various broker-dealers to obtain access to additional inventory or to obtain improved pricing for the client. The fixed income product is delivered into the client's brokerage account with a qualified custodian. This practice is conducted through the prime brokerage service of the qualified custodian. WEAS exercises discretion when selecting a broker-dealer for the purchase of fixed income products. The qualified custodian charges to the client in their account at the custodian a prime brokerage service fee, for each order entered by WEAS with the broker-dealer. To participate in this service, clients must first execute the qualified custodian's brokerage account agreement and prime brokerage agreement or amendment (as applicable) before WEAS can execute trades at broker/dealers other than the client's qualified custodian which then settle in the client's qualified custodian account. See Item 12 for additional information regarding prime brokerage services.

## Item 17 – Voting Client Securities

### **General Policy**

WEAS offers clients access to proxy voting services on a limited basis through its relationship with Broadridge Financial Solutions ("Broadridge"). Our general policy is to not vote proxy proposals on behalf of clients. Our standard form of client agreement explicitly states that WEAS does not have authority to vote proxies on behalf of



the client. If a client relationship is enrolled in the proxy voting service, an addendum to our standard agreement will be provided to the client.

Clients not enrolled in proxy voting services will retain exclusive authority to vote all proxy proposals they may receive. WEAS will forward to clients any materials it receives related to proxy voting or legal proceedings related to client holdings. As a general practice, neither WEAS nor its Financial Advisors will provide any advice to clients related to proxy voting or legal proceedings involving securities or other investments held in their accounts. The following proxy voting policies and procedures do not apply to those situations where clients have retained voting discretion.

The proxy voting policy described below applies to clients for whom we provide proxy voting services under an addendum to the firm's client agreement and is designed to provide reasonable assurance that proxies are voted in the best interest of such clients. In general, proxies are voted in a manner that we believe will maximize the value of client investments. In evaluating proxy proposals, we take into consideration, among other things, management's assertions regarding the proposal, our determination of how the proposal will impact clients and our determination of whether the proposal may result in dilution of value for shareholders.

Our general policy is to vote in support of management's recommendations on issues related to general business operations matters since management's ability is a key factor, we consider in selecting equity securities for client portfolios. We generally believe that a company's management should have the latitude to make decisions related to the company's business operations. However, when we believe a company's management is acting in a manner inconsistent with our clients' best interests, we may vote against management's recommendations.

We have established a Proxy Review Committee that determines how to vote proxies on behalf of clients for which we have retained proxy-voting authority and reviews and considers how to address all material conflicts of interest between us and clients. We have a duty to recognize and resolve material conflicts of interest between us and clients before voting any proxies. Material conflicts of interest are those that, in the opinion of the Proxy Review Committee, a reasonable investor would think is important to know before allowing another party to vote on the investor's behalf. Upon identifying a material conflict of interest relating to a specific proxy vote, the Proxy Review Committee will take actions it deems appropriate to ensure any voting decision is based solely on the client's best interests, including:

- 1) Referring the proxy to a client or to a representative of the client for voting purposes;
- 2) Disclosing the conflict to the affected clients and seeking their consent to vote the proxy prior to casting the vote; or
- 3) Disclosing the conflict to the affected clients and notifying them that we will not cast a vote on their behalf due to the conflict.

Our Proxy Review Committee is responsible for ensuring that proxies are voted in accordance with our Proxy Voting Policy. From time to time, a situation may arise where we may wish to recommend a vote contrary to our base guidelines. In such circumstances the Proxy Review Committee will review the relevant information and determine whether to deviate from the applicable base proxy voting guideline. The Proxy Review Committee periodically reviews our Proxy Voting Policy to make any necessary or appropriate updates.

Clients may obtain a complete copy of our proxy voting policy and procedures and information on how proxies were voted on their behalf upon request by calling us at 763-417-1700. Clients are responsible for instructing their account custodian to forward copies of all proxy and shareholder communications relating to the client's investment assets 1) to WEAS, if elected to have proxies voted on the client's behalf, or 2) to the client, if the client wishes to retain proxy-voting authority.

#### **Separately Managed Investment Manager Programs**

Depending upon the Separately Managed Investment Manager Program selected for the client, the client may delegate authority to the Separately Managed Investment Manager to vote proxies on behalf of the client. In this event, WEAS and its Financial Advisors will not have the authority to vote proxy proposals on behalf of the client, nor will WEAS and/or its Financial Advisors provide advice with respect to any legal proceedings. Should WEAS receive any proxy or legal proceedings materials for a client, it shall forward the materials to that client. Clients may obtain answers to questions they have regarding this Policy by contacting WEAS.

## Item 18 – Financial Information

This item is not applicable to the WEAS Disclosure brochure as we do not require or solicit prepayment of more than \$1,200 in fees per client 6 months or more in advance. Additionally, WEAS is not required to include a balance sheet for our most recent fiscal year. Finally, WEAS is not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients and we have not been the subject of a bankruptcy petition at any time.

## **Wealth Enhancement Advisory Services, LLC**

### **Privacy of Client Financial Information**

At Wealth Enhancement Advisory Services, LLC (WEAS), maintaining the trust and confidence of our clients is a high priority. That is why we want you to understand how we protect your privacy as we collect and use your information in order to provide products and services that support your investment needs. We are strongly committed to fulfilling the trust that is the very foundation of your expectations. Therefore, we have adopted and adhere to the following policy regarding the privacy of our clients' nonpublic personal information.

#### **1. NONPUBLIC PERSONAL INFORMATION THAT WE COLLECT**

We collect nonpublic personal information about our clients from some, or all, of the following sources:

- Information we receive from the completion of our new account form, fact-finding questionnaires, and product applications;
- Investment transactions with us, our affiliates, and those product sponsors with whom we have selling agreements or other arrangements for the provision of services to clients;
- Consumer reporting agencies; and
- Affiliated and nonaffiliated product sponsors whose products are owned by our clients.

#### **2. USE OF NONPUBLIC PERSONAL INFORMATION**

We disclose, to the extent collected as defined above, nonpublic personal information to affiliated and nonaffiliated companies that provide contracted services in order to service our clients more effectively and efficiently. We ensure contractual restrictions on the affiliated and nonaffiliated companies' use and disclosure of the nonpublic personal information we disclose. Affiliated companies are defined as companies related by common ownership or control. Nonaffiliated companies are defined as companies not related by common ownership or control.

Affiliated and nonaffiliated companies with whom we disclose nonpublic personal information include, but are not limited to:

- WEAS affiliated companies;
- Mutual fund companies, insurance companies and other product sponsors to effect purchases and sales and allow for the servicing of client accounts;
- The broker-dealer through whom we execute securities transactions;
- Clearing agencies through whom we clear and settle securities transactions;
- Third-party investment advisory firms with whom we have relationships for the management of client advisory accounts;
- Broker-dealer firms having regulatory requirements to supervise certain activities of representatives who are also registered with a broker-dealer;
- Banks and other financial institutions with whom we have arrangements for the marketing and sale of our products and services; and
- Companies that provide services to us that assist with the maintenance of required books and records or to facilitate mailings on our behalf.

We do not disclose your information to nonaffiliated companies who intend to market their products to you.

#### **3. PROTECTION OF NONPUBLIC PERSONAL INFORMATION**

We have established information security practices and procedures to prevent unauthorized use or access to nonpublic personal information. Access to nonpublic personal information is made available to our who process or service transactions and fulfill compliance, legal or audit functions. Our computer systems utilize password protection to prevent access by unauthorized personnel, and we employ other physical, electronic, and procedural safeguards to ensure the protection of nonpublic personal information in accordance with state and federal privacy regulations.

#### 4. **“OPT-OUT” OF NONAFFILIATED THIRD-PARTY DISCLOSURES**

If you do not want us to share your nonpublic personal information (except as permitted by law) with a nonaffiliated company, including a Registered Representative servicing your account should they leave our firm, you may “Opt-Out” of nonaffiliated company disclosures.

**Note:** If you became a client of your WEAS Financial Advisor before the time your WEAS Financial Advisor joined WEAS or one of its affiliates, and your WEAS Financial Advisor elects to leave our firm and join another registered broker-dealer and/or investment advisory firm, we may allow your WEAS Financial Advisor to take your confidential information with them to the new firm, subject to the requirements or limitations of applicable law. If you do not want WEAS to share your nonpublic personal information with your WEAS Financial Advisor in the event your WEAS Financial Advisor departs our firm, please send a Letter of Instruction to the address listed below. If you have previously notified WEAS of your decision to “Opt-Out,” then no further action is required on your part. The Letter of Instruction requires the following information: your name, address, city, state, ZIP code, daytime phone, cell phone number, and your account number(s), along with your signature. In addition, there are some states that require you as a client to “Opt-In” before we will share information with a departing WEAS Financial Advisor. If you live in one of these states, we will ask you to sign an acknowledgment before we share any of your nonpublic personal information.

#### 5. **CONTACT US**

If you have any questions about our Privacy Policy, or if you have any questions concerning your account, please contact us at 800-492-1222. If you prefer, you may write to us at Wealth Enhancement Advisory Services, LLC, Attn: Compliance, 505 North Highway 169, Suite 900, Plymouth, MN 55441. We appreciate your business and look forward to serving your financial service needs.

## Wealth Enhancement Advisory Services, LLC

### ADV Part 2B Brochure Supplement

This brochure supplement provides information about James Cahn, Gary Quinzel, Doug Huber, Ariel da Silva, and Chris Moffett and that supplements the Wealth Enhancement Advisory Services ADV Part 2A brochure. You should have received a copy of that brochure. If you have any questions or if you did not receive the Wealth Enhancement Advisory Services (also referred to as “WEAS”) ADV Part 2A brochure, please contact us in writing: Wealth Enhancement Advisory Services, LLC, Attention: RIA Operations, 505 North Highway 169, Suite 900, Plymouth, MN 55441.

#### Item 1 – General Information

##### OFFICE LOCATIONS:

- 505 North Highway 169, Suite 900, Plymouth, MN 55441 | Phone number: 763-417-1700

#### Item 2 – Advisor Name, Title, DOB and Educational Background and Business Experience

<b>NAME:</b> James Cahn	<b>TITLE:</b> Chief Investments & Business Development Officer	<b>YEAR OF BIRTH:</b> 1980
<b>EDUCATIONAL BACKGROUND:</b> <ul style="list-style-type: none"> <li>• Master of Business Administration; University of Chicago Booth School of Business, Chicago, IL: 2009</li> <li>• Bachelor of Science in Economics and Performance Studies; Northwestern University, Evanston, IL: 2002</li> </ul>		
<b>BUSINESS BACKGROUND:</b> <ul style="list-style-type: none"> <li>• Wealth Enhancement Advisory Services, Investment Advisor Representative, 04/2012 – Present</li> <li>• Wealth Enhancement Group, Chief Investments &amp; Business Development Officer, 04/2012 – Present</li> <li>• LPL Financial, Registered Representative, 04/2012 – Present</li> <li>• Wealth Enhancement Brokerage Services, Registered Representative, 05/2012 – Present</li> <li>• Vestian Group Inc., Chief Investment Officer/Portfolio Manager, 05/2009 – 04/2012</li> <li>• Wanger Investment Management, Inc., Senior Vice President, 08/2007 – 05/2009</li> </ul>		
<b>NAME:</b> Gary Quinzel	<b>TITLE:</b> Director of Portfolio Consulting, CFA®, CFP®	<b>YEAR OF BIRTH:</b> 1977
<b>EDUCATIONAL BACKGROUND:</b> <ul style="list-style-type: none"> <li>• Seton Hall University, Master of Business Administration – Finance; South Orange, New Jersey; 2009</li> <li>• The College of New Jersey, Bachelor of Science – Business Administration; Ewing Township, New Jersey; 2002</li> </ul>		
<b>BUSINESS BACKGROUND:</b> <ul style="list-style-type: none"> <li>• Wealth Enhancement Advisory Services, Investment Advisor Representative, 10/2019 – Present</li> <li>• Wealth Enhancement Group, Sr. Portfolio Manager, 10/2019 – Present</li> <li>• American Economic Planning Group, Inc., Chief Investment Officer, 12/2016 – 10/2019</li> <li>• Merrill Lynch, Senior Investment Analyst, 09/2003 – 12/2016</li> </ul>		
<b>NAME:</b> Doug Huber	<b>TITLE:</b> Senior Portfolio Manager	<b>YEAR OF BIRTH:</b> 1985
<b>EDUCATIONAL BACKGROUND:</b> <ul style="list-style-type: none"> <li>• Babson College, BS- Finance and Economics, Wellesley, MA- 2008</li> </ul>		
<b>BUSINESS BACKGROUND:</b> <ul style="list-style-type: none"> <li>• Wealth Enhancement Advisory Services, Investment Advisor Representative. 04/2021- Present</li> <li>• Wealth Enhancement Group, Senior Portfolio Manager. 04/2021- Present</li> <li>• North American Management, Director of Manager research, 09/2014 – 04/2021</li> </ul>		
<b>NAME:</b> Ariel da Silva	<b>TITLE:</b> Director of Fixed Income	<b>YEAR OF BIRTH:</b> 1974
<b>EDUCATIONAL BACKGROUND:</b> <ul style="list-style-type: none"> <li>• Loyola Marymount University, BBA – Business Administration with Emphasis in International Business, Los Angeles, CA; 1997</li> </ul>		
<b>BUSINESS BACKGROUND:</b> <ul style="list-style-type: none"> <li>• Wealth Enhancement Advisory Services, LLC, Investment Advisor Representative, 07/2021 – Present</li> <li>• Wealth Enhancement Group, Director of Fixed Income, 07/2021 – Present</li> <li>• Oakwood Capital Management LLC, SVP, Director of Fixed Income Investments, 05/2014 – 06/2021</li> </ul>		

<b>NAME:</b> Chris Moffett	<b>TITLE:</b> Senior Portfolio Manager, CFA®	<b>YEAR OF BIRTH:</b> 1986
<b>EDUCATIONAL BACKGROUND:</b> <ul style="list-style-type: none"> <li>•University of Rochester, Bachelor of Arts – Financial Economics; Certificate of Management Studies with Concentration in Finance and Accounting, Rochester, NY; 2008</li> </ul>		
<b>BUSINESS BACKGROUND:</b> <ul style="list-style-type: none"> <li>• Wealth Enhancement Advisory Services, LLC, Senior Portfolio Manager, 06/2021 – Present</li> <li>• Wealth Enhancement Group, Senior Portfolio Manager, 06/2021 – Present</li> <li>• MACRO Consulting Group, Portfolio Manager, 01/2019 – 06/2021</li> <li>• Loomis, Sayles &amp; Company, Equity Research Analyst, 09/2013 – 06/2018</li> </ul>		
<b>PROFESSIONAL DESIGNATIONS:</b> <p><b>CHARTERED FINANCIAL ANALYST (CFA®):</b> The Chartered Financial Analyst (CFA®) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA® Institute—the largest global association of investment professionals. There are currently more than 90,000 CFA® charter holders working in 134 countries. To earn the CFA® charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA® Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA® Institute Code of Ethics and Standards of Professional Conduct. The CFA® Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA® charter holders to: place their clients' interests ahead of their own, maintain independence and objectivity, act with integrity, maintain and improve their professional competence, disclose conflicts of interest and legal matters. The CFA® Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA® Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning. The CFA® Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.</p> <p><b>CERTIFIED FINANCIAL PLANNER™:</b> The CFP® certification is a financial planning credential awarded by the Certified Financial Planner Board of Standards Inc. to individuals who meet its education, examination, experience, and ethics requirements. Eligible candidates are generally required to have three years of financial planning related experience and possess a bachelor's degree from an accredited U.S. college or university. Certificants are further required to complete a CFP Board-Registered Education Program (or possess a qualifying professional credential); clear a personal and professional background check and pass the CFP® Certification Examination. In order to maintain the certification, CFP® designees must also complete at least 30 hours of continuing education every two years on an ongoing basis.</p>		

### Item 3 – Disciplinary Information

None of the investment management department members noted above have any legal or disciplinary events to report.

### Item 4 – Other Business Activities

#### ACTIVITY 1 – Registered Representative of LPL Financial

Although WEAS does not sell products or services other than investment advice, members of the investment management department may also be separately licensed as a Registered Representative with LPL Financial, a registered securities broker-dealer, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). WEAS and LPL Financial are not affiliated companies. This means the two companies are not under common ownership or owned by each other. When not acting in their separate capacity as a Registered Representative of LPL Financial, the investment management department members listed above are responsible for economic analysis, portfolio management, and the composition and allocation of portfolios at Wealth Enhancement Advisory Services LLC along with the day-to-day trading of all portfolios. Clients are never obligated or required to establish accounts through WEAS or LPL Financial. However, if a client does not choose to accept the

investment management department members' advice or decides not to establish an account through LPL Financial, the investment management department members may not be able to provide management and advisory services to the client. Clients should understand that, due to certain regulatory constraints, each investment management department member, in his/her capacity as an LPL Financial registered representative, must place all purchases and sales of securities products in commission-based brokerage accounts through LPL Financial or other LPL Financial approved institutions.

## **ACTIVITY 2 – Registered Representative of Wealth Enhancement Brokerage Services, LLC**

Wealth Enhancement Brokerage Services, LLC, is a limited use broker-dealer and an affiliate of WEAS. The investment management department members may also be registered representatives and associated persons of Wealth Enhancement Brokerage Services. However, there are currently no accounts established or processed through Wealth Enhancement Brokerage Services. All regular brokerage services provided by the investment management department members are done through LPL Financial as described in the previous section.

### **Item 5 – Additional Compensation**

In addition to the description of additional compensation provided in Item 4, the investment management department members will receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by the product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing, and seminar expenses.

Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated that sales will be made.

The investment management department members endeavor, at all time, to put the interest of the clients first as a part of WEAS and the investment management department members' fiduciary duty. However, clients should be aware that the receipt of additional compensation through 12b-1 fees, servicing fees, nominal sales awards and/or expense reimbursements creates a conflict of interest that may impact the judgment of the associated persons when making advisory recommendations. WEAS has established relationships with other investment advisers through which WEAS will act as a solicitor referring clients to the other investment advisers' management programs. When acting in this solicitor/referral capacity, WEAS will receive a portion of the fee paid to the other investment advisers by the client. Also, compensation for the investment management department members noted above may be obtained by increasing client assets under management and by client retention.

### **Item 6 – Supervision**

Under the direction of Brandon O'Hara, VP, Supervision & Surveillance (phone number: 763-417-1700), the WEAS Supervision team monitors Supervised Persons' activities for adherence to our policies and procedures in the performance of their daily activities and responsibilities to us and you. WEAS has implemented a Code of Ethics, an internal compliance document that guides each Supervised Person in meeting their fiduciary obligations to clients of WEAS. WEAS also has controls in place to monitor our portfolio management processes in accordance with WEAS' fiduciary obligations to clients. In addition, Supervised Persons are required to complete regular compliance training. Further, WEAS is subject to regulatory oversight by various agencies. These agencies require registration by WEAS and its Supervised Persons. As a registered entity, WEAS is subject to examinations by regulators, which may be announced or unannounced.