

# **TRADITION**

## **WEALTH MANAGEMENT**

Item 1 – Cover Page

### **FORM ADV PART 2A**

**Tradition Wealth Management, LLC**  
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**Edina, MN 55435**  
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**[www.TraditionWealthManagement.com](http://www.TraditionWealthManagement.com)**

**[www.TraditionWealth.com](http://www.TraditionWealth.com)**

**March 2023**

This brochure provides information about the qualifications and business practices of Tradition Wealth Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (952) 563-6520 and/or [markw@traditionwealth.com](mailto:markw@traditionwealth.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Tradition Wealth Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Tradition Wealth Management, LLC is 128314.

Any references to Tradition Wealth Management, LLC as a registered investment adviser or its related persons as registered advisory representatives does not imply a certain level of skill or training.

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**Item 2 - MATERIAL CHANGES includes changes since the Last Annual Update**

**Item 4:** Amended discretionary assets under management from \$1,141,070,425 to \$1,078,842,790 and amended non-discretionary assets under management from \$7,995,667 to \$13,585,478.

**Item 4:** Expanded language in Tradition Wealth Asset Management Program pertaining to conflicts of interest.

**Item 4:** Tradition Wealth has entered into an arrangement to offer the asset management services of Inland Real Estate Investment Corporation.

**Item 4:** Updated Pooled Investment Programs to include 1031 Exchange Consulting.

**Item 5:** Added language disclosing terms of compensation for Tradition Wealth's 1031 Exchange Consulting.

**Item 5:** Added language under Other Compensation for the Sale of Securities to disclose that newly joining Advisory Representatives who are also Registered Representatives may receive transition assistance in the form of a forgivable loan from Tradition Wealth's Broker Dealer to help assist with the representative's transition to Tradition Wealth and Tradition Wealth's Broker Dealer.

**General:** Tradition Wealth has expanded advisory personnel and staff.

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At least annually, this section will discuss only specific material changes that are made to the Brochure and provide you with a summary of such changes. Additionally, reference to the date of the last annual update to this Brochure will be provided.

The material changes discussed above are only those changes that have been made to this brochure since the firm's last annual update of the brochure. The date of the last update of the brochure was March 2022.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year, which is December 31st. We may further provide other ongoing disclosure information about material changes as necessary. Additionally, we will further provide you with a new brochure as necessary based on change or new information, at any time, without charge.

Our brochure may be requested free of charge by contacting Mark Walsingham at (952) 563-6520 and/or [markw@traditionwealth.com](mailto:markw@traditionwealth.com). Additional information about Tradition Wealth Management, LLC is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The website also provides information about any persons affiliated with Tradition Wealth Management, LLC who are registered, or are required to be registered, as investment adviser representatives of Tradition Wealth Management, LLC.

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## **Item 4 - ADVISORY BUSINESS**

### **Firm Description**

Tradition Wealth Management, LLC (hereinafter referred to as “Tradition Wealth”) is an investment advisory firm offering a variety of advisory services customized to your individual needs. Tradition Wealth was established in 2003. The principal owners of Tradition Wealth are as follows:

Chadwick J. Schumacher  
John L. Hause  
Bradley A. Johnson  
Timothy C. Gunderson

### **Types of Advisory Services**

Tradition Wealth accepts appointment and a fiduciary duty of utmost good faith to act solely in the best interest of each client pursuant to the terms and conditions set forth in this Agreement.

Tradition Wealth offers the following advisory services. A more thorough explanation of the services are fully described below.

- Tradition Wealth Asset Management Program
- Financial Planning Consulting Services
- Analysis, Recommendation and Monitoring of Third-Party Managed Programs
- Unified Managed Accounts
- Pooled Investment Programs
- Retirement Plan Services

### **Tradition Wealth Asset Management Program**

Tradition Wealth will schedule a meeting with you and present the recommended portfolio allocation. Tradition Wealth will provide continuous and ongoing management of your account.

Tradition Wealth has designed various model portfolios to assist Tradition Wealth in managing portfolios. Clients' assets may be invested in accordance with one or more of the model portfolios. However, clients' portfolios are reviewed on an account by account basis to determine if rebalancing, reallocation or customization is needed. The model portfolios designed by Tradition Wealth are used as a guideline to assist in managing clients' accounts. Each client's advisory representative will determine whether changes to the model portfolios are applicable to the client.

Additionally, Tradition Wealth may utilize sub-advisers available through its arrangement with Charles Schwab & Company. Tradition Wealth may allocate a portion of the assets to a sub-adviser as another method or strategy to diversify the management of the client's account.

Unless otherwise expressly requested by you, Tradition Wealth will manage the account and will make changes to the allocation as deemed appropriate by Tradition Wealth. Tradition Wealth will determine the securities to be purchased and sold in the account and will alter the securities holdings from time to time, without prior consultation with you. If you elect to have your accounts managed on a nondiscretionary basis, no changes will be made to the allocation of your account without prior consultation with you and your expressed agreement. However, Tradition Wealth may elect to periodically rebalance your account to

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maintain the initially agreed upon asset allocation. Tradition Wealth does not deem rebalancing as a form of discretion. If you elect non-discretionary management, you are advised the performance of your account may be impacted since Tradition Wealth will not be able to conduct transactions timely.

Tradition Wealth may actively trade securities and hold such holdings for periods of 30 days or less or maintain positions for longer or shorter-term periods. Discretionary authority will be granted by you to Tradition Wealth by execution of the Asset Management agreement.

Tradition Wealth uses no-load and load waived open-ended mutual funds as well as mutual funds purchased at net asset value (NAV). In addition, managed accounts may include stocks, exchange traded funds (ETFs) and bonds which are typically transferred or requested by you.

Clients are advised transactions in the account, account reallocations and rebalancing may trigger a taxable event, with the exception of IRA accounts, 403(b) accounts and other qualified retirement accounts.

Clients are also advised that Tradition Wealth has a conflict of interest due to the fact that Tradition Wealth will not receive compensation relating to Client accounts or may receive less compensation if Client assets were to remain in Client's existing accounts without any changes and will receive more compensation as a result of Client's decision to open a new account or transfer existing accounts to Tradition Wealth. This conflict is mitigated by disclosures, firm procedures, and Tradition Wealth's fiduciary obligation. The client is under no obligation to act upon Tradition Wealth's recommendations.

### **Financial Planning Consulting Services**

A financial plan is an evaluation and analysis of a client's financial situation and is designed to help guide the client towards achieving their financial goals. Tradition Wealth will schedule a meeting with you and present the analysis of your situation and recommendations for steps to be taken to assist you to work toward financial goals.

Plans are based on your financial situation at the time and information disclosed by you to Tradition Wealth. You are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. However, past performance is in no way an indication of future performance. Tradition Wealth cannot offer any guarantees or promises that your financial goals and objectives will be met. Further, you must continue to review the plan and update the plan based upon changes in your financial situation, goals, or objectives or changes in the economy. Should your financial situation or investment goals or objectives change, you must notify Tradition Wealth promptly of the changes. You are advised that the advice offered by Tradition Wealth may be limited and is not meant to be comprehensive. Therefore, you may need to seek the services of other professionals such as an insurance adviser, attorney and/or accountant.

Tradition Wealth Advisor Representatives may charge clients for financial planning on an hourly basis or a negotiable fixed fee basis described in detail in Item 5. Implementation of the recommendations provided by Tradition Wealth is at the sole discretion of the client. Should you implement the plan with Tradition Wealth's Advisory Representatives, commissions or other compensation may be received in addition to the advisory fee paid to Tradition Wealth.

Tradition Wealth offers the service of reviewing your qualified plan allocations and options (401(k), 403(b), etc.). Tradition Wealth will assist the client with recommendations for allocating their qualified plan accounts. Clients will typically retain all authority for implementation. However, qualified plans retained at Charles

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Schwab & Company may authorize Tradition Wealth to implement recommendations and monitor the account on an ongoing basis. Generally, clients will be charged an annual fixed fee in accordance with the fixed fee schedule below in Item 5.

### **Third-Party Managed Programs**

Tradition Wealth offers the services of third-party asset managers to offer asset allocation and ongoing management of assets. Such programs are designed to assist the client in determining their risk profile and investment objectives and provide a relevant asset allocation policy. Further, such programs will provide ongoing re-balancing of assets in the account and provide performance reports.

Tradition Wealth will assist you with evaluating your financial situation and determine with utmost good faith an appropriate third-party manager's service. Tradition Wealth will be available to answer questions regarding your account and act as the communication conduit between you and the manager. All execution of securities in the account and the management decisions affecting the account will be conducted by third-party managers. Tradition Wealth will have no trading or direct management responsibility over the account. Tradition Wealth Advisor Representative will deliver the form ADV and Privacy Notice to you of the third-party asset manager.

Clients are advised that advisory representatives have a conflict of interest because Tradition Wealth is paid a fee for recommending the third-party managers and has an incentive to recommend a particular third-party manager based on the fee Tradition Wealth is to receive. This conflict is mitigated by the fact that Tradition Wealth and its advisory representatives have a fiduciary responsibility to act in the best interest of their clients.

Tradition Wealth has entered into an arrangement to offer the asset management services and programs of:

- American Funds F-2 Shares
- AssetMark, Inc
- JAForlines, LLC
- Stonebridge Capital Advisors, LLC
- The Pacific Financial Group

Additionally, Tradition Wealth has entered into an arrangement with Schwab to offer the Managed Account Marketplace® ("Marketplace"), Managed Account Connection® ("Connection"), Managed Account Select® ("Select") and Managed Account Access™ ("Access"). Additional disclosure about the programs is provided in the Disclosure Brochure for the programs.

- Marketplace - Offers access to many third-party managers.
- Connection - Is a subset of Marketplace.
- Select - Up to seven money managers available to select from and manage your account.
- Access - Access to more than 1,500 managers and 5,000 managed account products. Through the program, Tradition Wealth will have the ability to conduct searches for managers and managed products based on a pre-designed set of criteria established by you and Tradition Wealth.

### **Unified Managed Account ("UMA")**

The UMA Program is a program sponsored by Envestnet and TD Ameritrade. The UMA Program provides access to model asset allocations that consist of target allocations. The program provides the experience of

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specific asset managers who are retained to provide recommendations to Overlay Managers who will coordinate and implement recommendations through model portfolios. When selecting specific asset managers, the client's best interest will be the main determining factor. Clients will have the option between selecting a model portfolio or a custom allocation.

Tradition Wealth will assist the client:

1. To recommend and select Model Portfolio Advisors to act as sub-advisors to the Overlay Manager and/or exchange traded funds and mutual funds.
2. To select the allocations within the account to various investment vehicles.
3. To determine and select account features such as a rebalancing policy, tax overlay management, and cash management and restrictions.
4. At least annually and more frequently if needed or requested by the client meet with the client to review their account and the client's financial situation.
5. Communicating changes to the client's financial profile or allocation to the Overlay Manager.

Additional details and description of the UMA Program is contained in the UMA Program Disclosure Brochure provided to clients.

### **Pooled Investment Programs**

Tradition Wealth has entered into an arrangement to offer the pooled investment programs of:

- Blackstone Real Estate Income Trust
- CAIS Capital, LLC
- Crystal Capital Partners, LLC
- Hines Global Income Trust
- Owl Rock Capital, LLC
- Inland Real Estate Investment Corporation

Tradition Wealth has entered into an agreement with the above companies to offer customized hedge fund, alternative investments, private placements and capital market portfolios. Clients must satisfy suitability requirements established by each pooled investment program prior to investing. It is important clients read the offering memorandum, subscription agreements, and any other disclosures provided carefully prior to participating in the pooled management programs. Pooled investment programs offer funds that are more risky than other investment options and offer limited liquidity. Clients agreeing to participate in a pooled investment fund must be prepared to bear the investment risk including loss of principal. Pooled investment programs are for long term investing.

### **1031 Exchange Consulting**

Tradition Wealth may occasionally recommend private placement securities, typically real estate related, in the structure of Delaware Statutory Trusts (DSTs) and 1031 exchanges. Tradition Wealth will assist the client with asset consulting, replacement property and sponsor due diligence and coordination of exchange deadlines. Tradition Wealth does not provide accounting or legal advice nor prepare any accounting or legal documents for the implementation of a 1031 Exchange Plan.

### **Retirement Plan Services**

Tradition Wealth provides retirement plan services to employer plan sponsors ("Sponsor") and will advise Sponsor in establishing, monitoring, and reviewing their company's qualified retirement plan. In providing



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these services, Tradition Wealth is deemed to be a fiduciary pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986. As the needs of the Sponsor dictate, Tradition Wealth may serve as an Investment Advice Fiduciary as defined in section 3(21) of ERISA or as the Investment Manager Fiduciary as defined in section 3(38) of ERISA (the full array of fiduciary duties and services provided are disclosed in the Tradition Wealth ERISA Advisor Agreement "Appendix A"). As such, Tradition Wealth will carry out these duties with the care, skill, prudence, and diligence of a prudent person rendering similar services would exercise.

### **Client Tailored Services**

Tradition Wealth tailors the advisory services it offers to your individual needs. You may impose restrictions and/or limitations on the investing in certain securities or types of securities.

Your Tradition Wealth Advisory Representative will meet with you and conduct an interview and data gathering session to obtain information about you and gain an understanding of your financial concerns, risk tolerance, goals, objectives and views. The information gathered by Tradition Wealth will assist Tradition Wealth to provide you with the requested services and customize the services to your financial situation. Depending on the services you have requested, Tradition Wealth will gather various financial information and history from you including, but not limited to:

- Retirement and financial goals
- Investment objectives
- Investment horizon
- Risk tolerance
- Financial needs
- Cash flow analysis
- Cost of living needs
- Education needs
- Savings tendencies
- Other applicable financial information required by Tradition Wealth in order to provide the investment advisory services requested

The information gathered for each client will be thoroughly documented in our client relationship management system and will be updated at a minimum of once per year.

### **Wrap Fee Program**

Tradition Wealth does not sponsor any wrap fee programs.

### **Client Assets Under Management**

As of December 31, 2022, Tradition Wealth has approximately \$1,078,842,790 of client assets under our discretionary management and approximately \$13,585,478 of non-discretionary client assets under management.

### **General Information**

You are advised the investment recommendations and advice offered by Tradition Wealth are not legal advice or accounting advice. You should coordinate and discuss the impact of financial advice with your attorney and/or accountant. You are advised that it is necessary to inform Tradition Wealth promptly with respect to

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any changes in your financial situation and investment goals and objectives. Failure to notify Tradition Wealth of any such changes could result in investment recommendations not meeting your needs.

### Item 5 - FEES AND COMPENSATION

#### Compensation for Advisory Services

Tradition Wealth receives fees from TWM model portfolios, third-party asset managers, and fixed or hourly fees for financial planning.

#### Tradition Wealth Asset Management Program

Fees are negotiable depending on the size and complexity of your account(s) and are not based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds. Furthermore, advisory fees will vary by Advisory Representative and may be based on experience or education. However, fees will not exceed the fee schedule below.

You may make additions to the Account or withdrawals from the Account. Generally, there will be no adjustments of advisory fees for additional deposits or partial withdrawals. However, fee adjustments may be made on those accounts where fees are paid in advance subject to Tradition Wealth's determination. Such determination will be made based on the size of the account and amount of deposit or withdrawal or request of the client. Additional fees are negotiable. No fee adjustments will be made for Account appreciation or depreciation.

Tradition Wealth may charge an initial set-up fee in addition to a quarterly fee. The initial set-up fee is a one-time fee and is billed with the first billing. The set-up fee may differ from client to client depending on the size of the account, complexity of establishing the account, and whether the client participated in financial planning. The maximum set up fee is \$500.

The maximum fee schedule is as follows:

Account Size	Annual Fee
\$0 to \$250,000	2.00 %
\$250,001 to \$500,000	1.75 %
\$500,001 and above	1.50 %

Tradition Wealth aggregates or households all of your managed accounts together to determine your quarterly fee. For example, if you have four managed accounts with a value as of the just completed calendar quarter of: \$101,569.40, \$55,498.46, \$675,879.50, and \$74,301.12 with a total value of \$907,248.48, you will not pay a fee on the managed accounts greater than 1.5%.

Tradition Wealth may change the above fee schedule upon 30-days prior written notice to you.

#### Financial Planning Consulting Services

You are advised that fees for planning services are strictly for planning services. Therefore, you may pay fees and/or commissions for additional services obtained such as asset management or products purchased such as securities or insurance.

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Fees are negotiable. Your fees will be dependent on several factors including time spent with Tradition Wealth, number of meetings, complexity of your situation, amount of research, services requested and staff resources. Services are offered on an hourly and fixed fee basis. Generally, defined planning services are provided a fixed fee. You will be given a quote prior to entering into an advisory agreement. Undefined services or consulting services are generally offered on an hourly fee basis. To the extent possible, you will be provided an estimate of the anticipated time required to provide the services requested. Based on the client's individual financial situation and personal and/or business objectives, financial planning services may be provided in separate phases with a different fee charged for each phase. The individual phases and applicable fees are based on the various components of the planning process, such as data collection, definition of objectives, and recommendations on specific areas of the plan.

Fee Type	Maximum Fee	Payable
Fixed Fee	\$50,000	One half (1/2) of the estimated fee is due upon execution of the advisory agreement. The balance of the fee is due upon delivery of the financial plan.
Hourly Fee	\$300 per hour	One half (1/2) of the estimated fee is due upon execution of the advisory agreement. The balance of the fee or any accumulated hourly fees in excess of the estimated fee is due upon completion of the advisory services.

### Termination Provisions

You may terminate hourly advisory services within five (5) business days after entering into the advisory agreement without penalty. After five (5) business days of entering into the advisory agreement, you may terminate upon Tradition Wealth's receipt of your written notice to terminate. You will be responsible for any time spent by Tradition Wealth based on the hourly rate of \$300 per hour and for any travel costs incurred by Tradition Wealth.

### 1031 Exchange Consulting

Upon implementation of the proposed 1031 Exchange Plan, Tradition Wealth will charge a one-time fee not to exceed 5% of the assets (debt and equity) of the completed 1031 Exchange Plan which has resulted from Tradition Wealth's due diligence and assistance with various administrative tasks. Fees are based on the scope and complexity of Tradition Wealth's engagement with the client. Tradition Wealth's consulting fees are payable and due immediately upon the client's implementation of the proposed 1031 Exchange Plan. Tradition Wealth's advisory relationship with the client typically ends upon implementation of the proposed 1031 Exchange Plan. As such, Tradition Wealth does not charge an ongoing fee for the amount invested in 1031 Exchange Plans.

### Third-Party Managed Programs

Tradition Wealth may be paid a portion of the fees charged and collected by third-party asset managers in the form of solicitor fees or consulting fees. Tradition Wealth's fees are negotiable depending on the size and complexity of the account. A complete description of the third-party asset manager's services, fee schedules, and account minimums will be disclosed in their Form ADV 2.

### Marketplace or Connection Programs

You will pay a fee to the money manager(s), to Tradition Wealth and to Schwab to cover execution services and access to the program. Fees to the managers in the Connection program begin at 0.80% for equity accounts and 0.50% for fixed income accounts.

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### Select Program

You will pay one fee to cover costs of Schwab, third-party managers and Callan Associates, Inc. a consulting firm providing third-party manager analysis, and a fee to Tradition Wealth. Clients with several accounts utilizing the Select Program may be aggregated to reduce fees.

### Access Program

Fees will begin at 1% for equity accounts and 0.70% for fixed income accounts.

### **Unified Managed Account (“UMA”)**

Clients will pay a fee for participation in the UMA Program, a fee to the Overlay Manager, a fee to Model Portfolio Advisors (if utilized), and a fee to Tradition Wealth. Tradition Wealth’s advisory fee is disclosed below.

Tradition Wealth will charge a fee not to exceed 0.80%. The fee is negotiable. Fees will be charged and deducted direct from the client’s account on a calendar quarterly basis. Fees for partial periods (i.e. accounts established during a calendar quarter or closed during a calendar quarter) will be prorated.

Additional details about the fees associated with the UMA Program is disclosed in the UMA Program Disclosure Brochure provided to clients.

### **Pooled Investment Programs**

Client will pay a fee to the Fund Manager of the Pooled Investment Program and a fee to Tradition Wealth. Fees will be calculated and withdrawn directly from client’s account quarterly in arrears and will remit Tradition Wealth’s portion of the fee. In addition to the fees outlined above, clients may incur other fees associated with the program. Disclosure of such fees is further disclosed in the offering memorandums. As stated under Item 4, it is important a client read the offering memorandum, subscription documents, and any other provided disclosures carefully prior to investing in any funds. Fees for Pooled Investment Programs are higher than other management and investment options and there is an increased amount of risk with a limited amount of liquidity. This management option is only available to Accredited Investors and Qualified Purchasers (depending on the fund) as defined under the Investment Company Act of 1940.

### **Retirement Plan Services**

Plan Sponsor will pay a fee to the Third-Party Service Providers on the Plan and a fee to Tradition Wealth. The Tradition Wealth fee will be calculated off total plan assets and can be deducted from the Plan assets or billed directly to the Plan Sponsor. Tradition Wealth may charge an additional fee for 3(38) Investment Manager Services. Fees are negotiable and are generally based on the size of the plan. In addition, Tradition Wealth is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Tradition Wealth may only charge fees for investment advice about products for which Tradition Wealth does not receive any commissions or 12b-1 fees.

### **Billing of Client Assets**

Advisory fees will generally be collected directly from your account, provided you have given Tradition Wealth written authorization. You may request a fee invoice from Tradition Wealth that identifies the advisory fee, the value of the Account and how the fee was calculated. You will be provided with an account statement reflecting the deduction of the advisory fee direct from the account custodian. If the Account does not contain sufficient funds to pay advisory fees, Tradition Wealth has limited authority to sell or redeem securities in

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sufficient amounts to pay advisory fees. You may reimburse the account for advisory fees paid to Tradition Wealth, except for ERISA and IRA accounts.

If you have not authorized the deduction of advisory fees from client's Account, you will be requested to submit a check in the amount of the fees due immediately upon receipt of Tradition Wealth's invoice.

### **Other Types of Fees and Expenses**

In addition to the advisory fees above, you may pay fees for custodial services, account maintenance fees, transaction fees, and other fees associated with maintaining the Account. For certain alternative investments, Tradition Wealth may execute trades away from the client's selected broker/dealer and that there will be additional costs incurred. Such fees are not charged by Tradition Wealth and are charged by the product, broker/dealer or account custodian. Tradition Wealth may choose to cover the assessed transaction fees for trading and other securities transactions in your account.

Additionally, you may pay your proportionate share of the fund's management and administrative fees and sales charges as well as the mutual fund adviser's fee of any mutual fund they purchase. Such fees are not shared with Tradition Wealth and are compensation to the fund-manager.

### **Bonds**

Depending on the bond and the availability of bonds, Tradition Wealth may utilize a bond broker to obtain specific bonds for client's accounts. If a bond broker is used, bonds will be executed or traded away from your custodian and will be transferred to or from your account. The account custodian will generally charge a trade away fee for transactions purchased or sold outside of them. The trade away fees are in addition to transaction fees. Consequently, the cost of the transaction may be higher than if the bond were purchased or sold through your account custodian. Tradition Wealth utilizes a bond broker because the bond broker has more expertise and often has a larger selection of bonds.

### **Method of Billing and Account Termination Provisions**

The advisory fee will be calculated on an annualized basis but will either be billed quarterly in arrears or quarterly in advance within ten (10) days after the end of each calendar quarter based on the account value on the last business day of the just completed calendar quarter. In some instances, if there isn't enough cash in the account to cover the advisory fee, the fee may be billed at a later date in the quarter. If fees are paid in advance of the calendar quarter, you will pay an initial prorated advisory fee based upon the account opening value. If fees were paid in arrears of the calendar quarter, you will pay a prorated portion of the fee for the quarter in which the account was established. In the event the Account is opened on a day other than the first day of a calendar quarter or closed on a day other than the last day of a calendar quarter, fees will be prorated for the quarter.

### **Termination Provisions**

You may terminate investment advisory services obtained from Tradition Wealth, without penalty, upon written notice within five (5) business days after entering into the advisory agreement with Tradition Wealth. You will be responsible for any fees and charges incurred from third parties as a result of maintaining the Account such as transaction fees for any securities transactions executed and Account maintenance or custodial fees. Thereafter, client may terminate investment advisory services at any time upon Tradition Wealth's receipt of client's written notice to terminate. Should client terminate investment advisory services during a quarter:

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- Clients who have paid advisory fees in advance will be issued a prorated refund of fees from the date of termination to the end of the calendar quarter.
- Clients who pay advisory fees in arrears may be charged a pro-rata portion of the advisory fee for the quarter up to the date of termination.

### **Other Compensation for the Sale of Securities**

You are advised Advisory Representatives of Tradition Wealth may be dually registered as Registered Representatives of Concourse Financial Group Securities, Inc. (Concourse), a registered broker/dealer, member of the Financial Industry Regulatory Authority (FINRA) and SIPC. Advisory Representatives of Tradition Wealth who are Registered Representative may receive up-front commissions and trail commissions (i.e. 12b-1 fees) for a period of time as a result of directing securities transactions through Concourse. Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as 12b-1 fees. 12b-1 fees come from fund assets, therefore, indirectly from your assets. If you have a commissionable brokerage account (not a Tradition Wealth advisory account) with Concourse, 12b-1 fees will initially be paid to Concourse and a portion passed to the Registered Representative. The receipt of such commissions represents an incentive for the Advisory Representatives to recommend funds with commissions and 12b-1 fees over funds that have no fees or lower fees. As a result, there is a conflict of interest. This conflict of interest is mitigated by the fact that Tradition Wealth and its Advisor Representatives have a fiduciary duty to act in the best interest of our clients.

Also, it is important to note that all 12-b1 fees generated in Tradition Wealth Advisory accounts are not collected by Tradition Wealth and are held and kept by the custodian. No advisory fees are charged on commissionable securities or commissionable brokerage accounts.

As stated above, Tradition Wealth recommends mutual funds that pay 12b-1 fees as well as no-load mutual funds. You may purchase the securities recommended by Tradition Wealth directly or through other brokers or agents not affiliated with Tradition Wealth.

### Transition Assistance

Tradition Wealth occasionally adds new individuals as Advisory Representatives that will also be Registered Representatives of Concourse. To assist these new representatives as they transition to Tradition Wealth and Concourse, Concourse may offer transition assistance in the form of cash loans directly to the representative. The specific terms of each loan generally is structured as a forgivable loan and it is always time-based. In a time-based loan, the loan is forgiven based on the amount of time the representative continues to be registered with Concourse. For example, in a 5 year time-based loan, 20 % of the loan is forgiven after one year, another 20 % of the loan is forgiven after 2 years, and so on until the loan is 100 % forgiven. Concourse generally provides time-based loans with a five-year term.

A time-based loan presents a conflict of interest in that the representative is incentivized to remain at Concourse and recommend commission based investments to keep the representative's revenue production at a high enough level that Concourse will retain his or her association through the course of the loan. While the loan itself is not dependent upon meeting any revenue levels, Concourse could choose to terminate the representative due to low revenue production, and the remaining loan balance becomes payable immediately. This conflict is mitigated by the fact that Tradition Wealth and its advisory representatives have a fiduciary responsibility to act in the best interest of their clients.

## **Item 6 - PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT**

Tradition Wealth does not use a performance-based fee structure because of the conflict of interest it presents. Performance-based compensation can create an incentive for the advisor to favor accounts where they receive a performance-based fee.

## **Item 7 - TYPES OF CLIENTS**

Tradition Wealth's services are tailored toward high net worth individuals (i.e. clients with a net worth of \$1,500,000) as well as pension and profit sharing plans, and charitable organizations.

### **Account Minimums**

Tradition Wealth managed portfolios do not require a minimum to open an account. Third-party programs may have minimum account size requirements that may range from \$100,000 and above. Minimum account size requirements will vary from third-party manager to third-party manager.

## **Item 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **Methods of Analysis and Investment Strategy**

Tradition Wealth utilizes a combination of analysis methods including; Charting, Fundamental, and Technical. Charting is a form of technical analysis in which various factors are diagrammed in order to illustrate patterns. Fundamental analysis generally involves assessing a company's or security's value based on factors such as sales, assets, markets, management, products and services, earnings, and financial structure. Technical analysis generally involves studying trends and movements in a security's price, trading volume, and other market-related factors in an attempt to discern patterns.

Tradition Wealth may recommend the management programs and services of third-party managers. Additionally, Tradition Wealth may utilize the information and analysis provided by Schwab and Callan & Associates, Inc., a consulting firm providing analysis and research on third-party managers, to assist Tradition Wealth with recommending third-party managers.

### **Material Risks Involved**

You are advised investing in securities involves risk of loss, including the potential loss of principal. Therefore, your participation in any of the management programs offered by Tradition Wealth will require you to be prepared to bear the risk of loss and fluctuating performance.

Tradition Wealth does not represent, warrantee or imply that the services or methods of analysis used by Tradition Wealth can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to major market corrections or crashes. Past performance is no indication of future performance. No guarantees can be offered that your goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by Tradition Wealth will provide a better return than other investment strategies.

### **Security Specific Material Risks**

Tradition Wealth primarily uses exchange traded funds (ETFs) and mutual funds in our Tradition Wealth Managed Program. The risks associated with ETFs and mutual funds include the costs and expenses within the fund that can impact performance, change of managers, and fund straying from its objective. ETFs trade on an auctionable market and are thus subject to more price fluctuation than with mutual funds since ETFs trade throughout the day, whereas mutual funds are priced once a day. Also, since most ETFs only mirror a market index, such as the S&P 500, they may or may not outperform the index.

Additionally, some funds utilized by Tradition Wealth have holding requirements. If the fund needs to be liquidated within the holding period, the fund will assess a redemption fee. Open ended mutual funds do not typically have a liquidity issue and the price does not fluctuate throughout the trading day. Mutual fund fees and any potential redemption fees are described in the fund's prospectus, which the custodian mails directly to the client following any purchase of a mutual fund that is new to the client's account. In addition, a prospectus is available online at each mutual fund company's Web site. At the client's request at any time Tradition Wealth will direct the client to the appropriate Web page to access the prospectus.

Tradition Wealth also uses stocks and bonds in the Tradition Wealth Managed Program. The risks with stocks are that their prices fluctuate throughout the day and are thus subject to market, economic and several other risks. Stocks can drop in value and become worthless. The main risks with bonds are interest rate, inflation and credit risk. Credit risk is the risk that the bond issuer will be unable to make its payments on time or at all, effectively default on the bonds.

In addition to the risks associated with mutual funds, ETFs, stocks, and bonds, the risks with utilizing third-party managed programs include:

- The risk the third-party manager is not managing to the objective or managing based on the stated strategy.
- The risk the securities managed by the third-party manager will decline or fluctuate impacting the overall performance of the portfolio.
- The risk that the performance of the portfolio will be diminished by the fees of the third-party manager and expenses associated with the securities.
- The risk that the third-party manager is underperforming his peer group.

### **Pooled Investment Vehicles**

Investing in pooled investment vehicles involves significant and unusual risks an investor must be prepared to bear. It is crucial an investor read the offering memorandum prior to investing for full disclosure of qualification requirements and risks including:

- Operational, economic, market cycles and trends, and investment
- Risk of hedge funds, derivatives, and other investment vehicles
- Trading risks such as short selling, performance based fees, limited operating and investment experience, consulting fees, interest and lending fees
- Use of leverage
- Illiquidity or limited liquidity
- Non-existence of or minimal secondary market
- Valuation complexities
- Currency risk
- Interest rate risk



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- Tax liability and risks with changes to tax code
- Limited operating and/or investment experience
- Regulatory risks and/or lack of regulation and oversight of the business activity and management

Typically, pooled investment vehicles are not registered with a regulatory authority and are not subject to many of the laws and regulations that protect investors. Pooled investment vehicles memoranda typically are not reviewed by any regulator and may not present the investment and related risks in a balanced light.

Tradition Wealth does not represent, warrant or imply that the services or methods of analysis used by Tradition Wealth can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to major market corrections or crashes. Past performance is no indication of future performance. No guarantees can be offered that your goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by Tradition Wealth will provide a better return than other investment strategies.

In addition to the risks outlined above, clients participating in 1031 Exchange Plans should note that tax law changes specific to IRS code 1031 could restrict or adversely affect or eliminate the tax benefits associated with current or future exchanges. Additional risks associated with 1031 Exchange Plans are listed in the paperwork completed at the time of the exchange.

### **Item 9 - DISCIPLINARY INFORMATION**

There is no reportable disciplinary information required for Tradition Wealth or its management persons that is material to your evaluation of Tradition Wealth, its business or its management persons.

### **Item 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

#### **Broker Dealer and Representative Registration**

As previously stated, Advisory Representatives are dually registered as an advisory representative of Tradition Wealth and as a registered representative of Concourse. You are under no obligation to purchase or sell securities through your Tradition Wealth Advisory Representative. However, if you choose to implement advice through Concourse, commissions may be earned in addition to any fees paid for advisory services. Commissions may be higher or lower at Concourse than at other broker/dealers.

#### **Futures or Commodity Registration**

Tradition Wealth is not and does not have a related person who is a: futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities. Further, Tradition Wealth is not and does not have a related person who is: broker/dealer or other similar type of broker or dealer; investment company or other pooled investment vehicle, other investment adviser or financial planner; futures commission merchant or commodity pool operator; banking or thrift institution; accountant or accounting firm; lawyer or law firm; pension consultant; real estate broker or dealer; or sponsor or syndicator of a limited partnership.

### **Material Relationships Maintained by Tradition Wealth**

Tradition Wealth Management Insurance Agency is an insurance agency. Clients are under no obligation to participate in insurance products and services through Tradition Wealth. You are advised there is a conflict of interest in having clients participate in insurance products and services through Advisory Representatives and Tradition Wealth in that commissions may be received which are in addition to any advisory fees paid. Insurance products and services are limited to those products for which Tradition Wealth has entered into an agreement with various insurance companies.

Tradition Wealth attempts to mitigate this conflict of interest with the potential receipt of commissions if recommendations are implemented by providing you with these disclosures. Further, you are encouraged to consult other professionals and may implement recommendations through other financial professionals. Furthermore, as a registered representative with Concourse, Advisory Representatives are subject to a supervisory structure at Concourse for his/her securities business.

### **Recommendations of Other Investment Advisors**

As stated under Item 4, Advisory Business above, Tradition Wealth recommends other investment advisers (i.e. third-party managers) and will receive a portion of the fee charged to you by the investment adviser. Each third-party manager relationship is performed pursuant to a written promoter's agreement and is in compliance with SEC Rule 206 (4)-1. Since Tradition Wealth has an interest in the compensation, this is considered a material conflict of interest. This conflict of interest is mitigated by disclosures, policies and procedures, and the firm's fiduciary duty to act in the best interest of our clients. Clients are not required to accept any recommendation of third-party managers given by Tradition Wealth and have the option to receive investment advice through other money managers of their choosing.

Tradition Wealth selects third-party managers based on several criteria including cost, type of management, past performance, ability to meet a need and provide a unique service. Since the fee charged to you is based on the value of your portfolio, all parties have an incentive to work toward performance goals and objectives. Consequently, if the third-party manager does not adequately manage your account and the value of your portfolio goes down, so does the third-party manager's and Tradition Wealth's compensation.

## **Item 11 - CODE OF ETHICS, PARTICIPATION OF INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Code of Ethics**

Tradition Wealth has a fiduciary duty to you to act in your best interest and always place your interests first and foremost. Tradition Wealth takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as Tradition Wealth's policies and procedures. Further, Tradition Wealth strives to handle your non-public information in such a way to protect information from falling into hands that have no business reason to know such information and provides you with Tradition Wealth's Privacy Policy. As such, Tradition Wealth maintains a code of ethics for its Advisory Representatives, supervised persons and staff. The Code of Ethics contains provisions for standards of business conduct for all advisory representatives, officers, and employees in order to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about your transactions. Further, Tradition Wealth's Code of Ethics establishes Tradition Wealth's expectation for business conduct. A copy of our Code of Ethics will be provided to you upon request.

**Investment Recommendations Involving a Material Financial Interest**

Neither Tradition Wealth nor its associated persons recommend to clients or buys or sells for client accounts any securities in which we have a material financial interest.

**Advisory Firm Purchase of Same Securities Recommended to Clients**

Tradition Wealth and its associated persons may buy or sell securities identical to those securities recommended to you. Therefore, Tradition Wealth and/or its associated persons may have an interest or position in certain securities that are also recommended and bought or sold to you. Tradition Wealth and its associated persons will not put their interests before your interest. Tradition Wealth and its associated persons may not engage in “front running” or trade ahead of you or trade in such a way to obtain a better price for themselves than for you or other clients.

Tradition Wealth is required to maintain a list of all securities holdings for its associated persons and develop procedures to supervise the trading activities of associated persons who have knowledge of your transactions and their related family accounts at least quarterly. Further, associated persons are prohibited from trading on non-public information or sharing such information.

You have the right to decline any investment recommendation. Tradition Wealth and its associated persons are required to conduct their securities and investment advisory business in accordance with all applicable Federal and State securities regulations.

**Prohibition on Use of Insider Information**

Tradition Wealth has adopted policies and procedures to prevent the misuse of “insider” information (i.e. material, non-public information). A copy of such policies and procedures is available to any person upon request.

**Item 12 - BROKERAGE PRACTICES**

**Factors Used to Select Broker-Dealers for Client Transactions**

As previously stated, Advisory Representatives are registered representatives of Concourse. As a result, they are subject to FINRA Conduct Rule 3040 which may restrict them from conducting securities transactions away from Concourse unless Concourse provides them with written authorization. Advisory Representatives have obtained approval to offer you the ability to maintain accounts through Concourse at its clearing firm or through Schwab Institutional division of Charles Schwab & Co., Inc. (“Schwab”), a registered broker/dealer, member SIPC. Additionally, Tradition Wealth participates in the TD Ameritrade Institutional program for advisors. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. (“TD Ameritrade”) member FINRA/SIPC/NFA. Tradition Wealth is independently owned and operated and not affiliated with Schwab, TD Ameritrade or Concourse.

You are advised that not all investment advisers require you to maintain accounts at a specific broker/dealer. You are advised you may maintain accounts at another broker/dealer. However, the services provided by Tradition Wealth will be limited to only advice and will not include implementation. If you who select another brokerage firm for custodial and/or brokerage services, you will not be able to receive asset management services from Tradition Wealth. Thus, Tradition Wealth does not take direction from clients as to what broker-dealer to use.

### **Research: How We Select Brokers/Custodians**

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- 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, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below

Best execution does not simply mean the lowest transaction cost. Therefore, no single criteria will validate nor invalidate a custodian, but rather, all criteria taken together will be used in evaluating the currently utilized custodian.

### **Soft Dollar Arrangements**

The Securities and Exchange Commission defines soft dollar practices as an arrangement under which products or services other than execution services are obtained by Advisor from or through a broker-dealer in exchange for directing client transactions to the broker-dealer. As permitted by Section 28(e) of the Securities Exchange Act of 1934, Advisor receives economic benefits as a result of commissions generated from securities transactions by the broker-dealer from the accounts of Advisor. These benefits include both proprietary research from the broker and other research written by third parties.

You are advised there is an incentive for Tradition Wealth and the Advisory Representatives to recommend a broker/dealer over another based on the products and services that will be received rather than your best interest.

### **Charles Schwab**

#### Your Brokerage and Custody Costs

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. Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades.

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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”).

### Products and Services Available to Tradition Wealth from Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab’s business serving independent investment advisory firms like Tradition Wealth. They provide us and our clients with access to its institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. 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. 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 May Not Directly Benefit You

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts. They include investment research, both Schwab’s own and that of third parties. We may 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, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party’s fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

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. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give us an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This presents a conflict of interest. We believe, however, that 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 (see "How We Select Brokers/Custodians") and not Schwab's services that benefit only us. We have over \$50 million in client assets under management, and we do not believe that recommending our clients to collectively maintain at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

**TD Ameritrade**

TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. There is no direct link between Tradition Wealth's participation in the program and the investment advice it gives to its clients, although Tradition Wealth receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount):

- Receipt of duplicate client statements and confirmations
- Research related products and tools
- Consulting services
- Access to a trading desk serving Tradition Wealth 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
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to Tradition Wealth by third-party vendors

Our Interest in TD Ameritrade's Services

TD Ameritrade may pay for business consulting and professional services received by Tradition Wealth's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Tradition Wealth but may not benefit its client accounts. These products or services may assist Tradition Wealth in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Tradition Wealth manage and further develop its business enterprise. The benefits received by Tradition Wealth 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, Tradition Wealth endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by

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Tradition Wealth or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Tradition Wealth's choice of TD Ameritrade for custody and brokerage services.

### **Concourse Financial Group Securities, Inc**

Concourse and its clearing broker/dealer, Pershing, LLC also make available to Tradition Wealth other products and services that benefit Tradition Wealth but may not directly benefit you. Some of these other products and services assist Tradition Wealth with managing and administering your accounts. These include software and other technology that provide access to your account data (such as trade confirmation and account statements); facilitate trade execution; provide research, pricing information and other market data; facilitate payment of Tradition Wealth's fees from your accounts; and assist with back-office functions; recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Tradition Wealth's accounts, including accounts not held through Concourse.

### **Aggregating Securities Transactions for Client Accounts**

Tradition Wealth may aggregate ("bunch") transactions in the same security on behalf of more than one client in an effort to strive for best execution and to possibly reduce the price per share and/or other costs to clients. However, aggregated or bunched orders will not reduce the transaction costs to participating clients. Tradition Wealth conducts aggregated transactions in a manner designed to ensure that no participating client is favored over another client. Participating clients will obtain the average share price per share for the security executed that day. To the extent the aggregated order is not filled in its entirety and when possible, securities purchased or sold in an aggregated transaction will be allocated on a random basis. Under certain circumstances, the amount of securities maybe increased or decreased to avoid holding odd-lot or a small number of shares for particular clients.

## **Item 13 - REVIEW OF ACCOUNTS**

### **Schedule for Periodic Review of Client Accounts**

If you are participating in Tradition Wealth's Asset Management Program or the Third-Party Managed Programs you may have reviews not less than at least annually or as agreed by you and your Advisory Representative. You may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Your Advisory Representative will monitor for changes or shifts in the economy, changes to the management and structure of a mutual fund or company in which your assets are invested, and market shifts and corrections.

Tradition Wealth employs an investment committee that performs ongoing reviews of client accounts and due diligence of investment portfolios and Third-Party Managed Programs. The investment committee meets at least once a month to discuss changes to the model portfolios.

The following individuals conduct reviews and participate in the investment committee:

Greg Trebil Jr., Chairman of Investment Committee  
Chadwick Schumacher, Advisory Representative  
John Hause, Advisory Representative  
Timothy Gunderson, Advisory Representative  
Bradley Johnson, Advisory Representative  
David Anderson, Advisory Representative  
Eric Peyton, Advisory Representative

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Benjamin Johnson, Advisory Representative  
Carter Springer, Advisory Representative  
Chris Leivermann, Advisory Representative  
Cory Carlson, Advisory Representative  
Jack Sowada, Advisory Representative  
Mark Walsingham, Chief Compliance Officer

If you are participating in Financial, Retirement and College Planning Services you will not receive regular reviews as financial plans are considered complete when recommendations are delivered to the client. Tradition Wealth recommends you have at least an annual review and update to any plans. However, the time and frequency of the reviews is solely your decision. Additionally, you will be charged review fees based on the fee schedule disclosed under the program. Other than the initial plan or analysis, there will be no other reports issued.

### **Changes that May Trigger a Review**

You are advised that you must notify your Advisory Representative promptly of any changes to your financial goals, objectives or financial situation as such changes may require him review the portfolio allocation and make recommendations for changes.

### **Frequency of Account Statements**

You will be provided statements at least quarterly direct from the account custodian. Additionally, you will receive confirmations of all transactions occurring direct from the account custodian. You may request more frequent reports from Tradition Wealth. You should compare any report from Tradition Wealth with statements received direct from the account custodian. Should there be any discrepancy the account custodian's report will prevail.

## **Item 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

### **Economic Benefits Provided to Tradition Wealth from External Sources**

Product vendors recommended by Tradition Wealth may provide monetary and non-monetary assistance with client events, provide educational tools and resources. This creates a conflict of interest. Tradition Wealth does not select products as a result of any monetary or non-monetary assistance. The selection of product is first and foremost. Tradition Wealth's due diligence of a product does not take into consideration any assistance it may receive. Therefore, this conflict of interest is mitigated as these services benefit you and Tradition Wealth.

Concourse offers incentives to attend certain conferences based on achieving production thresholds. There is no requirement to sell a certain product or amount of a specific product. Qualification for trips and conferences is based on overall production and meeting the production levels determined by Concourse. If the thresholds are satisfied, Concourse can cover certain travel and conference costs. This is considered a conflict of interest to direct business to Concourse. To mitigate this conflict of interest, the client's best interest is always placed first and disclosure has been provided to you.

### **Advisory Firm Payments for Client Referrals**

Tradition Wealth may enter into arrangements with individuals ("Promoter") whereby the Promoter will refer clients who may be a candidate for investment advisory services offered by Tradition Wealth. Depending on whether the Promoter is or is not a client of Tradition Wealth, the solicitation activity will either be deemed a



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testimonial or an endorsement under the SEC's Investment Adviser Marketing Rule. In return, Tradition Wealth may compensate the Promoter for the testimonial or endorsement. Compensation to the Promoter is dependent on the client entering into an advisory agreement with Tradition Wealth for advisory services. Compensation to Promoter will be an agreed upon percentage of Tradition Wealth's advisory fee. Tradition Wealth's referral program is in compliance with the federal regulations as set out in 17 CFR section 275.206(4)-1. The Promoter's fee is paid pursuant to a written agreement retained by both Tradition Wealth and the Promoter. The Promoter will be required to disclose to the client clearly and prominently, if the Promoter is a current client of Tradition Wealth, if cash or non-cash compensation was provided for the testimonial or endorsement, and a brief statement of any material conflicts of interest on the part of the Promoter at the time of dissemination of the testimonial or endorsement. Promoter is not permitted to offer clients any investment advice on behalf of Tradition Wealth. Clients' advisory fee will not be increased as a result of compensation being shared with Promoter.

Tradition Wealth pays Tradition Capital Bank 20% of any advisory fee collected from clients referred from the bank locations.

Clients are advised their Advisory Representative has an invested interest in the advisory fee paid by the client to Tradition Wealth in that a portion of the advisory fee collected by Tradition Wealth will be paid to the Advisory Representative as compensation for services. Further, Advisory Representative's compensation paid by Tradition Wealth may be based on the amount of assets the Advisory Representative has under management and/or the overall production of the Advisory Representative (i.e. revenue generated from commissionable products such as insurance and securities products on a commission basis and advisory fees collected by Tradition Wealth).

### **Item 15 – CUSTODY**

Custody, as it applies to investment advisors, has been defined by regulators as having access 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 advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

Under the Custody Rule, we are deemed to have custody of your assets if, for example, you authorize us to instruct your account custodian to deduct our advisory fees directly from your account or if you grant us authority to move your money to another third-party account. For accounts in which Tradition Wealth is deemed to have custody, the firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. In addition, Tradition Wealth has established procedures to ensure clients instruct the custodian in writing any instructions to wire or transfer funds to a third-party account. Since Tradition Wealth uses a Standing Letter of Authorization (SLOA) to disburse funds to third-party accounts, we are deemed to have custody. However, we have procedures in place to follow the seven conditions stipulated by the SEC and will not be subject to the independent audit verification rule. Your account custodian maintains actual custody of your assets. You will receive account statements directly from your account custodian at least quarterly. They will be sent to the email or postal mailing address you provided. You should carefully review those statements promptly when you receive them.

### **Item 16 - INVESTMENT DISCRETION**

You may grant Tradition Wealth authorization to manage your account on a discretionary basis. Discretionary authority will give Tradition Wealth the authority to buy, sell, exchange, convert securities in your managed accounts. You will grant such authority to Tradition Wealth by execution of the advisory agreement. You may terminate discretionary authorization at any time upon receipt of written notice by Tradition Wealth.

Additionally, you are advised that:

1. You may set parameters with respect to when account should be rebalanced and set trading restrictions or limitations;
2. Your written consent is required to establish any mutual fund, variable annuity, or brokerage account;
3. Tradition Wealth requires the use of the broker/dealer with which your Advisory Representative is registered for sales in commissionable mutual funds or variable annuities, if you elect to implement recommendations through your Advisory Representative;
4. With the exception of deduction of Tradition Wealth's advisory fees from the account, if you have authorized automatic deductions, Tradition Wealth will not have the ability to withdraw your funds or securities from the account.
5. You may have standing letters of authorization (SLOAs) on file with the custodian. Tradition Wealth upon your request may amend the amount. However, changes to the location of distribution or the recipient must be amended by you by completion of a new SLOA.

### **Item 17 - VOTING CLIENT SECURITIES**

Tradition Wealth does not vote your securities. Unless you suppress proxies, securities proxies will be sent directly to you by the account custodian or transfer agent. You may contact Tradition Wealth about questions you may have an opinion on how to vote the proxies. If a conflict of interest exists, it will be disclosed. However, the voting and how you vote the proxies is solely your decision.

### **Item 18 - FINANCIAL INFORMATION**

Tradition Wealth does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered. As stated above, Tradition Wealth has discretionary authority over client accounts; however, that authority does not extend to the withdrawal of any client assets, with the exception of deduction of Tradition Wealth's advisory fees from your accounts.

Tradition Wealth is financially stable. There is no financial condition that is likely to impair our ability to meet our contract actual commitment to you or any other client.

Neither Tradition Wealth nor any of its Advisory Representatives has ever been the subject of a bankruptcy petition.

**Item 19 - REQUIREMENTS FOR STATE REGISTERED ADVISERS**

This section is not applicable to Tradition Wealth. Tradition Wealth is not state registered. Tradition Wealth is registered with the Securities and Exchange Commission.