

**Item 1 – Cover Page**

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March 22, 2023

This Brochure provides information about the qualifications and business practices of Andrews, Lucia Wealth Management LLC (“ALWM”). If you have any questions about the contents of this Brochure, please contact us at (925) 837-8355. 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.

ALWM is a registered investment advisor. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information about which you determine to hire or retain an Advisor.

Additional information about ALWM also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for ALWM is 130931.

## Item 2 – Material Changes

This Item of the Brochure will discuss only specific material changes that are made to the Brochure since the last annual update and provide clients with a summary of such changes. The last annual update of our Brochure was March 22, 2022.

There were no material changes made to our current Brochure.

Additionally, please note that we have updated the Assets Under Management information in Item 4 in accordance with the filing of our Annual Updating Amendment on March 22, 2023.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our Brochure may be requested by contacting Robert J. Lucia, Managing Member & Chief Compliance Officer at (925) 837-8355.

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

(Brochure Date: 03/22/2023)

(Date of Most Recent Annual Updating Amendment: 03/22/2023)

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## **Item 4 – Advisory Business**

ALWM is owned by Robert J. Lucia and ALWM has been providing advisory services since 2004.

As of December 31, 2022, ALWM managed \$387,616,632 on a discretionary basis and \$0 on a nondiscretionary basis.

### **Investment Management Services:**

ALWM manages investment portfolios for individuals, qualified retirement plans, trusts and small businesses. ALWM will work with a client to determine the client's investment objectives and investor risk profile, and will design a written investment policy statement. ALWM uses investment and portfolio allocation software to evaluate alternative portfolio designs. ALWM evaluates the client's existing investments with respect to the client's investment policy statement. ALWM works with new clients to develop a plan to transition from the client's existing portfolio to the portfolio recommended by ALWM. ALWM will then continuously monitor the client's portfolio holdings and the overall asset allocation strategy and hold review meetings with the client regarding the account as necessary.

ALWM will typically create a portfolio of no-load mutual funds, and may use model portfolios if the models match the client's investment policy. ALWM will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. ALWM primarily recommends portfolios consisting of passively managed asset class and index mutual funds. ALWM primarily recommends mutual funds offered by Dimensional Fund Advisors (DFA). DFA sponsored mutual funds follow a passive asset class investment philosophy with low holdings turnover. Client portfolios may also include some individual equity securities in situations where disposition of these securities would present an overriding tax implication, or the client specifically requests they be retained for a personal reason.

ALWM manages portfolios on a discretionary basis. A client may impose any reasonable restrictions on ALWM's discretionary authority, including restrictions on the types of securities in which ALWM may invest client's assets and on specific securities, which the client may believe to be appropriate.

ALWM may also recommend fixed income portfolios to investment management clients, which consist of managed accounts of individual bonds. ALWM will request discretionary authority from investment management clients to manage fixed income portfolios, including the discretion to retain a third-party fixed income manager. ALWM will prepare a

Fixed Income Investment Policy Statement for any client qualifying for separate fixed income portfolio services.

Pursuant to its discretionary authority, ALWM will retain a fixed income securities manager. The fixed income securities manager will be provided with the discretionary authority to invest client assets in fixed income securities consistent with the client's Fixed Income Investment Policy Statement. The manager will also monitor the account for changes in credit ratings, security call provisions, and tax loss harvesting opportunities (to the extent that the manager is provided with cost basis information). The manager will obtain ALWM's consent prior to the sale of any client securities.

On an ongoing basis, ALWM will answer clients' inquiries regarding their accounts and review periodically with clients the performance of their accounts. ALWM will periodically, and at least annually, review clients' investment policy, risk profile and discuss the re-balancing of each client's accounts to the extent appropriate. ALWM will provide to investment manager any updated client financial information or account restrictions necessary for investment manager to provide sub-advisory services.

In addition to managing the client's investment portfolio, ALWM may consult with clients on various financial areas including income and estate tax planning, business sale structures, college financial planning, retirement planning, insurance analysis, personal cash flow analysis, establishment and design of retirement plans and trust designs, among other things.

#### **Employee Benefit Retirement Plan Services:**

ALWM also provides advisory services to participant-directed retirement plans through third party administration services, which are online bundled service providers offering an opportunity for plan sponsors to provide their participants with daily account access, valuation, and investment education.

ALWM will analyze the plan's current investment platform, and assist the plan in creating an investment policy statement defining the types of investments to be offered and the restrictions that may be imposed. ALWM will recommend investment options to achieve the plan's objectives, provide participant education meetings, and monitor the performance of the plan's investment vehicles.

ALWM will recommend changes in the plan's investment vehicles as may be appropriate from time to time. ALWM generally will review the plan's investment vehicles and investment policy as necessary.

For certain retirement plans, ALWM also works in coordination and support with Buckingham Strategic Partners, LLC. Retirement plan clients will engage both ALWM and Buckingham Strategic Partners, LLC. Buckingham Strategic Partners, LLC will provide to the client additional discretionary investment management services and will exercise discretionary authority to select the plan investments made available to the plans' participants by selecting and maintain the plans' investments according to the goals and investment objectives of the plan.

ALWM will continue to work with plans to monitor plan investments, provide fiduciary plan advice including regular considerations of the goals and objectives of the plan, and provide participant education services to the plan.

## **Item 5 – Fees and Compensation**

In certain circumstances, all fees, account minimums and their applications to family circumstances may be negotiable.

ALWM has contracted with Buckingham Strategic Partners, LLC, for services including trade processing, collection of management fees, record maintenance, report preparation, marketing assistance, and research. ALWM has also contracted with Buckingham Strategic Partners, LLC for sub-advisory services with respect to clients' fixed income accounts. ALWM pays a fee for Buckingham Strategic Partners, LLC services based on management fees paid to ALWM on accounts which use Buckingham Strategic Partners, LLC. The fee paid by ALWM to Buckingham Strategic Partners, LLC consists of a portion of the fee paid by clients to ALWM and varies based on the total client assets participating in Buckingham Strategic Partners, LLC through ALWM. These fees are not separately charged to advisory clients.

The specific manner in which fees are charged by ALWM is established in a client's written agreement with ALWM. Generally, Investment Management clients will be invoiced in advance at the beginning of each calendar quarter based upon the value (market value based on independent third party sources or fair market value in the absence of market value; client account balances on which ALWM calculates fees may vary from account custodial statements based on independent valuations and other accounting variances, including mechanisms for including accrued interest in account statements) of the client's account at the end of the previous quarter. New accounts are charged a prorated fee for the remainder of the quarter in which the account is incepted (date of first trade or date assets transferred in).

For Investment Management and Employee Benefit Retirement Plan Services, ALWM will request authority from the client to receive quarterly payments directly from the client's account held by an independent custodian. Clients may provide written limited authorization to ALWM or its designated service provider, Buckingham Strategic Partners, LLC, to withdraw fees from the account. Clients will receive custodial statements showing the advisory fees debited from their account(s). Certain third-party administrators will calculate and debit ALWM's fee and remit such fee to ALWM.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account at any time after the required 30-day notice, any prepaid, unearned fees will be promptly refunded. ALWM will request authority from the client to receive quarterly payments directly from the client's account held by an independent custodian. Clients may provide written limited authorization to ALWM or its designated service provider, Buckingham Strategic Partners, LLC, to withdraw fees from the account. ALWM will send to the client an invoice showing the amount of the fee, the value of the client's assets on which the fee was based, and the specific manner in which the fee was calculated. Clients should verify the accuracy of the fee calculations in such invoices. Client custodians will send at least quarterly statements directly to the client. Custodial statements will only show the amount of the advisory fee.

ALWM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. These fees will generally include a management fee and other fund expenses. All fees paid to ALWM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders.

Such charges, fees and commissions are exclusive of and in addition to ALWM's fee, and ALWM shall not receive any portion of these commissions, fees, and costs.

## **Advisory Fees**

The annual fee for investment management services will be charged as a percentage of total assets under management, according to the schedule below:

<b>Assets under management</b>	<b>Annual Fee (%)</b>
Up to \$499,999	1.25%
\$500,000 - \$999,999	1.00%
\$1,000,000 - \$1,999,999	0.90%
\$2,000,000 - \$2,999,999	0.80%
\$3,000,000 - \$4,999,999	0.70%
\$5,000,000 - \$9,999,999	0.60%
\$10,000,000 - \$14,999,999	0.50%
\$15,000,000 or greater	0.40%

All accounts for members of the client's family (husband, wife and dependent children) or related businesses may be assessed fees based on the total balance of all accounts.

### **Employee Benefit Retirement Plan Services:**

The annual fee for plan services will be charged as a percentage of assets within the plan. Certain pre-existing employee benefit plan services clients may be on a different fee schedule.

Assets Under Management	Buckingham Strategic Partners, LLC's Annual Fee	ALWM's Annual Fee	Total Fee
On the first \$1,000,000	0.20%	0.70%	0.90%
On the next \$4,000,000	0.15%	0.45%	0.60%
On the next \$5,000,000	0.08%	0.25%	0.33%
On all amounts above \$10,000,000	0.05%	0.15%	0.20%

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

ALWM does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). All fees are calculated as described



above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

## **Item 7 – Types of Clients**

ALWM provides services to individuals (including high net worth individuals), qualified retirement plans, trusts and small businesses.

A minimum of \$400,000 of assets under management is generally required for management services of portfolios of individual fixed income securities. This minimum account size may be negotiable under certain circumstances.

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

### *Methods of Analysis and Investment Strategy*

ALWM's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. ALWM's investment approach is firmly rooted in the belief that markets are "efficient" over periods of time and that investors' long-term returns are determined principally by asset allocation decisions, rather than market timing or stock picking. ALWM recommends diversified portfolios, principally through the use of passively managed, asset class mutual funds. ALWM selects or recommends to clients portfolios of securities, principally broadly-traded open end mutual funds or conservative fixed income securities to implement this investment strategy.

Although all investments involve risk, ALWM's investment advice seeks to limit risk through broad diversification among asset classes and, as appropriate for particular clients the investment directly in conservative fixed income securities to represent the fixed income class. ALWM's investment philosophy is designed for investors who desire a buy and hold strategy. Frequent trading of securities increases brokerage and other transaction costs that ALWM's strategy seeks to minimize.

In the implementation of investment plans, ALWM therefore primarily uses mutual funds and, as appropriate, portfolios of conservative fixed income securities. ALWM may also utilize Exchange Traded Funds (ETFs) to represent a market sector.

Clients may hold or retain other types of assets as well, and ALWM may offer advice regarding those various assets as part of its services. Advice regarding such assets will

generally not involve asset management services but may help to more generally assist the client.

ALWM's strategies do not utilize securities that we believe would be classified as having any unusual risks, and we do not recommend frequent trading, which can increase brokerage and other costs and taxes.

ALWM receives supporting research from Buckingham Strategic Partners, LLC and from other consultants, including economists affiliated with Dimensional Fund Advisors ("DFA"). ALWM utilizes DFA mutual funds in client portfolios. DFA mutual funds follow a passive asset class investment philosophy with low holdings turnover. DFA provides historical market analysis, risk/return analysis, and continuing education to ALWM.

#### *Analysis of a Client's Financial Situation*

In the development of investment plans for clients, including the recommendation of an appropriate asset allocation, ALWM relies on an analysis of the client's financial objectives, current and estimated future resources, and tolerance for risk. To derive a recommended asset allocation, ALWM may use a Monte Carlo simulation, a standard statistical approach for dealing with uncertainty. As with any other methods used to make projections into the future, there are several risks associated with this method, which may result in the client not being able to achieve their financial goals. They include:

- The risk that expected future cash flows will not match those used in the analysis
- The risk that future rates of return will fall short of the estimates used in the simulation
- The risk that inflation will exceed the estimates used in the simulation
- For taxable clients, the risk that tax rates will be higher than was assumed in the analysis

#### *Risk of Loss*

**Investing in securities involves risk of loss that clients should be prepared to bear.**

All investments present the risk of loss of principal – the risk that the value of securities (mutual funds, ETFs and individual bonds), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and ETFs utilized by ALWM may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds used in ALWM's investment strategies funds are the U.S. and International small capitalization and small capitalization value funds, emerging markets funds, and commodity futures funds. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected Securities or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds utilized by ALWM may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

More information about the risks of any particular market sector can be reviewed in representative mutual fund prospectuses managing assets within each applicable sector.

## **Item 9 – Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of ALWM or the integrity of ALWM's management. ALWM has no information applicable to this Item.

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

### Affiliated Accounting Firm

The Managing Member of ALWM is also a partner of the accounting firm, Andrews Lucia & Company, LLP.

Andrews Lucia & Company, LLP (hereinafter "AL&Co") may recommend ALWM to accounting clients in need of advisory services. ALWM may recommend AL&Co to advisory clients in need of accounting services. Accounting services provided by AL&Co are separate and distinct from the advisory services of ALWM, and are provided for separate and typical compensation. There are no referral fee arrangements between ALWM and AL&Co for

these recommendations. No ALWM client is obligated to use AL&Co for any accounting services.

#### Buckingham Strategic Partners, LLC

As described above in Item 4, ALWM may exercise discretionary authority provided by a client to select an independent third-party investment manager for the management of portfolios of individual fixed income securities. ALWM selects Buckingham Strategic Partners, LLC for such fixed income management. ALWM also contracts with Buckingham Strategic Partners, LLC for back-office services and assistance with portfolio modeling. ALWM has a fiduciary duty to select qualified and appropriate managers in the client's best interest, and believes that Buckingham Strategic Partners, LLC effectively provides both the back-office services that assist with its overall investment advisory practice and fixed income portfolio management services. The management of ALWM continuously makes this assessment. While ALWM has a contract with Buckingham Strategic Partners, LLC governing a time period for back-office services, ALWM has no such fixed commitment to the selection of Buckingham Strategic Partners, LLC for fixed income management services and may select another investment manager for clients upon reasonable notice to Buckingham Strategic Partners, LLC.

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

ALWM has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. ALWM's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth ALWM's practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with ALWM may buy or sell securities for their personal accounts identical or different than those recommended to clients. It is the expressed policy of ALWM that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, ALWM requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the firm's principal. ALWM also requires such access persons to receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

ALWM's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. ALWM requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

ALWM will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

It is ALWM's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. ALWM will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated private fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

ALWM arranges for the execution of securities transactions with the assistance of Buckingham Strategic Partners, LLC. Through Buckingham Strategic Partners, LLC, ALWM participates in the Schwab Advisor Services (SAS) services program offered to independent investment advisors by Charles Schwab & Company, Inc. member FINRA/SIPC, and the Fidelity Institutional Wealth Services (FIWS) program offered to independent investment advisors, sponsored by Fidelity Brokerage Services, LLC ("Fidelity"), member FINRA/SIPC. Schwab and Fidelity are independent SEC-registered broker dealers and FINRA member broker dealers.

The Schwab and Fidelity brokerage programs will generally be recommended to advisory clients for the execution of mutual fund and equity securities transactions. ALWM will also purchase individual fixed income securities and implement cash management services through these directed brokers. ALWM regularly reviews these programs to ensure that its recommendations are consistent with its fiduciary duty. These trading platforms are essential to ALWM's service arrangements and capabilities, and ALWM may not accept

clients who direct the use of other brokers. As part of these programs, ALWM receives benefits that it would not receive if it did not offer investment advice (See the disclosure under Item 14 of this Brochure).

As ALWM will not request the discretionary authority to determine the broker dealer to be used or the commission rates to be paid for securities transactions, clients must direct ALWM as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that ALWM will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. Not all investment advisors require clients to direct the use of specific brokers.

Other than through Schwab and Fidelity, ALWM will not exercise authority to arrange client transactions in fixed income securities. Clients will provide this authority to a fixed income manager retained by ALWM on client's behalf by designating the portfolio manager with trading authority over client's brokerage account. Clients will be provided with the Disclosure Brochure (Form ADV Part 2) of portfolio manager.

SAS and FIWS do not generally charge clients a custody fee and are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the broker or that settle into the clients' accounts at the brokers. Trading client accounts through other brokers may result in fees (including mark-ups and mark-downs) being charged by the custodial broker and an additional broker. While ALWM will not arrange transactions through other brokers, the authority of the fixed income portfolio manager includes the ability to trade client fixed income assets through other brokers.

ALWM does not maintain any client trade error gains. ALWM makes clients whole with respect to trade error losses incurred by client caused by ALWM.

ALWM also does not have any arrangements to compensate any broker dealer for client referrals.

ALWM generally does not aggregate any client transactions in mutual fund or other securities. Client accounts are individually reviewed and managed, and transaction costs are not saved by aggregating orders in almost all circumstances in which ALWM arranges transactions. Buckingham Strategic Partners, LLC, in the management of fixed income portfolios, will aggregate certain transactions among client accounts that it manages, in which case ALWM client's orders may be aggregated with an order for another client of

Buckingham Strategic Partners, LLC who is not an ALWM client. See Buckingham Strategic Partners, LLC Form ADV Part 2.

### **Employee Benefit Retirement Plan Services:**

ALWM does not typically arrange for the execution of securities transactions for participant-directed 401k plans as a part of this service. Transactions are executed directly through employee plan participation. ALWM may, however, arrange for execution of securities transactions for certain plans that use Fidelity or Schwab as custodian.

## **Item 13 – Review of Accounts**

**Reviews:** Account assets are supervised continuously and formally reviewed semi-annually by Managing Member, Robert Lucia or Investment Adviser Representative, Scott Lucia. The review process contains each of the following elements:

- a. assessing client goals and objectives;
- b. evaluating the employed strategy(ies);
- c. monitoring the portfolio(s); and
- d. addressing the need to rebalance.

Additional account reviews may be triggered by any of the following events:

- a. a specific client request;
- b. a change in client goals and objectives;
- c. an imbalance in a portfolio asset allocation; and
- d. market/economic conditions.

For fixed income portfolios, certain account review responsibilities are delegated to a third-party investment manager as described above in Item 4.

### **Employee Benefit Retirement Plan Services:**

Retirement plan assets are reviewed no more than quarterly, and according to the standards and situations described above for investment management accounts.

## **Reports:**

### **Investment Management Services:**

All clients will receive quarterly performance reports, prepared by Buckingham Strategic Partners, LLC and reviewed by ALWM, that summarize the client's account and asset allocation. Clients will also receive monthly statements from their account custodian, which will outline the client's current positions and current market value.

### **Employee Benefit Retirement Plan Services:**

Plan sponsors are provided with quarterly information and annual performance reviews from ALWM. In addition, plan participant education information may also be provided to the Plan Sponsor or Administrator for distribution to the participants of the plan.

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

### **Client Referrals**

ALWM does not compensate, either directly or indirectly, any person (defined as a natural person or a company) for client referrals.

### **Other Compensation**

As indicated under the disclosure for Item 12, SAS and FIWS each respectively provide ALWM with access to services not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis at no charge to the advisors.

These services benefit ALWM but may not benefit its clients' accounts. Many of the products and services assist ALWM in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of ALWM's fees from its clients' 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 ALWM's accounts. Recommended brokers also make available to ALWM other services intended to help ALWM manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information



technology, business succession, regulatory compliance, and marketing. ALWM does not, however, enter into any commitments with the brokers for transaction levels in exchange for any services or products from brokers. While as a fiduciary, ALWM endeavors to act in its clients' best interests, ALWM's requirement that clients maintain their assets in accounts at Schwab or Fidelity may be based in part on the benefit to ALWM of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the brokers, which may create a potential conflict of interest.

ALWM also receives software from DFA, which ALWM utilizes in forming asset allocation strategies and producing performance reports. DFA also provides continuing education for ALWM personnel. These services are designed to assist ALWM plan and design its services for business growth.

## **Item 15 – Custody**

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. ALWM urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

ALWM usually receives, pursuant to an investment advisory contract, discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. For fixed income securities, this authority will include the discretion to retain a third-party money manager for fixed income accounts. Any limitations on this discretionary authority shall be provided in writing. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

When selecting securities and determining amounts, ALWM observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to ALWM in writing.

## **Item 17 – Voting *Client* Securities**

Proxy Voting: As a matter of firm policy and practice, ALWM does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive applicable proxies directly from the issuer of securities held in clients' investment portfolios. ALWM may provide advice to clients regarding the clients' voting of proxies.

Class Actions, Bankruptcies and Other Legal Proceedings: Clients should note that ALWM will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct ALWM to transmit copies of class action notices to the client or a third party. Upon such direction, ALWM will make commercially reasonable efforts to forward such notices in a timely manner.

## **Item 18 – Financial Information**

Registered investment advisors are required in this Item to provide you with certain financial information or disclosures about ALWM's financial condition. ALWM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.